Working Group Papers Prepared for the *National Policy Forum on Terrorism, Security and America's Purpose*

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Introduction

To: Working Group Chairs and Members, National Policy Forum on Terrorism, Security and America's Purpose

From: Ted Piccone, Working Group Director

Re: Methodology and Goals for Working Groups, September 6-7

Welcome to the conference! As you can see from the program, we have brought together an impressive collection of experts, political leaders, journalists and policymakers for a major national conference marking the fourth anniversary of the terrorist attacks of September 11. It promises to be an intense and fast-moving two days that will surely enlarge the national debate on America's approach to confronting international terrorism.

The purpose of the conference is to generate ideas and recommendations for a more comprehensive strategy against terrorism. The working groups are the intellectual backbone of the forum and, on behalf of all the conference sponsors, I want to thank each of you for your contributions throughout this process. We hope it will continue in the days and months ahead.

The online discussions have proved to be a dynamic and creative way to challenge assumptions, contest new ideas and build consensus on the main elements of a comprehensive approach to countering terrorism. Under the guidance of our working group chairs, and with the contributions of over 15 paper writers and dozens of our members, we have generated an impressive body of material that will serve as an important legacy of the conference.

A draft summary of each working group's discussion has been prepared by the chairs as the main vehicle for presenting a body of policy recommendations to decision-makers for improving the U.S. response to terrorism.

Let me highlight a few key elements in the program for the next two days:

- Please read and be prepared to comment on the draft summary paper of conclusions and recommendations prepared by your respective working group chair.

- Attached you will find a schedule of the working group sessions to be held consecutively throughout the first day. These meetings are intended to focus specifically on the main points addressed in the chair's summary paper and to identify main areas of agreement and disagreement. Each working group will have a rapporteur to help prepare notes of the discussion.

- Seats at the roundtable in each room are reserved for working group members and conference staff. A second ring of chairs will be available for guests who may observe the discussion in accordance with the following rules:
  - Only working group members will have an opportunity to speak.
  - No more than 20 observers will be seated in the room and they will not be allowed to speak.
  - The working group sessions will be OFF THE RECORD.
  - We will also inform conference participants that, once seated, they must stay for the entire session, and the doors will be closed five minutes after the session begins.

On Wednesday morning, the chairs will present their summary report of conclusions and recommendations to the plenary session. In addition, the leaders of the Partnership for a Secure America, which is dedicated to bipartisan solutions to the major national security challenges we face, will present a statement of principles to guide the development of a bipartisan strategy against terrorism.

Later this fall, a final report summarizing the conference proceedings will be produced in cooperation with the New York University Center for Law and Security. In addition, a book-length version of the conference papers and other key documents from the conference will be prepared by the Center for publication by Cambridge University Press in 2006.

Please feel free to contact the Working Group team if you have any questions and we will do our best to address them in a timely manner. Marie Horrigan, Coordinator of the Working Groups, will remain your primary point of contact. Many thanks, again, for your participation in this important event.

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SCHEDULE FOR WORKING GROUP MEMBERS

If you have any questions or concerns regarding the working group process, please contact the working group coordinator, Marie Horrigan:

Phone 202-251-9280, email mhorrigan@demcoalition.org.

There is also an information desk for working group members, which is located between rooms Ohio and Massachusetts. It will be staffed throughout the conference.

TUESDAY, SEP 6

You are expected to attend the meeting of the working group of which you are a member. Be advised that all sessions will start on time, and that doors will be closed five minutes into the session.

09:15 a.m. (-10:45) **WORKING GROUP BREAKOUT SESSION: UNDERLYING CAUSES**
ROOM: MASSACHUSETTS
CHAIR: LOUISE RICHARDSON

11:00 a.m. (-12:15) **WORKING GROUP BREAKOUT SESSION: HOMELAND SECURITY**
ROOM: OHIO
CHAIR: SUZANNE SPAULDING

02:00 p.m. (-3:30) **WORKING GROUP BREAKOUT SESSION: CONFRONTING TERRORISM**
ROOM: MASSACHUSETTS
CHAIR: ROBERT HUTCHINGS

03:45 p.m. (-5:15) **WORKING GROUP BREAKOUT SESSION: SPREADING DEMOCRACY**
ROOM: OHIO
CHAIR: MICHAEL MCFAUL

05:00 p.m. (-6:30) **WORKING GROUP BREAKOUT SESSION: AMERICA'S GRAND STRATEGY**
ROOM: MASSACHUSETTS
CHAIR: CHARLES KUPCHAN

WEDNESDAY, SEP 7

11:45 a.m. **REPORT FROM FIVE EXPERT WORKING GROUPS:**
NEW THINKING ON COMPREHENSIVE STRATEGIES TO CONFRONT TERRORISM
MODERATOR: TED PICCONE, DEMOCRACY COALITION PROJECT

Working Group on Underlying Causes of Terrorism:

Principles and Recommendations – DRAFT

By Louise Richardson
Executive Dean, Radcliffe Institute for Advanced Study

Executive Summary: Working Group on Underlying Causes

Analysis

The work of the group was based on a number of assumptions:

- While there is no single, discrete cause of terrorism, understanding its underlying causes is an important element in fighting it more effectively.
- An examination of underlying factors does not imply sympathy for terrorism.
- Nor is addressing legitimate grievances evidence of weakness.

There was agreement that terrorism is a diverse and – often – diffuse phenomenon, which requires explanations at different levels of analysis. While it is possible to reduce terrorism, it cannot be eliminated altogether. Our response should be long-term, multi-faceted, and well-coordinated. An exclusive reliance on military force tends to radicalize moderates and mobilize one's opponents.

The group reached no definitive conclusions about the reasons for the current resentment of the United States (is it for 'what we do' or 'who we are'?); the relationship between poverty, inequality and terrorism; the extent to which democracy should be seen as an antidote to terrorism; and the role of religion (as opposed to politics) as a 'cause' of terrorism.

Recommendations

Generally, the group believes that government policy should aim to contain the spread of Islamic militancy, protect those susceptible to it, and remedy the key factors that foster it. The key audience for our strategies are the communities from which they derive support; and we should therefore aim to strengthen and facilitate the emergence of moderate Muslims. Short-term and long-term policies as well as soft-power and hard-power strategies should be fully integrated and well-coordinated. And we must always gear our policies towards the specific nature of the group that is being countered.

The group put forward a list of recommendations. They include ideas aimed at:

- Marginalizing terrorist leaders and de-legitimizing their actions.
- Engaging moderates and facilitating debate, both between Muslim and non-Muslim communities, but also within Muslim communities.
- Promoting education, especially through civic education campaigns and reforming education systems in places like Pakistan.
- Addressing legitimate grievances, such as making new efforts to resolve protracted local conflicts (for example, the Arab-Israeli dispute), but also by reducing the gap between rhetoric and reality in our foreign policy.
- Enhancing strategic communication, including measures to undermine and de-legitimize terrorist organizations and their leaders; win the support of local communities; convey and explain the policies of the United States (public diplomacy).

Preface

The members of this working group have had a vigorous, occasionally heated, and always productive on-line discussion over the past couple of months on the root causes of terrorism. Given the range of academic disciplines, professions, national backgrounds and political perspectives of this diverse group it should come as no surprise that a broad consensus did not emerge on all issues.

There was a general recognition of the difficulties of discussing an issue in terms of root causes because of the implication that if one could only identify the cause and address it, then one might solve the problem. The members of this group were unanimous in the view that there is no single discrete "cause" of terrorism. That said, they rejected the view that an examination of causes implied any degree of sympathy with terrorism. They also rejected the view that to address grievances exploited by terrorist leaders is to reward terrorism. While understanding the desire to respond immediately to the symptoms of terrorism most, if not all, members of the group would counsel a sustained effort to investigate further the underlying causes that have precipitated outbreaks of terrorism in various parts of the world.

I will divide this summary into three parts covering Areas of Agreement, Areas of Disagreement and Policy Recommendations.

Areas of Agreement

Members of this working group were unanimous in the view that terrorism is a complicated phenomenon that occurs in many parts of the world and that is adopted by many different types of groups in pursuit of a variety of different objectives.

There are causes of terrorism to be found on many different levels of analysis, at the level of the individual, the organization and the movement, as well as at the level of religion, culture and the socio-economic conditions in society.

Terrorist groups differ from one another in important ways. They differ in the nature of their ideology, in the specificity of their political objectives, in their relationship to religion and in the trajectory of their violence. Most groups, for example, have started locally and gone global, whereas recently perceived global conflicts appear to have inspired local groups to terrorism.

Many working group members argued that a military response was not the most efficacious response to terrorism. Many argued that a military response serves to radicalize moderates and mobilize opponents. Some went so far as to point to the war in Iraq as a cause of terrorism, given that the war has clearly served to win recruits to terrorist movements.

A successful response to terrorism will take time, decades rather then months or years, and will need to be multi-faceted and well coordinated.

Members of this working group believe that the goal of eradicating the resort to terrorism is not realistic, instead, we should focus our ambitions on attempting to reduce the adoption of terrorist means.

Areas of Disagreement

There were disagreements among the group on four central issues pertaining to the causes and responses to terrorism: 1) On the reasons for widespread resentment of the US. 2) On the relationship between poverty, inequality and terrorism 3) on democracy as the antidote to terrorism and, most vigorously 4) On the role of religion vs. politics as a fundamental cause of terrorism.

Most members of the working group argued that the widespread resentment of the US in many parts of the world is due to the policies of the US government, specifically the deployment of troops in Saudi Arabia, support for Israel against the Palestinians, support for authoritarian regimes like Saudi Arabia and Egypt, the invasion of Iraq, and so on. Others argued that the resentment of the US is not because of "what we do" but because of "what we are", namely powerful, successful, and with a culture that advocates issues like the equality of women that are anathema to many others.

The debate on the relationship between democracy has swung from a widespread assumption that there must be a strong link between poverty and terrorism to the view expressed in the supporting paper by Peter Bergen that there is no link, as evidenced by the evident wealth of many members of Al-Qaeda and the absence of terrorism in places of abject poverty like sub-Saharan Africa. Many members of the group point to the need for a more sophisticated understanding of the relationship between economic inequality, relative deprivation and underemployment to the adoption of terrorism.

Several members of the group believe that the introduction of democracy into countries currently hobbled with terrorism will undermine terrorism by:

a) providing a political outlet for the expression of dissent

b) giving opponents a stake in the system and

c) undermining support for terrorism by advancing the interests of those who passively support terrorism.

Others point to the fact that:

a) authoritarian regimes in the Middle East like Saudi Egypt have been altogether more successful in repressing terrorism than democratic ones, like Turkey and

b) there is nothing to indicate that if an Islamist group were to acquire power in a democratic system that they would retain the democracy or be friendly to the West, as Iran and Sudan can attest.

The question of whether the factors driving terrorists were fundamentally political or religious was debated vigorously. The issue has real impact on policy recommendations as the assumption is that if the motivations are political then the group may be willing to negotiate and hence compromise is possible. Whereas if a group is fundamentally religious than neither negotiation nor compromise is possible. A good deal of evidence derived from the statements and actions of Islamist groups was adduced on both sides of this argument.

The background paper submitted by Mark Juergensmeyer provides a very constructive way out of this impasse. Rather than assume a position on either side of this debate he instead elaborates on what religion brings to violent conflict. He argues that

a) Religion personalizes the conflict. It provides personal rewards like religious merit, redemption and the promise of heavenly luxuries to those whose struggle would otherwise have only social benefits.

b) Religion provides vehicles of social mobilization, that embrace supporters who would not otherwise be mobilized around social and political issues

c) Religion provides an organizational network of local churches, mosques, temples and religious associations

d) Religion provides justification for violence that challenges the state's monopoly on morally sanctioned killing.

e) Religion provides the image of cosmic war that provides an all-encompassing world view to the group and a role to the individual of a religious soldier. It serves to "absolutize" the conflict and thereby demonize the opponent, and hold out the promise of total victory through divine intervention.

Whether or not religion can be seen as a "cause" of terrorism, therefore, there is not doubt that religion make a terrorist conflict more intractable and more dangerous.

Recommendations

Three Guiding Principals for US counter-terrorist policy:

1) Short term policies must be fully integrated with long term objectives.

2) Soft power must be used in conjunction with, and integrated with, hard power

3) The key audience for our counter-terrorism policies is not the terrorists themselves but rather the communities from which they derive their support, variously termed the "complicit society" or the "condoners."

Three general points:

- Members of the working group were agreed that a key to the resolution of the problem of the threat of Islamist terrorism lies within the Muslim community. This does not absolve us from responsibility to act and in particular to facilitate the emergence of moderate Muslims leaders.

- Policies and strategies should be geared to the nature of the group being countered. Hierarchically organized groups, for example, will require a different response from decentralized groups.

- The goals of these recommendations are threefold

a) to contain the spread of Islamic militancy

b) to protect those most susceptible to it

c) to remedy the key factors that foster it

Specific Recommendations:

- Engage moderates and strengthen moderate leadership by providing funding for civic education and debate.
- Support education in places like Pakistan as a counterweight to madrassas.
- Understand the roots of resentment towards the US among the broader population of Muslims and engage constructively with their criticisms.
- Encourage political and economic choice.
- Address political and economic grievances.
- Invest heavily in public diplomacy.
- Wage a war of ideas, an ideological counter-offensive with the goal of winning the support of local communities.
- Establish processes to counter extremist leaders.
- Marginalize terrorist leaders and isolate terrorists from their communities.
- De-legitimize the terrorists' leaders and terrorist action.
- Capture terrorist leaders rather than kill them, both to demonstrate commitment to the rule of law and to prevent their acquiring the status of martyr.
- Recognize and reduce the gap between our rhetoric at home and the implementation of our policies on the ground.
- Examine our foreign policy with a view not just to how it serves our immediate interests but how it looks to those on the ground.
- Examine our conduct on the ground, in the streets and in the prisons, to ensure that our behavior is designed to win us supporters, not opponents.
- Withdraw support from governments who do not respect the civil liberties of their citizens or otherwise share our democratic values.
- Address the policy issues that serve to mobilize resentment. (A resolution of the Israeli/ Palestinian issue, for example, would not satisfy the absolutists but it would undermine their support by reducing the reservoir of bitterness among their potential recruits.)
- Penetrate terrorist organizations.
- Disrupt terrorist financing.
- Engage in a "strategic communications program" (Post) that

a) inhibits potential recruits from joining terrorist organizations

b) produces dissent within terrorist groups

c) facilitates exit from terrorist groups

d) reduces support for terrorist group and de-legitimizes its leader

- Examine the role of new media, videos and the internet, in promoting a radical collective identity.
- Help the US public to understand the psychological nature of the war against terrorism to protect against over-reaction.

Working Group on Underlying Causes of Terrorism:

Paper Abstracts

A Discussion of Some of the Underlying Causes of Al Qaeda Terrorism by Peter Bergen, Fellow, New America Foundation

The paper examines the motivations and background of Al Qaeda terrorists. It rejects the idea that terrorists are necessarily poor and educated in Madrassas. On the contrary, they seem to come from prosperous and highly (often Western-) educated backgrounds. What seems to drive Al Qaeda terrorism is a perceived sense of humiliation in combination with the ongoing political stagnation in the Arab world.

The author provides an extensive list of policy prescriptions. This includes recommendations aimed at taking a more consistent stance on promoting reform and democracy across the world, but particularly in the Arab world. A core element would be to make a concerted effort to address 'core grievances', such as the Arab-Israeli and Kashmir conflicts. The author also recommends a tougher rhetorical stance on Bin Laden and his associates, whose activities contradict the teachings of the Koran and should therefore be publicly exposed as hypocritical. Another area in which improvements could be made is that of public diplomacy. Much anti-Western – and in particular anti-American – commentary in the Arab world continues to go unchallenged, and sustained investment into countering this bad publicity (along the lines of Radio Free Europe during the Cold War) would undoubtedly help to rectify some of the worst stereotypes on which people like Bin Laden thrive.

Does Religion Cause Terrorism? by Mark Juergensmeyer, Professor of Sociology, University of California, Berkeley

The paper examines the link between terrorism and religion – is it the problem or the victim? In the author's view, there are several schools of thought regarding this issue. While some argue that religion *does* cause terrorism (with a small number arguing that Islam in particular is a problem), others believe that religion is used (and abused) in the name of political ideologies. A third position – embraced by the author – would be that religion is not the problem, but that some of its properties can be highly problematic. In particular, religion magnifies conflicts because it offers personal and spiritual rewards (such as salvation). It also provides vehicles of social mobilization and organizational networks, which can be utilized in carrying out campaigns of terrorism. Most importantly, though, religion can be said to facilitate terrorist violence because it offers justifications; it absolutizes conflict; it encourages participants to see choices in terms of good and evil; it makes it possible to demonize one's opponents and cast any given conflict in trans-historical terms. Indeed, all this can be summed up in the notion of the so-called 'cosmic war', which provides an all-encompassing world view to those who embrace it.

An Introduction to Iraq's Jihadi Leaders by Nir Rosen, Fellow, New America Foundation

The paper details the structures and personalities involved in the current Iraqi insurgency. The author argues that there is no one Iraqi resistance, insurgency or terror movement, but a multitude of groups which differ in location, motivation and ideology. To resolve the problems with which the Coalition is currently faced, we need to move away from seeing the insurgency in Iraq as a monolithic entity, and begin to understand its many different components. The majority of anti-coalition fighters are part of an

indigenous resistance to the American occupation. They are motivated by factors such as nationalism, religion and a sense of disenfranchisement. In carrying out their operations, they generally avoid civilian targets. Politically, they are susceptible to traditional forms of bargaining and negotiations, and a political accord with them could be reached. The Jihadi movement, on the other hand, is driven by an ideology based on an extremist version of Sunni Islam. From their point of view, Iraq is just another battlefield in the global jihad. Their aim is to engage in a war of Sunni Muslims against Christians, Jews and Shias. The political accommodation of these forces may be far more difficult, if not impossible.

A Discussion of Some of the Underlying Causes of Al Qaeda Terrorism

By Peter Bergen
Fellow, New America Foundation and
Adjunct Professor, Johns Hopkins University's School of Advanced International Studies

Excerpted from: The Evolving Threat from Militant Jihadist Groups; a Discussion of Underlying Causes; Some Thoughts on the Future of Terrorism and Some Policy Recommendations

Thanks to my former student at SAIS, Alec Reynolds, for his valuable help on this paper.

Introduction

Al Qaeda first registered as a threat with the U.S. government in 1996, when the bin Laden unit was established at the CIA. In 1997, bin Laden gave his first television interview and declared war on the West. Within four years, al Qaeda had carried out the bombings of the two U.S. Embassies in Africa, the attack on the USS Cole, and the 9/1l attacks, inflicting more direct damage on the U.S. than the Soviet Union did in the five decades of the Cold War. To a large degree, the threat from al Qaeda materialized quickly and somewhat unpredictably compared to the more conventional threats that the United States has faced, including those from Nazi Germany and the Soviet Union.

Therefore predicting with any specificity the nature of the terrorist threat in thirty or forty years is difficult. However, two important predictions can be made. First, the threat from Islamist terrorism will last a generation, as did previous waves of terrorism, such as the anarchist wave of the late nineteenth century and the leftist wave of the late twentieth century. Second, al Qaeda will likely provide a model and benchmark for as yet unknown groups with different agendas. The apocalyptic Japanese terrorist group, Aum Shinrikyo, which mounted chemical weapon attacks in Tokyo in 1995 can now be seen as a proto al Qaeda organization – tens of millions of dollars in resources, recruitment of the best and the brightest in Japan, operatives around the world from New York to Moscow, and interest in mass casualty attacks. With its organizational structure, communications strategy, financing, and global reach, al Qaeda provides a model for future groups that seek to harness the forces of globalization and the democratization of WMD knowledge to achieve their objectives.

Neither Aum Shinrikyo nor al Qaeda needed state sponsorship to operate, and so we have entered an era where the most deadly terrorist groups will be non-state actors. This makes such groups especially deadly because they do not have "return addresses," and they are not responsive to the carrots and sticks of traditional diplomacy. And paradoxically the very weakness of these groups from a traditional military perspective – they do not control territory or command battalions – makes them more likely to engage in acts of catastrophic terrorism.

Terrorism has been a hallmark of the modern era. The twentieth century dawned with an assassination in Sarajevo in 1914 that unleashed World War I. Future historians will likely see the 9/11 attacks as the beginning of the twenty-first century. Terrorism is with us for the long-term – it is after all a weapon used purposefully and by rational actors to achieve political ends. It is a tactic always available to the attacker, and al Qaeda has shown that motivated and well-organized individuals can use it to harm nation states and re-order global relations. As with nuclear technology, the notion of attacking civilians massed in urban areas cannot be dis-invented. These acts are now in the public consciousness and, in some deep and dark quarters, they are viewed as acceptable acts of war.

Bearing this in mind, it is perhaps useful to consider the underlying causes of jihadist terrorism in order to better understand how to counter this threat in the coming decades. Al Qaeda's political ideology can be summarized as a plan to rid the Muslim world, especially the Middle East, of Western influence in order to institute Taliban-style theocracies across the region. This ideology combines elements of anti-colonialism married to the dream of the return of the Caliphate. Al Qaeda's ideology must be shown to offer no real hope to Muslims searching for a new order and the righting of past

wrongs. Until this political vision is buried, the threat of large-scale Islamist terrorist attacks will remain high.

1. The poverty myth

It is common currency among politicians that poverty incubates future terrorists. George W. Bush told an audience in Mexico in March 2002, for instance, that "we fight against poverty because hope is an answer to terror."[1] A corollary to that view is that a Marshall Plan to the Middle East might alleviate the problem of terrorism, an essentially optimistic view that the human race operates in a manner consistent with optimizing its economic well-being. History does not suggest that this is the case.

The members of al Qaeda are not the dispossessed, but the empowered, more likely to have studied technical subjects, such as medicine and engineering, or had careers in business than to have studied at some dirt-poor madrassa. Bin Laden's top aide is a physician from an upper-class Egyptian family; al Qaeda's chief military adviser graduated from an Egyptian university with a degree in psychology and worked as a computer network specialist in California.[2] Egyptian terrorist Rifia Ahmed Taha, a cosignatory of bin Laden's 1998 declaration of war against Americans, is an accountant.[3] Another top al Qaeda official, Mamdouh Mahmud Salim, studied electrical engineering in Iraq and set up businesses around the Middle East. [4] Bin Laden himself studied economics in college and worked for his family's giant construction business in Saudi Arabia when he was a young man.[5] Lead hijacker, Mohammed Atta, the son of an Egyptian lawyer, earned a PhD in urban planning and preservation in Germany before he embarked on his campaign of urban destruction. Indeed the 9/11 hijackers as a group were scions of the Saudi, Lebanese, and Egyptian middle classes.

Dr. Marc Sageman, a former CIA case officer in Pakistan, who is now a forensic psychiatrist, studied the biographies of 172 al Qaeda members and associates for his 2004 book, Understanding Terror Networks.[6] What Sageman found demolished much of the conventional wisdom about who joins al Qaeda: two-thirds were upper or middle-class and over sixty percent had gone to college; they were generally professionals, often of a scientific or technical bent, and few had attended madrassas.[7] Indeed, several had doctorates. Also these were not young hotheads: their average age was 26, three-quarters were married, and many had children.[8] Only two appeared to have some form of psychosis.[9]

With their middle-class or upper-class backgrounds, the leaders of al Qaeda are not an exception, but the rule among militants who use terrorist methods in the Middle East. According to Claude Berrebi, an Associate Economist at Rand and Princeton PhD, 57 percent of Palestinian suicide bombers have undergone education beyond high school, compared to only 15 percent of their age cohort.[10] And while one-third of the

[1] George W. Bush, "Speech at the United Nations Financing for Development Conference," Monterrey, Mexico: March 22, 2002.
[2] Peter Bergen, *Holy War, Inc*. (New York, New York: Simon & Schuster, 2002), p. 31.
[3] Ibid.
[4] Ibid.
[5] Ibid.
[6] Marc Sageman, *Understanding Terror Networks*, (Philadelphia, Pennsylvania: University of Pennsylvania Press, 2004).
[7] Ibid, p. 73-78
[8] Ibid, p. 92, 79.
[9] Ibid, p. 81.
[10] Claude Berrebi, "Evidence About The Link Between Education, Poverty and Terrorism Among Palestinians" (September 2003). Princeton University Industrial Relations Section Working Paper No. 477.

Palestinian population is poor, only 13 percent of Palestinian suicide bombers come from poor families. Indeed Palestinian polling expert, Kahalil Shikaki, has found that the readiness to conduct suicide operations actually increases the more educated a person is. Princeton's Alan B. Krueger and Jitka Maleckova of Charles University in Prague, in a paper for the National Bureau of Economic Research (NBER), found little evidence for a link between personal poverty and participation in international terrorist movements.[11] Members of the militant wing of Hezbollah killed in action in the 1980s and 1990s were just as likely to be well-educated and to come from well-off families as they were to be poor and uneducated.[12]

In 1999, the Library of Congress issued a study, based on a wide-ranging survey of the available literature, that asked the question "Who Becomes a Terrorist and Why?" It concluded that there were only a few "major exceptions to the middle- and upper-class origins of terrorist groups" and that "terrorists in general have more than average education".[13] This is the case for Islamist terrorists and also for the secular socialist terrorists that plagued Europe in the 1970s, such as the Baader Meinhof group and the Brigatti Rosse. Terrorism, it turns out, is a bourgeois endeavor, and therefore one could conclude that as the world, on average, becomes more prosperous we will see more terrorism, not less in coming decades.

This recent research which demonstrates that terrorism is a middle-class occupation echoes a pioneering study of Egyptian terrorists undertaken by the French academic Gilles Kepel during the mid-1980s.[14] Kepel examined the backgrounds of three hundred Islamist militants who were tried in the wake of the 1981 assassination of Egyptian President Anwar Sadat. Of those who were of working age, 17 percent were professionals, such as engineers and journalists, 24 percent worked as government employees or teachers, 41 percent were artisans or merchants, 9 percent were in the military or police, while only 5 percent were unemployed.[15] Of those who were students, around a one-third were studying in the elite faculties of medicine and engineering.[16]

Moreover, Egypt represents a particularly compelling case of why Marshall Plans to solve terrorism don't make any sense. As a result of the 1979 Camp David Peace Accords, the United States has transferred tens of billions of dollars to Egypt during the past two and half decades. This transfer of aid – which has made Egypt the second largest recipient of American aid after Israel – coincided with the worst period of terrorism in Egypt's history. Not only did Egypt's Islamist terrorists assassinate Sadat, they also killed some 1,200 other people. Egyptian terrorists eventually adopted a ceasefire with the government only because of popular revulsion to their tactics which culminated with the 1997 Luxor massacre in which members of the Islamic Group killed fifty-six tourists.

According to a UN study in 2002, the Arab world has experienced the second-lowest per capita growth of any region in the world, findings that seem to support the thesis that deprivation might be a key cause of terrorism.[17] There's a problem though – sub-Saharan Africa has done even worse in the same period. But while sub-Saharan

[11] Alan B. Krueger and Maleckova, Jitka, "Education, Poverty, Political Violence and Terrorism: Is There a Causal Connection?" (July 2002). NBER Working Paper No. W9074.
[12] Ibid, p. 29.
[13] Rex Hudson, *The Sociology and Psychology of Terrorism: Who Becomes a Terrorist and Why*, (Washington, DC: Federal Research Division, Library of Congress, 1999), p. 41-42.
[14] Gilles Kepel, *Muslim Extremism in Egypt: The Prophet and Pharaoh, (*Berkeley: University of California Press, 1993, c1985).
[15] Ibid, p. 221.
[16] Ibid, p. 220.
[17] *Arab Human Development Report 2002*, (New York, New York: United Nations Development Programme).

Africa has been a site of transnational terrorist activities, like al Qaeda's bombing of the U.S. embassy in Kenya, the region, though violent, has not spawned either its own indigenous terrorist movement or any radical transnational ideology. Like impoverished Afghanistan under the Taliban, poor Sudan was a useful base for the predominantly affluent Saudi and Egyptian leadership of al Qaeda, but no more than a base. Well-organized, well-funded, and well-educated terrorists can take advantage of conditions in failed states, but failed states are not the source of terrorism, but rather staging-areas. As historian Walter Laqueur has noted, "In the forty-nine countries currently designated by the United Nations as the least developed hardly any terrorist activity occurs."[18] And so, while ending poverty is a worthy goal in itself, it has little or nothing with to do with reducing terrorism.

2. The madrassa myth

Related to the unfounded argument that poverty causes terrorism is the widely-held view that religious schools in the Muslim world, known as madrassas, graduate students who become terrorists. For instance, in 2004 then-U.S. Secretary of State Colin Powell denounced madrassas in Pakistan and several other countries as breeding grounds for "fundamentalists and terrorists."[19] While madrassas may breed fundamentalists, who have learned to recite the Koran by rote, such schools do not supply the technical or linguistic skills necessary for effective terrorism.

Indeed, there is little or no evidence that madrassas breed terrorists capable of attacking the West. This is not to say that Wahhabism is not important to the growth and support of al Qaeda, the movement. To be sure, its fundamentalist teachings lay the groundwork for establishing a popular base of support for radicalism. But it bears reminding that millions of Wahhabi Muslims do not want to attack the West and that al Qaeda will continue to find, attract, indoctrinate and train terrorists even if the Saudis redefine their permissive relationship with their more radical clerics.

An examination that I have undertaken of large-scale international terrorist attacks since 1993 shows that, in almost every case, a majority of the terrorists are college-educated, often in technical subjects such as engineering. In the four attacks for which the most complete information is available on educational levels – the World Trade Center in 1993, the U.S. Embassies in Africa in 1998, the 9/11 attacks, and the Bali attacks of 2002 – 53 percent of the terrorists had either a college degree or some tertiary education. This is roughly comparable to the general adult population in the U.S 52% of which has attended college. The first World Trade Center attack was committed entirely by college-educated men, while the 9/11 attack pilots, as well as the secondary planners identified by the 9/11 Commission, all attended western universities, a highly prestigious and elite endeavor for anyone from the Middle East. Indeed, the lead pilot Mohammad Atta had a doctorate in, of all things, urban preservation. Even in the Bali attacks, the only incident in which the terrorists were known to rely largely on madrassa recruits, five college-educated "masterminds" – including two university lecturers – helped shape the plot.

Looking forward, we will have to continue monitoring this trend and determine whether madrassa students are serving as foreign fighters in Iraq.

[18] Walter Laqueur, *No End to War: Terrorism in the Twenty-First Century*, (New York, New York: Continuum International Publishing Group), p. 11.
[19] "Madrassas breeding terrorists, Powell says," *Daily Times*, December 3, 2004.

3. Sense of humiliation

The U.S. national security problem is not fundamentalism per se, but the vexing question about why some individuals turn to violence in God's name. Bin Laden has harnessed the sense of historical injustice – the "humiliation" felt by the Muslim world since the carve-up of the Ottoman Empire by the British and the French. For bin Laden, the Sykes-Picot agreement of 1916 plays the same role that the "stab in the back" Versailles Treaty played for Hitler. On October 7, 2001, on the videotape that flickered across our screens as the war on the Taliban began, bin Laden talked about the humiliation of the Muslim world as the motivation for the war against the U.S.

4. Political stagnation in the Arab world

All around the Middle East a host of authoritarian kleptocracies have held on to power for decades. That has turned many towards Islamism, the beguiling idea that Islam offers a holistic solution to all of society's ills. Meanwhile bin Laden has acquired a mantle of respectability among certain sections of the Muslim world because other Middle Eastern leaders are seen as corrupt and illegitimate. Bin Laden, by contrast, is seen as courageous and incorruptible by a sizable fan base that looks to him to reverse decades of Western domination in the Middle East and other parts of the Muslim world.

Al Qaeda draws many of it recruits from closed societies that are intolerant of dissent. For this reason, it is no coincidence that Saudis and Egyptians play such a key role in the group. If there were more open societies in the Muslim world, which would allow for more political space for the Islamists, al Qaeda's appeal would be reduced

Charles Hill, a former U.S. diplomat, observes in the 2001 book, *The Age of Terror: America and the World after September 11*, that it is the political failures of Arab governments which have incubated the religious terrorists. He writes:

> (There are) variations of a single approach to the political ordering of society . . . . Power is held by a strongman, surrounded by a praetorian guard . . . Those close to political power gain; the weak are disregarded . . . Every regime of the Arab-Islamic world has proved a failure. Not one has proved able to provide its people with realistic hope for a free and prosperous future. The regimes have found no way to respond to their people's frustration other than a combination of internal oppression and propaganda to generate rage against external enemies. Religiously inflamed terrorists take root in such soil. Their threats to the regimes extort facilities and subsidies that increase their strength and influence. The result is a downward spiral of failure, fear and hatred.[20]

Any observer of the Middle East would have to agree that the region has dire problems. Over the past two decades, in certain quarters it was held as a tenet of quasi-theological faith that Western discussions of Middle Eastern problems were inherently biased, flawed, imperialist or even racist. 9/11 destroyed whatever currency that notion once had. Moreover, in some quarters of the Arab world today, there is refreshing evidence of self-examination about "what went wrong," best demonstrated by the release of the unglamorously named "Arab Human Development Report 2002."[21]

[20] Charles Hill, "A Herculean Task: The Myth and Reality of Arab Terrorism," in Strobe Talbott and Nayan Chanda (ed.), *The Age of Terror: America and the World after September 11,* (New York, New York: Basic Books, 2001), p. 100-101, 103.
[21] *Arab Human Development Report 2002* (New York, New York: United Nations Development Programme).

Written by Arab intellectuals, the report highlights the dearth of freedom, the lack of civil society, the widespread illiteracy and the dismal status of women in the Arab world, all of which have some bearing on why al Qaeda was incubated in the Middle East.

5. We are caught up in a clash within Islam

The most useful way of looking at the underlying causes of the 9/11 attacks was first articulated in November 2001 in an essay entitled, Somebody Else's Civil War, by Michael Scott Doran.[22] Doran explained that bin Laden's followers "consider themselves an island of true believers surrounded by a sea of iniquity and think that the future of religion itself, and therefore the world depends on them and their battle."[23] Bin Laden's followers have adopted the ideas of the Egyptian writer Sayyid Qutb, who advocated the necessity of an offensive jihad against the enemies of Islam, including the "apostate" rulers of the Middle East. (Many commentators have pointed out that Qutb is the ideological godfather of the jihadists).

Bin Laden and al Zawahiri took Qutb's ideas a step further by saying it was necessary to direct the jihad against the United States, the patron of regimes such as Saudi Arabia and Egypt. By attacking the "far enemy", the United States, al Qaeda seeks to destabilize its premiere targets in the Middle East. In a sense then the destruction of the World Trade Center was collateral damage in the ongoing civil war for the hearts and minds of the Muslim world. Doran rightly observes: "[Bin Laden] has no intention of defeating America. War with the United States is not a goal in and of itself, but rather an instrument designed to help his brand of extremist Islam survive and flourish among the believers."[24]

This clash within the Muslim world remains unresolved between those like bin Laden who seek to install Taliban-style theocracies and those who reject this vision of Islam and who understand that the killing of civilians is not countenanced by the Koran. How this clash is resolved over the coming decades is the key to ending the threat from al Qaeda and its affiliated groups around the globe.

Implications for U.S. National Security Policies

Our national security strategy must be designed to hit bin Laden where he is weakest – his failure to put forth a positive political vision. In Saudi Arabia, a 2003 poll revealed that only 4.7 percent of Saudis would support bin Laden ruling over Saudi Arabia.[25] 48.7 percent supported his rhetoric.[26] This is our opening. Bin Laden's proposition to restore the Caliphate must be plainly revealed as nothing more than a coarse move for power and a forced return to the Middle Ages.

U.S. policies need to isolate and discredit him, leave him estranged from moderate Muslims, and show his program to be as much a dead-end as the regimes of Iran and the Taliban. Military force and homeland defense are tactics needed to hold and gain ground while a lasting defeat can be forced upon bin Laden and his politics.

[22] Michael Scott Doran, "Somebody Else's Civil War: Ideology, Rage, and the Assault on America," in James F. Hoge and Gideon Rose (ed.), *How Did this Happen?: Terrorism and the New War,* (New York, New York: Public Affairs, c2001).
[23] Ibid, p. 35
[24] Ibid, p. 32.
[25] Obaid, Nawaf, "Yes to bin Laden rhetoric; no to Al Qaeda violence," June 28, 2004. The poll was conducted between July and November 2003. The figures are based on 15,452 responses (62 male and 38 percent female). The margin of error was three percentage points. Obaid was supported by seventy-five researchers.
[26] Ibid.

Many of the following are self-evident and argued elsewhere, including in the 9/11 Commission report. The key lies in implementation.

Foreign Policies

- *Address core grievances*: U.S. policies are perceived as unjust and biased by many Muslims, particularly regarding the Israeli/Palestinian conflict. It is plainly evident that this perception works against long-term U.S. security interests. A re-balancing in action and rhetoric is needed and is possible with the strengthening of Mahmoud Abbas. Similarly, the U.S. must work to solve the Kashmir issue between Pakistan and India. Kashmir is both a core grievance of many Islamists and a training ground for militants. Ameliorating the dispute would not only reduce the chance of war between two nuclear powers, but would also take away a key training area for groups that have long had connections with al Qaeda.

- *Consistent support for reforms in Saudi Arabia and Egypt*: The U.S. government must be firm and consistent in pushing for steady progress, and must be seen to side with the reformers. Saad Eddin Ibrahim, the Egyptian dissident, said recently that "there is growing concern among advocates of democracy in the region that the United States may not be serious" about its reform efforts, and the U.S. initiative to encourage democratic reform in the Middle East is showing signs of slackening.[27] In June, the Washington Post reported that funding for the Middle East Partnership Initiative has decreased since 2003, falling from $100 million to $74 million for the current year.[28]

- Al Qaeda is losing its military campaign in Saudi Arabia. With its strategic miscalculations, including the attack on Arabs during Ramadan in November 2003, al Qaeda discredited itself and allowed the government to seize public support and drive information from informants. But these gains could prove illusory without accelerated political reform. The municipal elections held in February 2005 are but a start, evidenced by the recent harsh sentencing of three dissidents that proceeded without strong U.S. opposition. Reform of oneself is often the most difficult and that is why the U.S. must press the Saudi princes at every turn.

- Egypt is the cultural center of the Arab world and, from the Muslim Brotherhood to Qutb to Zawahiri, Egyptians have led the jihadist movement. Seeing political reform in Egypt must be a top U.S. priority, no less than in Saudi Arabia. But with massive arrests and long detention of prisoners, the fixing of the presidential election process that limits independent party participation, and the brutal treatment of women at protests in May 2005, President Mubarak is falling on the wrong side of this argument, and the U.S. government has been largely quiet.

- *Do not leave Afghanistan behind (as the fight toughens in Iraq)*: The strategic direction of U.S. policies is set. President Karzai has our firm backing. His business-minded approach to expanding trade and investment and generating jobs is the right one. The near-term challenge is to consolidate last October's accomplishment with a free and fair parliamentary vote in September and drain

[27] Ibid.
[28] Robin Wright, "Campaign to change Mideast under fire," *The Washington Post*, June 9, 2005.

the Taliban of its remaining legitimacy. But this is a generational challenge with a likely recurring need for both U.S. money and manpower.

- *Distance ourselves from despots in the Muslim world*: Our uncritical embrace of Karimov in Uzbekistan, for instance, does nothing to enhance our standing in the Muslim world. We should strongly condemn his attacks on his own population – attacks that strengthen, rather than weaken militant Islamists groups.

- *Engage Islamist parties*: The long-term solution to the problem of Muslim terrorist groups is a more democratic Middle East of their creation, not ours, where there is real political space for Islamist parties. Islamists and Muslim fundamentalists are not our enemies and can even be our friends. A more democratic Middle East will initially see the strong emergence of Islamist parties because they are generally more organized and have more legitimacy than other groups.

- The U.S. must learn to live with this and must not make the mistake, long resonant in the Muslim world, of taking no action when democratically elected Islamists were ousted from power by a military coup in Algeria in 1992. Recent elections in Pakistan and Yemen indicate that Islamist parties are responsible political actors when they are allowed to participate in the political process. Such a pattern will likely be seen in other Muslim countries as they move to greater democracy. An Islamist political party, the Justice and Development Party for instance, governs in Turkey and enjoys good relations in the West.

- *Deprive bin Laden of religious backing*: There are scores of millions of Muslims who would describe themselves as fundamentalist, and millions more who subscribe to Wahhabi or Salafi ideas. Fundamentalist movements are common to history and should not be considered somehow inherently bad. But it is the cleric's call to offensive jihad and the fundamentalist's violent intolerance of the West that must be checked. The U.S. must hold key states to account for re-defining the acceptable and for isolating bin Laden on religious grounds. Conducting terrorist attacks does not require al Qaeda to establish a large base of sympathizers. Realizing bin Laden's political vision does.

- *Engage bin Laden on his own terms*: The President and other U.S. officials should not be afraid to condemn certain terrorist acts as against the Koran. One does not need to be an expert in Islam to condemn attacks against civilians on these grounds. The Koran is replete with injunctions about how civilians must be protected in times of war. Bin Laden and his ideological fellow travelers cannot justify their attacks on civilians from a Koranic perspective. This is a weakness that we should exploit. When U.S. civilians are beheaded in Iraq or killed by suicide attacks on our own soil, the first point we should make is that these acts are condemned by the Koran, the Prophet Mohammed, and many centuries of Islamic tradition.

- *Critique al Qaeda's war on Muslims*: We should exploit the fact that al Qaeda and its affiliates have killed thousands of Muslims. We have squandered a number of propaganda advantages in this arena. For example, after the attacks on the U.S. Embassies in Kenya and Tanzania, U.S. officials should have pointed out that of the more two hundred killed in the attacks, only twelve were American, and that a substantial number of the victims were Muslims; Kenya and Tanzania having large Muslim populations. Similarly, no effort was made to determine the

number of Muslims who died in the 9/11 attacks. New York has a disproportionately large number of Muslim businessmen, immigrants, and visitors who may have perished in the 9/11 attacks. Likewise, the vast majority of Zarqawi's many hundreds, or even thousands, of victims in Iraq are Muslim civilians. We should not be afraid to point this out. Attempting to justify a double crime puts al Qaeda and its affiliates on the defensive: the killing of civilians and the killing of fellow Muslims.

- *Deny bin Laden symbolic victories*: To sustain his movement, bin Laden must demonstrate results with regularity. In this, he is no different than any other leader. U.S. policies must deny him the air that he needs – the strategic victories that he seeks. If he obtains and uses weapons of mass destruction, his stature will be greatly enhanced. That is why firmly securing the radiological materials of the former Soviet Union must be a high priority.

- *Fix our public diplomacy*: Al Hurra, the 24-hour Arab news channel funded by the U.S. government that is designed to compete with al Jazeera, was funded with only $62 million dollars. This is a joke. Substantial additional sums should be allocated to al Hurra and our television news efforts to replicate the success that Voice of America and Radio Free Europe had during the Cold War. Al Hurra and other efforts in languages from Farsi to Urdu should attract the most qualified journalists available.

- The State Department should also adopt *a "war room" approach* to what is being broadcast in the Muslim world and create a team of people who can respond quickly in the appropriate languages to any claims that are factually inaccurate. The U.S. government should also understand that Arab media outlets, like other media organizations, value access to administration officials. U.S. administration officials should routinely make themselves available to Arab media.

- *Develop an Internet-based strategy to attack the jihadists*: While fears of cyber terrorism have proven unfounded, the most important base for al Qaeda and its affiliates is now the Internet. It is instrumental for their recruitment, training, strategic planning and propaganda. Zarqawi, for instance, came to international prominence with a calculated campaign of beheadings that were immediately posted to the Web. The Madrid attacks were almost certainly prompted by a discussion on an al Qaeda web site three months before the attacks about which members of the coalition in Iraq were most likely to drop out.

- The U.S. government should also adopt a war room approach to surveying what is being said on the jihadist websites, and either find ways to immediately take the sites down or improve the forensics of tracing where the sites are originating so that actionable intelligence can be gathered in a timely manner.

Does Religion Cause Terrorism?

By Mark Juergensmeyer
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In the wake of any terrorist attack the immediate questions are who and why—who would do such a thing, and why they would want to do it. When religion is a part of the picture, the questions are compounded. This is the case whether the perpetrators are the Muslim activists in the London subway bombing, jihadi resistance fighters in Iraq, Christian abortion clinic bombers in the United States, or violent Israeli settlers whom Prime Minister Ariel Sharon called "Jewish terrorists" during the dismantlement of settlements in Gaza and the West Bank in August 2005.

One of the enduring questions is what religion has to do with this—with them and what they did. Put simply, does religion cause terrorism? Could these violent acts be the fault of religion—the result of a dark strain of religious thinking that leads to absolutism and violence? Or has the innocence of religion been abused by wily political activists who twist religion's essential message of peace for their own devious purposes? Is religion the problem or the victim?

Each case in which religion has been linked to violence is different. So one could be justified in saying there is no one simple answer. Yet this has not stopped the media commentators, public officials, and academics whose generalizations about religion's role abound. Their positions may be found in the assumptions lurking behind policy choices and news media reports, and in the case of the academics, within the causative theories about terrorism that they propose. Curiously, their positions are sometimes diametrically opposed. An example of the diversity of opinions may be found in two recent and widely-discussed books published in 2005, Robert A. Pape's *Dying to Win: The Strategic Logic of Suicide Terrorism*, and Hector Avalos, *Fighting Words: The Origins of Religious Violence*.

The Argument that Religion *does* Cause Terrorism

Avalos' book, *Fighting Words*, posits that religious terrorism is indeed caused by religion. Or rather, that religion creates an imaginary supply of sacred resources over which humans contend. Avalos regards all forms of social and political conflict to be contests over scarce resources. The ones who do not have the scarce resources want them, and the ones that have them want to keep them. In the case of religious conflict the scarce resources are things that religion specifically supplies: the favor of God, blessings, and salvation. By definition these are things that are not equally bestowed on everyone and must be earned and protected. When Rabbi Meir Kahane challenged Jews to restore God's honor it was God's favor to the Jews that he wished to restore. Hence an ordinary battle is a conflict to earn the highest heavenly rewards.

From Avalos' point of view, moreover, the necessity of violence is often built into the very structure of religious commitment. The act of atonement in Christianity, the sense of revenge in Judaism, the martial triumphalism of Islam, all require violent acts to fulfill their religious images of the world. And in each case the result of violence is to bring the benefits of the scarce resources of spiritual blessings to the grateful perpetrator of the religious violence.

Avalos' position is controversial even in the academic community. Many observers have pointed out that current religious conflicts are seldom about religion *per se*—they are about national territory, political leadership, and socio-economic control, cast in a religious light. Within the wider public there is perhaps even less support for the notion that religion in general leads directly to violent acts. Despite the rise of religious violence in recent years most people still regard religion—at least their own religion—as

something benign. This attitude is prevalent even among members of religious communities from which violence has originated. Most Muslims regard Islam as a religion of peace, and Christians and Jews regard their own religion in the same way. Most of the faithful in these religions refuse to believe that their own beliefs could have led to violence.

Yet when one looks outside one's faith it is easier to blame religion. In the current climate of Muslim political violence, a significant sector of the American and European public assumes that Islam is part of the problem. Despite the cautionary words of President George W. Bush imploring Americans not to blame Islam for September 11, a certain Islamiphobia has crept into public conversation.

The implication of this point of view is the unfortunate notion that the whole of Islam has supported acts of terrorism. The inevitable attachment of Islam to terrorism in the ubiquitous phrase "Islamic terrorism" is one example of this habit of thinking. Another is the vaunting of *jihad* to a place of supreme Islamic importance—as if all Muslims agreed with the militarized usage of the term by unauthorized extremist groups. The most strident expositions of this way of thinking are found in assertions of Christian televangelists such as Pat Robertson and Jerry Falwell that the Prophet himself was a kind of terrorist. More moderate forms are the attempts by political commentators and some scholars to explain—as if there was need for it—why Islam is so political. Even Connecticut's liberal Senator Christopher Dodd, in a television interview in November 2003, cautioned Americans not to expect too much tolerance from Islam given its propensity for ideological control over public life. He referenced a recent book by historian Bernard Lewis for this point of view, a book that he recommended to the viewers.

The assumption of those who hold this "Islam is the problem" position is that the Muslim relationship to politics is peculiar. But this is not true. Most traditional societies have had a close tie between political leadership and religious authority, and religion often plays a role in undergirding the moral authority of public life. In Judaism the Davidic line of kingship is anointed by God; in Hinduism the kings are thought to uphold divine order through the white umbrella of *dharma*; in Christianity the political history of Europe is rife with contesting and sometimes merging lines of authority between church and state. Violent Jewish, Hindu, and Christian activists in recent years have all, like their Muslim counterparts, looked to traditional religious patterns of politicized religion to justify their own militant stance.

The public life of contemporary America is no exception. It is one in which religion is very much involved with politics and politics with religion. The evangelical professions of faith of President Bush and advisors such as former Attorney General John Ashcroft fuel the impression that U.S. foreign policy has a triumphant agenda of global Christendom. This characterization of religion's hand in US politics is often exaggerated by foreign observers in Europe and the Middle East, but the Christian rhetoric of American political leaders is undeniable and lends credibility to such a view.

Even more troubling are strands of Christian theocracy that have emerged among extreme groups in the United States. Some employ violence in their opposition to secular society and their hatred of a globalized culture and economy. A neo-Calvinist theology of a religious state lies behind the bombing of abortion clinics and the shooting of abortion clinic staff by Lutheran and Presbyterian activists in Maryland and Florida. The Christian Identity philosophy of race war and a government enshrining a White Christian supremacy lies behind Eric Robert Rudolph's attack on the Atlanta Olympic park, other

bombings of gay bars and abortion clinics, the killing of a Denver radio talk-show host, an assault on a Jewish day care center in Los Angeles, and many other incidents—including Ruby Ridge—perpetrated by Christian militia in recent years. The Christian Cosmotheism espoused by William Pierce and embraced by Timothy McVeigh was the ideological justification for McVeigh's bombing of the Oklahoma City Federal Building. In fact, there have been more attacks—far more, in fact—by Christian terrorist groups on American soil in the last fifteen years than Muslim ones. Aside from September 11 and the 1993 attempt to destroy the World Trade Center, almost all of the other terrorist acts are Christian.

Yet somehow, despite evidence to the contrary, the American public labels Islam as a terrorist religion rather than Christianity. The arguments that agree—or disagree—with this position often get mired in the tedious task of dredging up scriptural or historical examples to show the political and militant side of Islam (or contrarily, of other religions like Christianity, Judaism or Hinduism). Then opponents will challenge the utility of those examples, and the debate goes on. The arguments would not be necessary, however, if one did not assume that religion is responsible for acts of public violence in the first place.

The Argument that Religion does *not* Cause Terrorism

This position—that religion is *not* the problem—is taken by observers on the other side of the public discussion over religion after September 11. In some cases they see religion as an innocent victim, in other cases they see it as simply irrelevant. In *Dying to Win,* Robert Pape argues that religion is not the motive in most acts of suicide bombing. Looking at a broad swath of cases of suicide activists in recent years, Pape concludes that they are not motivated by a blind religious fervor as much as a calculated political attempt. The primary motive is to defend territory. Pape accurately points out that until 2003 the most suicide bombings were conducted not by a religious group but by a secular ethnic movement, the Tamil Tigers in Sri Lanka.

Pape bases his conclusions on an analysis of the database maintained by the Chicago Project of Suicide Terrorism. He provides a demographic profile of over 460 men and women—though they are mostly men. They are not, he argues "mainly poor, uneducated, immature religious zealots or social losers," as they have sometimes been portrayed. What they have in common is the sense that their territory or culture has been invaded by an alien power that cannot easily be overthrown. In this desperate situation of social survival they turn to the simplest and most direct form of militant engagement, using their own bodies as bombs. Contrary to the perception of many, suicide bombers are not religious loners, but are usually part of large militant organizations with well-honed strategies aimed at ousting foreign control from what they consider their own territory. The concessions made to such organizations in the past by the governments who have been opposed to them have given the organizations behind suicide bombings the confidence that their strategies work and are worth repeating.

Little is said about religion in Pape's book. The implication is that religious motives are basically beside the point. For this reason there is no attempt to explain the extraordinarily ubiquitous role of religion in violent movements around the world, from Sikh activists in India to Christian militia in Idaho and Muslim jihadis from Morocco to Bali. Nor is there any attempt to explain what difference religion makes when it enters into a conflict and religionizes the struggle, as both Muslim and Jewish extremists did in the Israel-Palestine dispute—a conflict that prior to the 1990s was largely a secular struggle over territorial control. One is left with the impression that, although Pape's study is useful in reminding us that acts of violence are about real things—such as the defense of

culture and territory—it still does not explain why religion has become such a forceful and difficult vehicle for framing these concerns in recent years.

Nonetheless, appreciation for Pape's position has been widespread, in part because it appears to contradict the U.S. administration's position that Islamic militants are opposed to freedom. Pape argues that, to the contrary, freedom is precisely what they are fighting for. Moreover, his arguments buttress the position of two other, quite different, camps: religious defenders who are eager to distance religion from the violent acts with which religion has recently been associated, and secular analysts who have always thought that secular factors, particularly economic and political concerns, are the main ingredients of social conflict.

This secular perspective is the one that lies behind the phrase, "the use of religion for political purposes." When this phrase is employed religion is dismissed of any culpability in creating an atmosphere of violence. A U.S. State Department official once told me that religion was being "used" throughout the Middle East, masking problems that were essentially economic in nature. He assured me that if jobs were to be had by unemployed Egyptians and Palestinians the problem of religious politics in these impoverished societies would quickly vanish. From his point of view it was unthinkable that religious activists would actually be motivated by religion, or at least by ideological views of the world that were framed in religious language. Similarly Michael Sells' study of the role of Christian symbolism in resurgent Serbian nationalism, *The Bridge Betrayed*, was ridiculed by a reviewer for *The Economist* who saw the conflict as purely a matter of secular nationalism in which religion played no role. The assumption of the reviewer, like that of the State Department official with whom I spoke, was that religion was the dependent variable, a rhetorical gloss over the real issues that were invariable economic or political.

From the perspectives of Pape and the State Department economist, religion is essentially irrelevant to the motivations of terrorism. Religious defenders agree, and take this point of view a step further. They state that religion is not just neutral about violence, it is opposed to it—and thus it is an innocent victim of political activists. In some cases these religious defenders do not deny that there may be religious elements in the motives of violent activists, but they claim that these extreme religious groups do not represent the normative traditions. Most Buddhist leaders in Japan, for instance, distanced themselves from what they regarded as the pseudo-Buddhism of the Aum Shinrikyo sect that was implicated in the nerve gas attack on the Tokyo subways. Most Muslims refused to believe that fellow members of their faith could have been responsible for anything as atrocious as they September 11 attacks—and hence the popular conspiracy theory in the Muslim world that somehow Israeli secret police had plotted the terrible deed. Most Christians in America saw the religiosity of Timothy McVeigh as anti-Christian, even anti-religious, and refused to describe him as a Christian terrorist, despite the strong Christian subtext of the novel, *The Turner Diaries*, which McVeigh regarded as his Bible.

Some scholars have come to the defense of religion in a similar way, by characterizing the religion of activists groups as deviant from the religious norm and therefore uncharacteristic of true religion. This is essentially the stance that Bruce Lawrence takes in defending Islam in *Shattering the Myth*. The term "fundamentalism"—applied not just to Christianity but to a whole host of religious traditions—is another way of excusing "normal" religion and isolating religion's problems to a deviant form of the species. It is used sometimes to suggest an almost viral spread of an odd and dangerous mutation of religion that if left on its own naturally leads to violence, autocracy, and

other extremes. Fortunately, so this line of thinking goes, normal religion is exempt. Recently, however, "Islam" and "fundamentalism" are tied together so frequently in public conversation that the term has become a way of condemning all of Islam as a deviant branch of religion. But even in this case the use of the term "fundamentalism" allows for the defenders of other religions to take comfort in the notion that their kind of nonfundamentalist religion is exempt from violence or other extreme forms of public behavior.

These various points of view present us with two or perhaps three or four different answers to the question, is religion a cause of terrorism? Avalos says yes, religion in general is a cause of terrorism. The Islamiphobes say yes, Islam in particular is a problem. Pape says no, religion is irrelevant to the fight to defend territory. Other religious defenders say no, ordinary religion is innocent of violence but some odd forms of religion might contribute to it.

The Argument that Religion is not the Problem, but it *is* Problematic

It seems to me that it is not necessary to have to make one choice among these options. As anyone who has ever taken a multiple choice test knows, there is a dilemma when presented with such absolute differences. The most accurate responses are often to be found in the gray categories: c) none of the above, or d) all of the above. In the case of the question regarding the involvement of religion in contemporary public life, the answer is not simply a matter of peculiar religion gone bad, or of good religion being used by bad people. We know that there are strata of religious imagination that deal with all sides and moods of human existence, the peace and the perversity, the tranquility and the terror.

In my own studies of cases of religious violence, I have found that religious language and ideas play an important role though not necessarily the initial one. The conditions of conflict that lead to tension are usually economic and social in character—and often, as Pape describes them, a defense of territory or culture that is perceived to be under control by an outside power. At some point in the conflict, however, usually at a time of frustration and desperation, the political contest becomes religionized. Then what was primarily a secular struggle takes on the aura of sacred conflict. This creates a whole new set of problems.

Beginning in the 1980s, I have studied a variety of cases of contemporary religious activism. I started with the situation involving the Sikhs in the Punjab, a region in which I have lived for some years and know fairly well. I have also observed the rise of Hindu political violence, and the Muslim separatist movement in Kashmir, the Buddhist anti-government protests in Sri Lanka, the Aum Shinrikyo movement in Japan, the Islamic revolution in Iran, Sunni jihadi movements in Egypt, Palestine and elsewhere in the Middle East, Militant Messianic Jewish movements in Israel, Catholic and Protestant militants in Northern Ireland, and the Christian militia in the United States.

I found that in all of these cases an interesting replication of a central thesis. Though each group was responding to its own set of local social, economic, and political factors, in all cases there was a common ideological component: the perception that the modern idea of secular nationalism was insufficient in moral, political and social terms. In many cases the effects of globalization were in the background as global economic and communications systems undercut the distinctiveness of nation-state identities. In some cases the hatred of the global system was overt, as in the American

Christian militia's hatred of the "new world order" and the al Qaeda network's targeting the World Trade Center. Thus the motivating "cause"—if such a term can be used—was the sense of a loss of identity and control in the modern world.

This sense of social malaise is not necessarily a religious problem, but it is one for which ideologies, both secular nationalist and religious transnational, provide ready responses. Hence in each of the cases I examined, religion became the ideology of protest. Particular religious images and themes were marshaled to resist what were imagined to be the enemies of traditional culture and identities: the global secular systems and their secular nation-state supporters.

There were other similarities among these cases. In each case those who embraced radical anti-state religious ideologies felt personally upset with what they regarded as the oppression of the secular state. They experienced this oppression as an assault on their pride and identity, and felt humiliated as a result. The failures of the state, though economic, political and cultural, were often experienced in personal ways as humiliation and alienation, as a loss of selfhood.

> It is understandable then, that the men (and they were usually men) who experienced this loss of pride and identity would lash out in violence—the way that men often do when they are frustrated. Such expressions of power are meant to at least symbolically regain their sense of manhood. In each case, however, the activists challenged these feelings of violence through images of collective violence borrowed from their religious traditions: the idea of cosmic war.

The idea of cosmic war was a remarkably consistent feature of all of these cases. Those people whom we might think of as terrorists regarded themselves as soldiers in a what they imagined to be sacred battles. I called such notions of warfare "cosmic" because they are larger than life. They evoke great battles of the legendary past, and they relate to metaphysical conflicts between good and evil. Notions of cosmic war are intimately personal but can also be translated to the social plane. Ultimately, though, they transcend human experience. Often activists employ images of sacred warfare that are found in every religious tradition--such as the battles in the Hebrew Bible (Old Testament), the epics of Hinduism and Buddhism, and the Islamic idea of *jihad.* What makes religious violence particularly savage and relentless is that its perpetrators have placed such religious images of divine struggle—cosmic war—in the service of worldly political battles. For this reason, acts of religious terror serve not only as tactics in a political strategy but also as evocations of a much larger spiritual confrontation.

This brings us back to the question of whether religion is the problem. In looking at the variety of cases, from the Palestinian Hamas movement to al Qaeda and the Christian militia, it was clear to me that in most cases there were real grievances—economic and social tensions that were experienced by large numbers of people. These grievances were not religious. They were not aimed at religious differences or issues of doctrine and belief. They were issues of social identity and meaningful participation in public life that in other contexts were expressed through Marxist and nationalist ideologies. But in this present moment of late modernity these secular concerns have been expressed through rebellious religious ideologies. The grievances—the sense of alienation, marginalization, and social frustration—are often articulated in religious terms and seen through religious images, and the protest against them is organized by religious leaders through the medium or religious institutions. Thus religion is not the initial problem;

but the fact that religion is the medium through which these issues are expressed is *problematic*.

What Religion Brings to a Violent Conflict

What is problematic about the religious expression of antimodernism, anti-Americanism and antiglobalization is that it brings new aspects to conflicts that were otherwise not a part of them. For one thing religion personalizes the conflict. It provides *personal rewards*—religious merit, redemption, the promise of heavenly luxuries—to those who struggle in conflicts that otherwise have only social benefits. It also provides *vehicles of social mobilization* that embrace vast numbers of supporters who otherwise would not be mobilized around social or political issues. In many cases, it provides an *organizational network* of local churches, mosques, temples, and religious associations into which patterns of leadership and support may be tapped. It gives the legitimacy of *moral justification* for political encounter. Even more important, it provides *justification for violence* that challenges the state's monopoly on morally-sanctioned killing. Using Max Weber's dictum that the state's authority is always rooted in the social approval of the state to enforce its power through the use of bloodshed—in police authority, punishment, and armed defense—religion is the only other entity that can give moral sanction for violence and is therefore inherently at least potentially revolutionary.

Religion also provides the image of *cosmic war*, which adds further complications to a conflict that has become baptized with religious authority. The notion of cosmic war gives an *all-encompassing world view* to those who embrace it. Supporters of Christian militia movements, for instance, described their "aha" experience when they discovered the world-view of the Christian Identity totalizing ideology that helped them make sense of the modern world, their increasingly peripheral role in it, and the dramatic actions they can take to set the world right. It gives them roles as *religious soldiers* who can literally fight back against the forces of evil.

The image of cosmic war is a potent force. When the template of spiritual battle is implanted onto a worldly opposition it dramatically changes the perception of the conflict by those engaged in it, and it vastly alters the way that the struggle is waged. It *absolutizes the conflict* into extreme opposing positions and *demonizes opponents* by imagining them to be satanic powers. This absolutism makes compromise difficult to fathom, and holds out the promise of *total victory* through divine intervention. A sacred war that is waged in a godly span of time need not be won immediately, however. The *time line of sacred struggle is vast*, perhaps even eternal.

I once had the occasion to point out the futility—in secular military terms—of the Islamic struggle in Palestine to Dr Abdul Aziz Rantisi, the late leader of the political wing of the Hamas movement. It seemed to me that Israel's military force was such that a Palestinian military effort could never succeed. Dr Rantisi assured me that that "Palestine was occupied before, for two hundred years." He explained that he and his Palestinian comrades "can wait again--at least that long." In his calculation, the struggles of God can endure for eons. Ultimately, however, they knew they would succeed.

So religion can be a problematic aspect of contemporary social conflict even if it is not *the* problem, in the sense of the root causes of discontent. Much of the violence in contemporary life that is perceived as terrorism around the world is directly related to the absolutism of conflict. The demonization of enemies allows those who regard themselves

as soldiers for God to kill with no moral impunity. Quite the opposite—they feel that their acts will give them spiritual rewards.

Curiously the same kind of thinking has crept into some of the responses to terrorism. The "war on terrorism" that was launched by the United States government after September 11 is a case in point. To the degree that the war references are metaphorical, and meant to imply an all-out effort in the manner of previous administrations' "war on drugs" and "war on poverty," it is an understandable and appropriate response. The September 11 attacks were, after all, hideous acts that deeply scarred the American consciousness, and one could certainly understand that a responsible government would want to wage an all-out effort to hunt down those culpable and bring them to justice.

But among some who espouse a "war on terrorism" the militant language is more than metaphor. God's blessing is imagined to be bestowed on a view of confrontation that is, like cosmic war, all-encompassing, absolutizing, and demonizing. What is problematic about this view is that it brings an impatience with moderate solutions that require the slow procedures of systems of justice. It demands instead the quick and violent responses of war that lend simplicity to the confrontation and a sense of divine certainty to its resolution. Alas, such a position can fuel the fires of retaliation, leading to more acts of terrorism instead of less.

The role of religion in this literal "war on terrorism" is in a curious way similar to religion's role in the cosmic war imagined by those perpetrating terrorism. In both cases religion is a problematic partner of political confrontation. Religion brings more to conflict than simply a repository of symbols and the aura of divine support. It problematizes a conflict through its abiding absolutism, its justification for violence, and its ultimate images of warfare that demonize opponents and cast the conflict in transhistorical terms.

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An Introduction to Iraq's Jihadi Leaders – DRAFT

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There is no Iraqi resistance, insurgency or terror movement. Instead there are *resistances* and *insurgencies* and terror *movements*. They differ in location, motivation and ideology. The majority of anti coalition fighters in Iraq are part of an indigenous resistance to the American occupation. They are motivated by factors such as nationalism, religion and a sense of disenfranchisement. They generally avoid civilian targets and an accord can be reached with them. The Jihadi movement is motivated by an ideology based on Islam and they justify their violence by referring to Islam. They are not interested in Iraq per se, but in a war of Muslims against Christians, Jews and Shia Muslims.

In the 1960s many Egyptian Islamists moved to the Gulf to teach, influencing generations of students, in particular many Palestinian refugees living in Kuwait, who formed the educated class. Meanwhile in Jordan, king Hussein rewarded the Muslim Brotherhood for their support against the 1970 Palestinian insurrection called Black September. He gave members of the Brotherhood positions in the ministry of education, from where they could inculcate future generations in their version of Islam. Twenty years later nearly 300,000 Palestinians expelled from Kuwait by the vengeful Kuwaiti government following the end of the Gulf war in 1991. These Palestinians were accepted by Jordan. Nearly half of them settled in the area of al Zarqa, a poor city north of Amman. Many of them were salafi Muslims, meaning those who want to live as did the friends of the prophet Muhamad. They were active in the jihadi movement and their presence made Jordanian society more conservative. Zarqa soon became a center for salafis in Jordan.

The most important jihadi cleric, polemicist and ideologue and the mind behind many of the beheadings in Iraq is Isam Taher Al Oteibi Al Burqawi, more commonly known as "Abu Mohammed Al Maqdasi," a Palestinian living in Jordan. The name Maqdasi implies that his family hailed from Quds, as Jerusalem is called in Arabic. Maqdasi was a leader of the Palestinian jihadis, having belonged to the important Kuwaiti salafi organization called Jamiyat al Turath al Islami, or the society of Islamic heritage, led by the Egyptian sheikh Abdel Rahman al Khaleq. Khaleq had come to Kuwait from Egypt in the 1960s. Maqdasi had been in Afghanistan along with his friend Abu Qatada al Falastini, as Palestinian Sheikh Omar Mahmoud Abu Omar was known, and the two led jordan's salafi movement. In Jordan, Maqdasi led Jordanian and Palestinian salafis who had fought or trained in Afghanistan. Abu Qatada was recently released and re-arrested by British authorities intending to expel him to Jordan following the July 7 attacks. Maqdasi called his organization Tawhid, or monotheism but changed the name to Bayat al Imam.

Abu Hilalah Ahmad Fadil Nazal al Khalaylah, also known as Abu Musab al Zarqawi, hailed from Zarqa. The region of Zarqa produced most of the Jordanian jihadis fighting in Iraq. Zarqawi had been a wild young man, with no interest in religion. He had a reputation for getting tattoos, drinking alcohol and getting into fights. Like many disaffected Muslim youth in the 1980s, he was moved to fight in Afghanistan. His journey to Afghanistan was arranged by the Office of Services and Jihad in Pakistan. Somewhere between his rebellious youth and his trip to Afghanistan, Zarqawi had become a devout Salafi. When he returned to Jordan he joined Al Maqdasi's Bayat al Imam organization. Both men were arrested for possessing weapons and membership in the radical group. Zarqawi began preaching when he was imprisoned in the Sawaqa prison with Maqdasi. In prison they continued organizing jihadists, especially among thugs from the Jordanian underworld, to which Zarqawi had once belonged. The Jordanian authorities placed all

the Islamist prisoners together and in isolation from other prisoners. They formed relationships, exchanged ideas and knowledge and established trust of one another. Zarqawi was released in an amnesty and left for Pakistan and then Afghanistan in 2000. In 2002 Zarqawi entered Jordan through Syria. He was reportedly in northern Iraq before the war. By the summer of 2003 he had claimed responsibility for the UN headquarters attack.

Maqdasi appointed his protege Zarqawi the Amir of Tawhid and jihad. "Amir" comes from the Arabic root amr, or to command. An amir means a commander though it has also come to mean a prince. An amir was necessary to avoid confusion, and even a group consisting of two people had to have an amir. Zarqawi was closely allied with the group Ansar al Sunna, which was the reconstituted group Ansar al Islam, allegedly associated with al Qaeda elements. Zarqawi's second in command was said to be a member of ansar al Sunna. Ansar al Sunna was primarily Iraqi, whereas Tawhid was primarily composed of foreigners. Zarqawi's inner circle was made up of his close friends, all of whom were non Iraqi. The movement had stored weapons in secret depots in Iraq. Their plan was to turn Iraq into hell for all its residents, to prevent an elected government from taking power and to create strife between Shias and Sunnis.

Within Iraq, the spriritual leader of Zarqawi's group was Abu Anas al Shami, born Omar Yusef Juma. Al Shami was another Palestinian who moved to Jordan from Kuwait along with Maqdasi and two other important leaders of Zarqawi's movement. Al Shami was a Palestinian born in Salmiya, Kuwait in 1969 to a family with Jordanian citizenship. He was given a strong education in classical Arabic, and disliked the dialects, using the formal classical Arabic in conversation, even in jokes. He had studied Islamic theology in Saudi Arabia, from 1988 to 1991 where he said a pure Islam without any innovation was taught and the importance of jihad was stressed. He was influenced by the work of Egyptian Said Qutb, 1906-1966, a leading member of the Muslim Brotherhood, whose book, "signposts on the road," inspire muslim revivalists and fundamentalists to this day. Al Shami claimed he learned from the mistakes the Ikhwan, or Brotherhood, had made, when it became institutionalized and reach an accommodation with the state. Al Shami condemned the modern Ikhwan for changing the judgments and rules of Islam.

In Saudi Arabia al Shami met many former mujahedin who had fought in Afghanistan. In the summer of 1990 he went to Afghanistan with a Palestinian friend from university. They trained in the Faruq camp for three months, learning basic military skills and receiving weapons training. He swore an oath to the commander of the camp that he would never use his skills against fellow Muslims.

Al Shami led the Murad Mosque in the Sowailih neighborhood of Amman. It was a Salafi mosque and al Shami was an important leader of the Salafi movement in Jordan. He still returned to Saudi Arabia often, where he was influenced by the radical clerics Sifr al Hawali, Salman al Awda and Nasser al Omar, whom he viewed as true Salafi leaders. These men were arrested by Saudi authorities. In Jordan he was a follower of Maqdasi who believed all Arab regimes were governed by infidels. In the 90s al Shami went to Bosnia, where up to three thousand foreign mujahedin were seeking martyrdom fighting Serbs and Croats.

Al Shami lamented the lack of a charismatic leadership but the September 11 attacks awoke the sleeping hope, motivated youth, and new leaders began emerging, he said. He had previously worked for the Islamic Waqf, or Endowment, Institution of Jordan and had lived in Amman's predominantly Palestinian al Zurhur neighborhood. His

center was shut down by Jordanian authorities. Al Shami had married a Palestinian woman with Egyptian travel papers who was living in Saudi Arabia with her family, and he sired three children with her. Al Shami took a job in the Imam Bokhari center which he cofounded. In March 2003 he was arrested by Jordanian authorities after he accused that country's ruling family of turning Jordan into an American camp and of taking their orders from the Americans. Al Shami condemned the American led war as one against Islam, not against Iraq. After his release from jail he called upon his followers to demand that their government stop assisting the Americans and he encouraged young people to go to Iraq to fight in the jihad there against the Americans. He soon left for Iraq, arriving late 2003 and assuming the position of Sharia council manager, and spiritual leader, for Zarqawi's movement. Al Shami's mother recounted that her son had always sought martyrdom. Al Shami had told his father he was on his way to Saudi Arabia when they last saw each other. Two weeks later he received a message from al Shami that he was in fact in Iraq. Al Shami's wife and children were in Egypt.

According to Maqdasi, democracy was a heretical religion and constituted the rejection of Allah and monotheism and Islam. It was an innovation, or 'bida,' placing something above the word of god and ignoring the laws of Islam. It placed the people, or the tyrant, above Islam and it was secular, separating religion from the state. Only Allah could legislate laws and Allah's laws had to be applied to the apostates, the fornicators, thieves, alcohol consumers, unveiled women and the prevention of the obscene. Maqdasi said that democracy was a religion, and god had forbidden choosing a religion other than Islam.

Maqdasi justified the worst atrocities committed by Zarqawi and his men in Iraq. In August 2004 Maqdasi defended the mujahedin against those who accused them of lacking mercy. God sent Muhamad as a messenger of mercy but Muhamad's mercy could not reach the world without the defeat and decapitation of criminals and leaders of infidelity who obstruct his mercy. It was with the mercy of the prophet that they beheaded criminals and aggressors, and it was with this mercy that they prevented the bloodshed of Muslims. The prophet Muhamad himself killed those who opposed god, and the prophet beheaded people who had betrayed him. Beheading was the only language that they could use when dealing with those who bombed villages, killed unarmed Muslims, and killed the women and children in Gaza, Rafa, Afghanistan, Iraq, Chechnya and defended it by saying "this is war." He justified burning the bodies of the four Blackwater contractors even though most Muslim leaders had condemned it as un-Islamic. He said the Quran permitted the burning of infidels, explaining: "punish someone the way he punished you, so if cluster bombs burn bodies we can burn bodies." Ali burned his enemies (the Kharijites who said he was god), so Muslims could burn their enemies. He explained that Jihad was the omitted pillar of the five pillars of Islam and quoted a verse from the quran justifying the terrorizing of the enemies of Islam.

Zarqawi denounced Muslims who criticized the beheading of the American civilian Nickolas Berg. They were cowards who were not fighting the infidel and did not know how glorious it felt to fight jahiliya (pre Islamic ignorance). Zarqawi lamented that his nation was being tortured in Iraq, Palestine, Afghanistan, Indonesia and Chechnya. All the Muslim nation could do was weep and protest peacefully. These demonstrations had done nothing for Afghanistan, and now Mullah Omar, leader of the Taliban, was hiding in the mountains. The Muslim nation did nothing to defend the chastity of the women of Sarajevo, Indonesia, Palestine and Iraq. Zarqawi swore to god that as long as they had dignity and honor they would not sleep or spend time with their wives while these other Muslim women were under attack.

Belief in Allah could restore the caliphate, he said. It could open the gates of Rome, the White House, the Kremlin and London to Muslims. God would help them fight the hypocrites, Crusaders and Jews. Zarqawi prayed to god to give his believers success on earth, to help the mujahedin assemble, to protect them and give them victory over the infidels.

In Falluja, al Shami lectured his followers and they recorded his sermons. In one sermon he quoted from the quran a verse warning the believers not to accept the Jews and Christian as authorities and to avoid falling under their evil influence. Al Shami then explained that the state had to be based on the Quran and Sharia and condemned Arab leaders as blasphemous, tyrannical infidels for creating states that were not. Thus political parties were against God himself. The army and police of such a state (and here he was referring to Iraq's political parties, army and police) were tools in the hands of the tyrants. Killing them was justified, even if it meant also killing the devout among them. He explained this by analogy. If the Americans tied a Muslim man to their tank and were attacking you, it was justified to destroy the tank even if it meant killing the man tied to it. Jihad was justified even if it caused the deaths of Muslims. It was better that Muslims died in the path of jihad than at the hands of the Americans. God also ordered the killing of good people, if they were in the way and it was necessary. The important thing to remember was that Muslims should not associated with unbelievers. A puritan, al Shami warned that believers should separate themselves from non believers in their actions and even their clothes. It was even better to kill a Muslim who had abandoned his religion by helping the Americans than it was to kill an American. These people who served the Americans were "holding the stick in the middle." they were two faced, telling the Americans they wanted democracy and telling Muslims they supported the mujahedin. But there was no compromise. If you believed in jihad you had to join the jihad. Those who feared the infidels would beg them for their paltry rewards and they would suffer god's wrath. Those who called for peace, who said it was time to live together and love one another and prosper were hypocrites.

In another sermon, al Shami reminded his listeners that just as Islam was born a religion under attack, so too it remained. The Western powers used media as a weapon against Islam. He once more justified killing Muslims who worked with the infidels, and spoke of large attacks against the enemy that went unreported, in which hundreds might have been killed, including some Iraqis who collaborated with the enemy, selling them alcohol. Al Shami called Shias *rafidha*, or rejectionists and condemned Shias for worshiping Ali above Allah. He warned that Arab satellite channels were spreading Shiism, which was a greater danger to Muslims than the American occupiers were.

Al Shami's account of the "battle of al Ahzab" was made public on July 2004. In the original battle of al Ahzab the Jews and enemies of muhamad surrounded and besieged the young Muslim state in Medina. Abu Anas named the 1st Falluja battle the al Ahzab battle, thanking god for their victory and writing a book about it. Success was due to divine intervention rather than a superior military. Street fighting required bravery, which the American soldiers did not possess. Al Shami recounted that as he wrote down his account of events in Falluja, his body shivered, his heart beat harder and he was prevented from writing. Falluja was the home of the heroes and mujahedin who sought to raise, or glorify, the name of god and Islam.

When Al Shami was killed the Information department of the Tawhid and Jihad group made a DVD in honor of the life al Shami, whom they called the "lion of

Mesopotamia." The film opened with an image of a lake and the sun, as a voice called "to do jihad and die on the same day is better than to live for sixty years praying to god." Waterfalls were shown, an image of paradise. A common verse from the Quran used by the resistance, as it had been used by saddam when he prepared for battle against the Americans: "prepare for them as much force as you can, and horses, terrorize the enemies of Islam and your enemies." When the nascent Muslim community led my the prophet muhamad lost the 2nd battle of Islam the Battle of Uhud, against the forces of khalid bin walid, (an infidel who later converted to Islam and then brought Islam to Iraq), there was a rumor that Muhamad died, so Muslims began abandoning the cause. Muhamad spoke to his followers. "wa muhamadan illa rasul," he said, "Muhamad is just a prophet and there were so many prophets before him and if he dies will you go back to your old religions? Whoever goes back to his old religion will not affect god but god will reward those who are grateful to him." The statement was intended to reassure mujahedin in Iraq that the loss of al Shami would not affect the battle.

Maysara al Ghareeb, the poet of al Tawhid and also a member of its Sharia council, of which Abu Anas had been the head, Al ghareeb blessed the companions of muhamad who beheaded atheism and hypocrisy during their jihad. He called on god to give them victory against the disbelievers and make them martyrs like those who had fought with the prophet. Jihad was the duty of all Muslims.

Al Ghareeb viewed conflict and fighting as the natural state of the world. Modern history was a chain of struggles and competition for power and good intentions or feelings could do nothing to affect power. Power ruled international affairs and diplomacy was just the language of power hidden by a soft mask. Defeated countries always had to conform to the system the victor imposed on them, and America's current method for dominating the world was through human rights protection. Western civilization was immoral. Its primary motive was money and it was based on the end justifying the means. In general infidels had no god but money and for money they did horrible things. Western civilization was one of looting, genocide and drug dealing.

Though disagreements among the infidel led to millions of their own dying, when they fought Muslims they all united, as in the crusades. Though infidel nations had suffered many natural disasters such wars, earthquakes and floods, Muslim countries had not suffered the same afflictions. The infidel were punishing Muslims in every way and in every place. The Muslims were thus commanded by god to fight the infidel in their home states. The Muslim world was being dominated and suppressed by a system of divide and conquer imposed on it. The infidel prevented cooperation between the Muslim countries and supported secular powers. They also established a Jewish state in the heart of the Arab world. They destroyed the economies of the Muslim world by encouraging educated people to emigrate, buying natural resources at low princes and selling the products back to the Muslim world. They instigated inter Muslim disputes, selling the weapons needed for the conflicts they started and then taking over reconstruction and profiting from it. They forced poor states to remain in debt and thus controlled them.

The rafidha, or rejectionists, as salafis and wahabis called Shias, had been harming Sunnis from the beginning of Islamic history, Al Ghareeb, said, and provided quotes from Sunni clerics stating that anyone who criticized or condemned the companions of the prophet was an infidel, and hence Shias were not Muslims. Instead, they were Jews, Christians and infidels who formed a group 25 years after the death of the prophet Muhamad. Shias were infidels and it was forbidden to marry them because they had destroyed Islam. Al Ghareeb felt it was important to let Sunnis know about

Shias, because many thought they were actually Muslims. Why should Muslims fight the Shias? Al Ghareeb asked, were they not also Muslims? No, said al Ghareeb, their Islam was a decoration and they were hypocrites. All Shias were vicious people and once they ruled Iraq they would fight the Sunnis. Democracy was like a sleeping pill given to the Sunnis so when they woke up they would be excluded from Iraq. The Shias were not trying to liberate Iraq. They were cooperating with the occupiers and assisting the American occupation. They were the slaves of the Americans in Iraq. The Americans were not in fact trying to provoke a civil war in Iraq, they were arming Shias and giving them security jobs in order to lull Sunnis into a false sense of hope. Shias were attacking Sunnis, and hence Zarqawi's movement would attack them. Though innocent people may have died in Zarqawi's operations many more would have died at the hands of the Americans if they were left to do as they pleased in Iraq.

In the fall of 2004, Zarqawi announced that his group would join al qaeda and the salafiya al mujahedia movement in iraq. On December 9th, 2004 the abu anas al shami brigades's military committee issued a statement about the upcoming elections. It addressed "all the parties participating in the elections. It threatened Shias around the world for supporting the crusader occupation of Iraq. It called Ayatollah Sistani the greatest collaborator with the Crusaders. It condemned the apostate police, national guardsmen and army for attacking Falluja. It warned the rejectionist Shias and their political parties, the Kurdish peshmerha, the Christians and the hypocrites such as the Islamic party that the Tawhid movement would increase attacks on them.

A leaflet I found in Kirkuk before the January 2005 elections warned against voting: "Statement about the 3 day curfew for the sons of this land: There is no doubt that Allah created his creatures so that they worship him and not shirk (polytheism) and he helps all the people on the path to success and it is god's work that among his servants there are Muslims and non Muslims and there is a continuing war between these two until judgment day. And now the head of the infidels of this time, America, has started to bare hatred against Islam and the Muslims. This was will not stop, even if the occupation ends, because it is not a matter of occupation but of creating a state (Islamic state). As we have announced before, our legal verdict about participation in the elections that will take place in Iraq. We warn you against this participation because the polling stations and the people that work in them are a target for the brave soldiers of Allah, so we advise everybody to keep away from any military target, whether it is the crusader American headquarters or their patrols or the Iraqi national guard or the apostate police forces. Because of the continuation of the battle between us and the crusaders and to avoid harming people, we announce a curfew for 3 days beginning... Oh god, we have announced it and you are the witness," concluded the letter signed by the military wing of Ansar al Sunna. It was unique in that it provided a theological world view and a Manichean one at that.

Similarly, in January Zarqawi denounced democracy, calling it a big American lie that placed the people above religion and Allah. Democracy was the worship of man and not of god so it is heresy and polytheism. Democracy allowed a man to change his religion, but Islam did not permit apostasy. The freedom of speech in democracy allowed men to speak against Allah and Islam. Democracy also separated religion and state. Democracy allowed heretical parties to exist, which could lead to the spread of heresy. Democracy respected the decisions of the majority of the people, and not the laws of Islam, which remained true even if the majority rejected them. Zarqawi warned that democracy had harmed Muslims in the past but Muslims still worshipped it like the golden calf. Zarqawi warned the enemies of Islam that while they were supported by

Jews and Christians, he and his men in the Iraqi al Qaeda were supported by Allah. He warned people not to come close to the centers of heresy and apostasy which were the polling stations for if something happened to people who disobeyed they would have only themselves to blame.

After Zarqawi renamed his organization Al Qaeda in Iraq, its ideology was elaborated by a man called Abu Maysara, probably the same man as Maysara al Ghareeb. Abu Maysara explained that their goals included a renewal of "true" monotheism, purifying it from elements of polytheism, jihad for allah's sake and for the sake of reconquering muslim lands from infidels and apostates so that allah's laws can be applied and the spread of islam in lands where it does not yet exist, freeing muslim prisoners, helping muslims everywhere, reestablishing the Islamic caliphate so that muslims are ruled by muslims.

Though abu Maysara claimed that they would not spill a drop of Muslim blood unjustly, he explained why they killed Americans and their "collaborators." Iraq was the land of the caliphs, and Allah had ordered jihad to expel thouse who killed and violated the honor of women. Al Qaeda in Iraq was fighting to restore honor to Muslim men and chastity to Muslim women who were violated by Americans and Shias. They were fighting to restore the caliphate to Baghdad as it had been in the days of Harun al Rashid and to kill impure Muslims who collaborated with the infidels fighting under the cross of Christianity and the crusaders, meaning those in the Iraqi army and police who helped the American in their crimes and in the rape of muslim women in abu Ghraib and elsewhere. They were not fighting for Iraq as a nation, but for Islam as a nation. Infidels from over 30 countries had united to fight Muslims, so Muslims from different nations had to unite. Abu Maysara praised the foreign fighters who had left their families and homes to protect Iraqi Muslims from the invaders. Al Qaeda in Iraq was not causing fitna, or civil strife. In fact, shirking the duty of jihad was fitna. After they expelled the Americans from Iraq they would take the fight on to other conquered Muslim lands.

In July 2004, Maqdasi's website contained an article providing assistance and advice to zarqawi. Maqdasi warned against exploding cars, setting off road side bombs and firing mortars which caused Muslims to be killed. Jihadi hands had to be clean and free of innocent blood. Maqdasi said that Muslims who worked for the infidels should not be killed unless they helped the infidels harm muslims. Al maqdasi also warned Zarqawi not to attack churches because it would encourage infidels to fight Muslims.

In the summer of 2005 Maqdasi was released from a Jordanian prison, having been found innocent. In his trial he had stated that even though no explosives had been found in his possession, his ideas were explosive. Maqdasi was permitted by Jordanian authorities to give interviews to the press. He preached so called moderation and claimed to have slight disagreements with Zarqawi, probably beaten out of him by Jordanian security men. Maqdasi said that although he still believed in the takfir (declaration that somebody is an infidel) of shias, he disagreed with Zarqawi that all shias were infidels. Instead only ignorant shias were infidels. Though maqdasi permitted the killing of Muslims, he said that Zarqawi had gone too far. Jordanian authorities then re-aressted him.

Zarqawi responded publicly to Maqdasi, saying that they had not started the killings. Zarqawi blamed shias for starting to kill sunnis, expelling them and violating their mosques and homes. Shias were disguising themselves as the Iraqi police and army but

were loyal to the crusader Americans, and thus had to be killed. Zarqawi denied maqdasi's accusations that his group was killing Christians or civilians.

Though al Qaeda under Bin Ladin and Ayman al Zawahiri had not made shias their targets and did not publicly condemn them, Zarqawi held that shias were the most evil of mankind. He called them snakes, scorpions and enemy spies. Shias were polytheists who worshipped at graves and shrines. Shias were to be avoided at all costs. They could not be married, they could not bear witness and animals they slaughtered could not be eaten. In response to Zarqawi's denunciations of Shias, Iraqi Shias had taken to calling his movement the Group of Apostasy and Atheism and calling all foreign insurgents wahabis.

On September 11, 2004 Zarqawi addressed the Muslim nation. He called for their help, lamenting that the Muslim nation was sleeping, not supporting the jihad in Iraq. The once proud Muslim nation was now downtrodden. They fought back with neither the sword nor the pen. Jihad had been declared and the gates of heaven were open. If the men were not willing to fight then they should let their women take up arms and the men should take up cooking. Though when he had been in Afghanistan Zarqawi had operated independently of Bin Ladin, running his own camp, in October 2004 he swore an oath of allegiance to Bin Ladin's al Qaeda, renaming his organization al Qaeda in the Land of the Two Rivers. Bin Ladin soon announced that Zarqawi was the head of al Qaeda's operations in Iraq.

No accord can ever be reached with the movement discussed above. Their battle is global and their goal is martyrdom. It must be stressed that they are a minority in Iraq, but despite that they are the most dangerous to civilians in Iraq and the rest of the world, since their battle is not one for national liberation and hence not limited by geography.

Working Group on Confronting Terrorism:

Principles and Recommendations – DRAFT

By Robert Hutchings
Diplomat-in-Residence, Woodrow Wilson School

Executive Summary: Working Group on Confronting Terrorism

Analysis

Declaring a 'Global War on Terrorism' has skewed America's strategic priorities, deterred us from addressing the factors that drive terrorism, alienated our traditional allies and contributed to human rights abuses. Rather than addressing the problem through a mixture of intelligence, law enforcement and financial tracking (such as during the 'war on organized crime' during the 1960s and 1970s), it 'outsourced' the conflict, and prompted an almost exclusive reliance on war and military force as the means for fighting it.

In reality, though, the threat is more diffuse. The Global War on Terrorism provides no answer for how to counter the threat in places where military force will never be used (such as Western Europe). It also led to excessive centralization in our response to an increasingly decentralized threat. The Iraq war in particular has catalyzed a global jihad. Instead of a single, concentrated challenge (as during the Cold War), it has contributed to making the threat more diffuse and overarching.

The complex nature of the threat becomes obvious when looking at an issue like terrorist financing. Tracking terrorist finance illuminates the working of a terrorist network, and it may be helpful as a way of ensuring convictions. At the same time, it is not a panacea, and its detection has become increasingly complicated. Terrorists are now relying mainly on the informal sector; operations are relatively cheap in financial terms; and the flow of funds is almost indistinguishable from the channels through which the spread of radical Islam or charitable activities are funded.

Recommendations

As a result of its deliberations, the working group puts forward the following recommendations:

- The contribution of the armed forces in the fight against terrorism is limited and can often be reduced to that of the Special Forces. Rather than assuming that all defense spending is terrorism-related, the utility of every expenditure and activity should be critically evaluated. Terrorism-related spending for first responders as well as in departments like Justice, Homeland Security, and State should be increased.

- In relation to tracking terrorist finance, there needs to be a change of paradigm from a regulations-led approach towards one that is based on human intelligence.

- The remedy for intelligence failures is not the creation of additional layers of bureaucracy. Nor can technology alone resolve our problems. The way forward lies in developing and merging technological developments, human intelligence, cultural sensitivity, and language skills.

- A priority should be the real-time transmission of intelligence to the field. This is more important than preventing leakages, and regulations should be changed to reflect this hierarchy of importance.

Introduction

"Global War on Terrorism" is more than just an unfortunate turn of phrase. The term, and the concepts behind it, has skewed America's strategic priorities, deterred us from addressing the root causes of the challenge we face, contributed to human rights abuses in the name of an unassailable "just cause," and led us to see this challenge in almost exclusively military terms. Meanwhile, the instruments of national power most relevant to meeting the terrorist challenge – law enforcement, homeland security, intelligence, diplomacy, development assistance, police and other local responders, and others – have been dramatically undervalued and underfunded.

The war metaphor may have been apt in the early months after the attacks of 9/11 and during the major combat operations in Afghanistan and Iraq (however one judges the wisdom of the latter venture). And it certainly helped galvanize public support for fighting the terrorists "over there" rather than having to fight them here at home. Indeed, this rallying cry tapped into some basic elements of the American psyche. America has traditionally felt uneasy about a standing military unless some external threat was at our doorstep. We also do not like having powerful domestic security institutions because they can become a threat to our individual liberties. "GWOT" seemed to answer both concerns by "outsourcing" the conflict.

Whatever its utility may have been in the immediate aftermath of 9/11, the so-called Global War on Terrorism has put us on a dangerous and self-defeating course. Calling it a war implies that using military force is the best way to wage it. This emphatically is not the case. A better if imperfect analogue was the federal "war" on organized crime in the 1960s and 1970s, whose principle tools were intelligence, financial tracking, and law enforcement, rather than main force.

The Evolving Threat

Meanwhile, the terrorist threat has evolved dramatically since 9/11. Al Qai'da as a terrorist organization has been severely disrupted, with more than 2/3 of its leaders either dead or in custody. It is being superseded by similarly inspired but more diffuse Islamic extremist groups, driven less by a hierarchical command structure than by an ideology that is spread easily via the internet and other electronic media. This new unstructured form may be harder to destroy than the old, and is certainly less susceptible to military interdiction, especially when cells are operating in places – London, Amsterdam, Jakarta, Karachi – where we are not about to wage war with military force.

A similar evolution has taken place in the world of terrorist financing, which has become more networked and dispersed. Al-Qa'ida and other terrorist organizations have moved outside of formal financial systems and operate in the murky Islamic financial network, raising the question of whether we can hope to unravel the terrorist puzzle by following the money trail – and whether the whole focus on grand terrorist financing is any longer feasible.

Yet, at the very time that the terrorist threat has become more eclectic, networked, and dispersed, our own approach has become more centralized, first through the Terrorist Threat Integration Center (TTIC), now through the National Counterterrorism Center (NCTC). And these are now overseen by the new office of the Director of National Intelligence (DNI), which, whatever its merits may be, adds another bureaucratic layer. This centralized structure is the wrong model. It can be made to

work only if the central nodes now being created do not prevent real-time cooperation at the periphery – between first responders at home and intelligence officers overseas, for example.

INTERNATIONAL COOPERATION – SHORT PARA
CATALYZED GLOBAL JIHAD
ALIENATED ALLIES – COUNTER_COUNTER TERRORISM

Military Forces

America's military priority, according to the latest U.S. National Military Strategy, is to "focus the Armed Forces on winning the [G]WOT." Virtually every element of a nearly half-trillion-dollar defense budget is justified, directly or indirectly, by its supposed contribution to this effort. This is the narrative that inspires all U.S. defense spending. Inasmuch as Department of Defense (DoD) spending exceeds by more than tenfold that of the Department of Homeland Security, it is clear that military spending is diverting enormous resources that might be used elsewhere.

It is therefore imperative to ask, though the National Military Strategy document does not, what sorts of military action (as opposed to other kinds of action) against terrorists make operational and economic sense, and expose "GWOT" to that test. That test must discipline government to defend spending based on what will or could contribute to fighting terrorism as it now exists and is likely to exist in the future, not as it existed in 2001.

Although not, strictly speaking, a major combat operation (MCO), the Iraq war will remain the major MCO scenario for the next few years. DoD will be stressed to plan and resource not only US force requirements but also those of the budding Iraqi army. These huge costs can be justified – or not – on their own terms, but they have little to do with a rational allocation of resources in the longer-term fight against terrorism. As regards that challenge, the issue is not whether we are well prepared to undertake another major combat operation to root out a major terrorist base, but how to shape and use military forces to defeat the most dangerous segments of the terrorist threat as it evolves.

When the rhetorical layers are stripped away, the essential military contribution to the terrorist challenge is reduced mainly to one element of the sprawling military enterprise: Special Operating Forces (SOF). That is not to say that other defense spending is unwarranted. Far from it: there are other major contingencies, unrelated to international terrorism, that must be addressed. But the conflation of everything under the banner of "GWOT" has made it hard to distinguish what is really relevant to the terrorist challenge.

The point of departure should be that main forces are for major combat and SOF are for terrorist operations. Thus, the essential task in meeting the future terrorst challenge is to stress and strengthen SOF above all.

ADD A LINE

Yet the success of SOF in particular instances depends on the effectiveness of tools found not in DoD but in State, USAID, DHS, Justice, and indeed far beyond.

Finance

Initial post-9/11 efforts to freeze terrorist assets worldwide met with some success, but these mechanisms quickly faded as the number of easily identifiable targets dwindled and terrorist organizations adapted. Many terrorist organizations, al Qa'ida among them, had moved outside the formal financial sector even before 9/11, so that normal regulatory and legal mechanisms were no longer sufficient.

Tracking financial flows may illuminate how terrorist networks operate and thereby facilitate development of more effective counter-terrorism strategies, and it may constitute relevant evidence in criminal prosecutions, particularly with respect to aiding and abetting terrorist acts. Bringing to justice those who support terrorist acts may not be able to prevent them, but such efforts are critical to the struggle against terrorism over the longer term – just as prosecutions for tax evasion or other relatively minor offenses were essential in the war against organized crime.

On the other hand, the relatively modest costs of conducting acts of terrorism makes it unlikely that tracking financial flows will ever succeed in predicting and preventing an actual attack. The volume of money that terrorists need is but a drop in the bucket of the economies through which that money flows. Tracking these networks is problematic for the additional reason that money flows in huge quantities from Saudi Arabia and other Arab peninsula countries through channels that support the spread of a radical wahhabist version of Islam throughout the world – some but not all of which goes to terrorist causes. Money destined for al-Qa'ida is often indistinguishable from money meant to spread a radical religious message – one that we may find objectionable but which we would be loath, as a legal or ethical matter, to proscribe. Attempting to do so would touch off an Islamic backlash – including among Muslims not now inclined to violence – that would only exacerbate the terrorist challenge we face.

Tracking terrorist flows within the rivers of financing circulating in the Muslim world calls for a paradigm shift – away from a legal and regulatory approach toward one that understands from the inside the informal financial markets (hawalas), banks run by the Muslim Brotherhood and other elements of the radical Islamic financial infrastructure, and traders in diamonds and gold, most of whom operate within a fairly limited kinship network. In short, what is needed is targeted human intelligence, which in turn calls for a "cultural revolution" that enable us to understand not only terrorist financial flows but the broader cultural context in which they occur.

Intelligence

The Intelligence Community had begun adapted well before 9/11 to a very different role and environment. It went from an era of a single overarching threat the allowed concentration of resources to one in which the threats are dispersed and global, growing out of complex cultural roots. This means that both the breadth and the depth of coverage has to be correspondingly greater.

Although often lost in the cacophony of the debate over intelligence reform, there were signal achievements that allowed, for example, the CIA to have teams on the ground in Afghanistan just 16 days after 9/11, thanks to the relationships that had been built with the Afghan Northern Alliance. And the intelligence services have successfully disrupted much of the al-Qa'ida leadership and infrastructure, as well as key

components of the terrorist networks – couriers, facilitators, fund raisers, technicians, and others.

The terrorist threat has become less dangerous in the sense that there are now more obstacles to conducting large scale international terrorist operations, but it has become more dangerous in that the movement is now more amorphous and dispersed. And the invasion and occupation of Iraq has catalyzed a global jihad, providing the training ground for the next generation of terrorists. The threat has now evolved beyond the possibility of a frontal assault, posing even greater difficulties for U.S. intelligence.

We have gone from an era in which we were looking for large things in more or less fixed locations – armored divisions, missile silos, etc. – to one in which we are looking for small things on the move. In the struggle against terrorism, these small things are often individual human beings, constantly on the move. Distinguishing human beings one from another is different in kind from seeing and identifying things. Advances in biotechnology and information technology help in that task, but the best way to find a human being is still through another human being.

The penetration of terrorist networks in this new environment will require orders of magnitude greater capacity to fuse new technologies with the requisite language and cultural skills. Decades of Cold War habits have been hard to overcome. As the most multicultural country on earth, we should be able to staff our embassies with people who can disappear into local cultures, but we have not done well in mobilizing these natural advantages. The dearth of qualified Arabic speakers four years after 9/11 and 15 years after the first Gulf War is but one example of the larger cultural challenge that has yet to be met.

It is unfortunate, and may prove tragic, that only the organizational recommendations of the 9/11 commission have been acted upon, while the aspects of intelligence reform most pertinent to the terrorist challenge have been neglected. Indeed, the creation of another bureaucratic layer in Washington may make operational interaction among agencies and in the field even more difficult. Intelligence urgency remains a major problem: raw intelligence needs to get into the hands of an SOF figher – or a New York cop – in real time. In order to bridge this gap, we need to be more willing to tolerate the risk of information leakage, but it cannot be a wide-open system with no controls. Achieving the right mix of technology, policy, and practice that allows information to flow rapidly where it is needed, while also allows information flows to be tracked so as to deter leaks, will be a major challenge.

Working Group on Confronting Terrorism:

Paper Abstracts

G-What? A Review of Defense Department Spending on Counter-Terrorism by David C. Gompert, Distinguished Research Professor, National Defense University Center for Technology and National Security Policy

The author critically examines the utility of the military in addressing the threat from terrorism and assesses its role in the war against it. Neither Afghanistan nor Iraq is the right model for waging war against Salafi-Islamist terrorism. The enemy cannot be expected to concentrate again as they did in these cases. (In fact, Iraq has hurt the cause more than it helped.) Indeed, given the diffused, shifty and embedded nature of the terrorist threat, it seems clear that the military is not the main weapon against it. Nor should the Global War against Terror (GWOT) be the main template for military force planning. It is a special need, and a critical one which must be addressed with focus and discipline.

This need, in the author's view, is best met by Special Operations Forces. They, however, number a tiny fraction of total US military end strength, and though they are very resourceful, their share of defense spending is microscopic and shrinking. Based on this analysis, the author recommends that the government would serve the public interest by re-assessing the allocation of resources between Department of Defense and other (non-Dod) capabilities, such as the Departments of Homeland Security, Justice, State, as well as the intelligence community.

Technological and Financial Responses to Terrorism by Douglas Farah, Author, "Blood from Stones: The Secret Financial Network of Terror"

Our efforts to trace terrorist finance have often been unsuccessful, and it is about time we fundamentally assess our approach. The policy of 'freeze and seize' has failed. Terrorist financing continues to be misunderstood as yet another form of money laundering. At the international level, co-operation has been fraught with political and bureaucratic difficulties. Meanwhile, Al Qaeda refrains from using the formal financial sector – and when it does, sums are frequently not large enough to be detectable.

The author suggests that there should be a change in paradigm, if not a cultural revolution in the way we approach the issue. While it may be useful to tighten up regulations and increase the monitoring of financial transactions, the fight against terrorist financing should be driven by human intelligence. This requires that agencies become better at understanding cultural differences, such as the informal exchange and transaction systems and the reliance on non-monetary ways of exchanging commodities, such as gold and diamonds. It is also necessary to address the wider issue of reining in the financing of wahhabism, because it seems to create the funding structures on which the Salafist networks have frequently relied.

Intelligence Approaches to the War on Terrorism by John McLaughlin, former Acting Director, Central Intelligence Agency and Senior Fellow, SAIS's Philip Merrill Center for Strategic Studies

In the author's view, there can be no doubt that the events of September 11, 2001, have profoundly changed the way in which the American intelligence system operates. It is equally true, however, that the system had been in a state of adaptation for many years. As a result, terrorists today will find it more difficult to strike against the United States. The country has undoubtedly become safer, though the terrorist threat has also become

more diffuse. There is no reason for complacency. Indeed, there are various areas in which the U.S. intelligence community needs to evolve in order to meet the threat.

Among other things, the author believes that capturing the remaining Al Qaeda leadership should be a priority because it would deliver a symbolic blow, even if people like Bin Laden and Zawahiri are no longer directly involved in managing the terrorist campaign. At a more general level, the cooperative relationship with international partners ("intelligence diplomacy") needs to be deepened, and a continued effort must be made to reduce bureaucracy within and between the agencies. A new, and often overlooked, challenge is to find innovative ways of fusing the enormous amounts of data the intelligence services have collected over the past few years: this, the author argues, would be worthy of a new Manhattan Project.

G-WHAT?: A Review of Defense Department Spending on Counter-Terrorism

By David C. Gompert
Distinguished Research Professor, National Defense University Center for Technology and National Security Policy

The Pentagon's Answer to Strategic Terrorism

Since the terrorist attack of September 2001, the United States has increased annual defense spending by about $150 billion.[29] The main reason given for this increase is what the Department of Defense (DoD), acronym factory that it is, calls "GWOT" (pronounced Gee Watt) for Global War on Terrorism. Of course, DoD is not totally consumed by GWOT: it still plans, builds and maintains forces for traditional wars, known as "MCO" (Major Combat Operations). However, the MCO requirement has presumably declined because one of the main MCOs that drove US defense spending for many years, invading Iraq, has already happened and presumably will not have to be repeated. It follows that attributing the increase in defense spending since 9/11 to GWOT is not unreasonable. Indeed, this is how the increase has been sold to Congress.

Compare post-9/11 DoD spending to the budget of the Department of Homeland Security (DHS). The DHS budget runs about 8 percent of DoD's (~$40 billion compared to ~$.5 trillion). Since DHS was formed in 2002, its annual budget has grown by $20 billion – one-fifth of the growth in defense spending over that period. Growth in spending of other departments crucial to combating terror has been even more modest (e.g., $2 billion for Justice, $4 billion for State). The implication is that, in the Government's view, US military forces are immensely important if not primary in the war on terrorism. The question here is whether Government is right.

The Government's stance on the military's relevance to GWOT is further borne out by the fact that the 138,000 US troops currently in Iraq are deemed vital to combating terrorism, according to President Bush and his lieutenants. "We fight today" says the President, "because terrorists want to attack our country and kill our citizens, and Iraq is where they are making their stand."[30] According to his counter-terrorism advisor, Frances Townsend, "[You're] fighting them there so you don't have to fight them here."[31] Of course, this rationale for the continuing hostilities in Iraq sidesteps the relationship between cause (the invasion) and effect (terrorism), not to mention original rationale (WMD). Moreover, there is no reason to think that Islamist terrorists are so "bogged down" in Iraq that they cannot strike elsewhere, as they did in Madrid and London. Nevertheless, there is no disputing that some of the worst violence in Iraq has been committed by first-string international terrorists.

GWOT does not stop there. The aim of the latest official US National Military Strategy is to "focus the Armed Forces on winning the [G]WOT."[32] Proponents of transforming the military, who were treading water before 9/11, have caught the GWOT wave, citing terrorism as the reason the armed forces must exploit information technology and networking principles. (In fact, there are compelling reasons to do so even if terrorism did not exist.) GWOT has been invoked to challenge specific base closings recommended by the Base Realignment and Closure Commission.[33] It has been used to justify overhauling the US global military posture toward flexible basing and rotational presence. Testimonials for most weapon and platform acquisition programs, whether or not begun before 9/11, allude to GWOT (check out practically any website!).

[29] Approximately half of this increase has been for operations in Afghanistan and Iraq, both of which are loosely described as part of GWOT.
[30] June 29
[31] CSM, July 11
[32] National Military Strategy of the USA
[33] For instance, Rep Tom Delay said after the recent London bombings that the need to combat terrorism argues against standing down an air base in Houston. (Reported on NPR)

To be fair, Pentagon officials, military brass, and defense contractors are working assiduously to improve counter-terrorism capabilities. Whatever the merits, the overall effect has been to create two strong impressions:

- That military forces are broadly applicable to defeating terrorism;
- That defeating terrorism is a defining requirement of military forces.

At one level, it is natural that the organization entrusted with national defense should adopt such a theme following a colossal breach of national defense. On closer inspection, though, connections between US military forces and countering terrorism appear strained if not down-right strange. GWOT has become a power-point bandwagon. A cynical interpretation is that it has given politicians, bureaucrats, contractors, and generals a banner beneath which to champion all sorts of investments and activities by appealing to a fear that has gripped the American public since 9/11/2001. At worst, GWOT is being used to rally support for a nearly half-trillion-dollar defense budget, and business, the underlying case for which has been weakened by growing US military dominance over any and all other nations. The most charitable assessment is that the factual and analytical case for GWOT could stand a good deal more rigor.

This is not to suggest that military forces are irrelevant to fighting terrorists or that fighting terrorists should not influence DoD requirements – they are, and it should. Rather, it is to ask what sorts of military action against terrorists make operational and economic sense, and to expose GWOT to that test. The pages that follow offer a fresh analysis of military force and forces in relation to terrorism as we now understand it: assessing the threat; analyzing the operational challenges posed by the need to respond to the threat; describing types of measures and capabilities that are needed to meet these operational challenges; and offering some recommendations.

The Threat

Compared to threats from hostile nation-states – even they, as we know, can be gotten wrong by the US intelligence establishment (e.g., the USSR, Iraq) – the definition of threats under the heading of "terrorism" is highly elastic and dynamic. Groups of all sorts, sizes and causes around the world use various methods of terror to advance their agendas, from "traditional" ones that calibrate killing to achieve finite ends (Basque separatists, Palestinian rejectionists, Northern Irish republicans) to "new" terrorists who, impelled by Heavenly visions, respect no Earthly limits.[34]

Precisely because terrorism comes in so many forms, places, and purposes, generalizing about the operational challenges posed by it – if there even is a meaningful "it" – is hard. Interdicting foreign jihadists streaming into Iraq presents a challenge of concentrating airborne sensors and mechanized forces in open, largely barren territory, whereas keeping suicide bombers from blowing up subway stops presents a totally different challenge. If the former requires wholesale military force, the latter calls for retail police work. The question here is whether the principal operational challenges of the future are those for which GWOT, Pentagon-style, is intended.

[34] We know that the attraction of dozens of virgins and the like awaiting the martyr in paradise is only one of the inducements. The promise of sizeable financial payments to needy families of would-be suicide bombers can also be part of the deal.

Conjecture about the future of terrorism offers little comfort. Perhaps organized violent extremism will die out in some utopian democratic and equitable universe far from now. In the meantime, even with the spread of democracy in recent decades, fanaticism festers, mainly in places where oppression persists. Moreover, if we take al Qaeda's platform at face value, progress toward democracy will infuriate and incite the terrorists, not pacify them.[35] Terror will always be tempting for fanatics, whatever their cause; and globalized society is bound to be more vulnerable. Even President Bush, as unyielding a foe terrorism as there is, admits that "in a free and open society it is impossible to protect against every threat."[36] Eradicating terrorism is infeasible. The only practical way to respond to this assortment of demons is to try to push it below a level we can live with and keep it there.

All this also argues for segmenting the threat, the way a business strategist would segment a market. Terrorism with which we cannot live is that which does not limit itself in weapons used, targets struck, carnage produced, or innocents slain. For instance, any group that would set off biological or radiological weapons if it had them is a candidate for elimination. Likewise, those who prefer harmless, blameless, defenseless targets – commuters, religious pilgrims, shoppers -- must be driven out of business. Besides being intolerable, such terrorism presents particularly difficult and constantly changing operational challenges. Lack of self-restraint opens up many options.

There is also a motive test: if there is no way of settling whatever cause animates the terrorists, there is by definition no alternative to a fight to the finish, more or less. In cases where terror is not just a tactic but a purpose, we cannot say that a certain quotient of it is acceptable. By the same token, when an enemy is devoted to causing havoc and horror, cannot be sated, and does not have recognizable human values and fears, deterrence is virtually impossible. Finally, of course, the United States must focus its strategy and muscle mainly on the terrorism that is directed at its people and interests.

Thus viewed in terms of motives and modes, the terrorist threat that warrants no tolerance is that which flows from radical Salafi Islam, originating in the Sunni Middle East and spreading into Africa and the West itself.[37] This jihadist threat has mutated since the 2002 showdown at Tora Bora, becoming less centralized, hierarchical, coherent, and concentrated. Yes, al Qaeda has been partly decapitated, disorganized, and scattered; but the new unstructured form may be harder to destroy than the old. What have not changed are its extreme and violent fundamentalist urges, its commitment to destroy all things Western in the Middle East, including regimes tolerant of the West, and its complete lack of self-restraint. It is hard to imagine al Qaeda warning of an imminent detonation in order to permit an evacuation (a Basque terrorist MO). It is equally hard to imagine a negotiation with such people. More than other terrorist movements, its aims are irreconcilable with interests and values Americans consider vital. With such sweeping, non-negotiable objectives and religious zeal, Salafist terrorism probably has staying power. Because it is also the most extensive and ambitious terrorism in the world today, it is the one that deserves the adjective "strategic." Therefore, it is essential that US strategy zero in on this segment of terrorism and not get side-tracked.[38]

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[35] Democratic reform can be an effective antidote to terrorism nevertheless, not because it softens terrorists but because it offers alternative avenues for the expression of political dissatisfaction among those upon whom terrorists often depend.
[36] July 11 speech at FBI Academy
[37] Although this threat has mutated into something different than the jihadists of the mountains of Afghanistan, it can still be called "al Qaeda."
[38] Advice to this effect has come from a variety of sources, including RAND terrorism expert Brian Jenkins, *Countering al Qaeda: An Appreciation of the Situation and Suggestions for Strategy*

A give-no-quarter approach does not mean there should be no effort to isolate Islamist terrorists from the more vaguely angry Arab and Moslem "streets" through communications, political reform, aid (e.g., to Africa), economic cooperation, and policy initiatives (e.g., toward Palestine); these, too, are vital parts of the strategy. But it means that in tandem with such worthy efforts, the United States should use the most cost-effective means it can, consistent with its ideals, to protect itself from and to wipe out this threat. While recognizing the wider strategy to defeat Salafist terrorism, the pages that follow will consider only forcible responses.

Home or Away?

One of the first questions of any strategy, before planning operations, is whether to fight on ones territory or abroad, if there is a choice. Apart from the merits of the war in Iraq, those who say that it is better to fight terrorists on their field than here at home are, in the abstract, surely right. Herein lies the strategic theory behind GWOT – in essence, homeland defense-in-depth. Terrorism aside, the US military is essentially an expeditionary force, reflecting America's global interests and geographic blessings. So it is natural and reasonable for the military to favor treating terrorism as yet another expeditionary demand, rather than having to take on two divergent roles: fighting abroad and defending the homeland.

One big problem with an "away" strategy, however, is that so many Salafi-Islamist terrorists are in places where the United States is not about to wage war with military forces: the Saudi Peninsula, Africa, South Asia and, lest we forget, Western Europe. If the active presence of jihadists in the West is not already alarming, think of the swelling population of politically alienated, economically marginalized, and spiritually susceptible Moslems throughout Western Europe. How can GWOT stop British citizens – grade-school counselors, no less -- from exploding themselves in the Underground? The threat to the United States is more likely to come from London or Amsterdam – or from Karachi or Jidda -- than from a rebel-infested remote island of the Philippines where some counter-terrorism side-show is being played out.

Of course, there are plenty of terrorists along the Afghan-Pak border and in Iraq. The initial US military operation against al Qaeda and their Afghan hosts was a stunning, if incomplete, success. But do not count on similar concentrations of terrorists in the future, especially with the way they have morphed and migrated over the last few years, largely in reaction to what US military forces can do to them when they concentrate. Coalition operations in Afghanistan are now netting mainly Taliban instead of al Qaeda (though still worth doing).

As for Iraq, it is important to bear in mind that foreign terrorists are going there not to avoid being found be the US military but because Iraq is where the US military can be found. Abu Musab al-Zarqawi and co. have opted to fight in Iraq out of a combination of opportunism and rage, not because "the survival of their hateful ideology" leaves them no choice.[39] The number of new terrorists that have been recruited, prepared and sent to Iraq, there to become seasoned killers (if not instant martyrs), easily exceeds the number that have been rounded up or killed elsewhere since the invasion of Iraq. Whatever we think, if the masterminds of Islamist terrorism thought their global strategy could be ruined by fighting in Iraq, they would withdraw. In any case, the large US ground force in Iraq is more suitable for grinding down the indigenous Saddamist-Sunni

[39] President Bush, July 11

insurgency than it is for preventing suicide bombings and other acts of religion-inspired terrorism. After all, terrorism in Iraq has increased, not decreased, despite the undiminished US presence and growth in Iraqi state military and para-military forces.[40]

If we continue to conceive of GWOT in the image of Afghanistan and Iraq, we will fail to treat al Qaeda's metastasis. If we prepare mainly for battles like Mazar-e Sharif and Fallujah, we risk preparing for an enemy that has moved on, figuratively and physically. Planning for more Afghanistans and Iraqs is bad planning: the terrorists will not present us with another Afghanistan; and the United States ought not to pattern counter-terrorism on Iraq, which is going badly and not helping in war with al Qaeda. The right question is how to use shape and use military force and forces to defeat the most dangerous segment of the terrorist threat *as it evolves*.

What Role for Military Force?

If military invasions and occupations are not necessarily the model for using military force against the changing, distributed jihadist terrorist threat, what is?

First, let us sort out an apparent contradiction. Is the struggle with terrorism "war" or not? Those who insist that it is war, not law enforcement, have a point. Law enforcement ordinarily awaits the commission of a crime; yet no one would argue that bringing terrorists to justice after their grisly acts is sufficient. At the same time, calling it war implies that using military force is the best way to wage it, which may not be so. In this sense, the Europeans, who stress non-military means and argue against calling this war, have got the first part right and the second part wrong.

A helpful if imperfect analogue is the US federal "war" on organized crime of the 1960-70s, which largely succeeded in reducing the problem of the Mafia to a tolerable level from the point of view of its damage to society as a whole. Of course, mob suspects could not be attacked or detained without being charged; nor were they inclined toward random and mass violence. But the Mafia was enough of a threat to American society that an active effort was made to tag, track, trap, and nab them when any opportunity arose or could be created. That US armed forces were not used in that war does not mean they should not be used in the war on al Qaeda, only that a war does not have to be fought mainly with military force.

Military force applies when enemy capabilities, concentrations, or attacks are such that only military forces can prevail against them. This is generally not the case with Salafist terrorists today. They cannot outgun high-end Western non-military security forces; they are dispersed; and their suicide attacks are no easier to prevent with military forces than other means. Because, al Qaeda is becoming fragmented and less capable of combat, the general need for military operations (apart from Afghanistan and Iraq) may be in decline. Because the threat is getting closer and hiding in immigrant neighborhoods, the general advisability of military operations may also be in decline. The first point we can make in considering what role for military forces is that it should be selective, even exceptional.

Yet, the US military has an expansive view of its role in this war. The 2005 National Defense Strategy states that "[t]he attacks of 9/11 gave us greater clarity on the

[40] In the author's view, counter-terrorism in Iraq would be more fruitful if greater emphasis had been placed on developing specialized high-performance units within the interior ministry and less on large numbers of low-performance national guard.

challenges that confront us" and calls for "an active defense of the nation and its interests ... in the war on terrorism." It defines today's main enemy as "terrorist extremist networks."[41] GWOT is now the narrative that inspires US defense planning.

The official strategy defines the role of military forces in GWOT: "Working together with other elements of the US Government, allies, and partners (including indigenous actors), we [the armed forces] require the capabilities to identify, locate, track, and engage individual enemies and their networks."[42] Let's see: identify, locate, track, and engage – in plain-speak, find and shoot. Without denying that US military forces might be useful in finding and shooting radical Islamist terrorists, it is not clear that they should have the main role or that this mission should define the capabilities they require. Nor, as noted, is it necessary to rely on GWOT to make a case to transform US forces.[43]

Operationally, it is exceedingly difficult to identify, locate, and track terrorists living within Middle Eastern, African, and Western populations, even when we know broadly where they are (e.g., al Anbar province, Khartoum, North London). Finding them depends chiefly on undercover work by police, intelligence agents, infiltrators, and informants, not troops. Unattended aerial vehicles (UAVs) and other sensors are useful in some places but not in most; in any case, few new counter-terrorism technologies require military forces to use them. Of course, military intelligence remains important, notwithstanding the new ascendance of the National Intelligence Director to oversee foreign intelligence activities. However, military intelligence is more to furnish organic support for military operations than to ferret out terrorists, growing numbers of whom are in places where the United States is not about to conduct military operations.

To the extent that we can identify, locate, and track terrorists, it is not obvious that US ground forces and bombers are the best way to engage them. We should be so lucky that al Qaeda would re-assemble – perhaps a reunion of terrorist camp alumni -- at Tora Bora, where long-range bombers could again pummel them and ground forces (this time) encircle them. Otherwise, how will the ground, air, and naval forces that make up the bulk of the US military be used? Other than niche roles – maritime intercept of suspicious vessels, air strikes against high-value terrorist bases, and training of indigenous forces – main US combat forces will not figure prominently in "finding and shooting" al Qaeda given the direction it is taking. (We will return to the question of special operations forces shortly.)

Then there is homeland defense -- of unquestionably great and growing importance in defending against and defeating terrorism. Although a subset of GWOT, homeland defense is a role that the US military establishment has approached warily and partially. "Our experience in GWOT reinforces the fact that protecting the Nation and its global interests requires ... defense in depth." Again, the US military sees itself as an expeditionary force. While hesitant to say so because of 9/11, it does not wish to be tied down to homeland defense, especially if that were to embolden an enemy to believe that the surest way of deflecting US intervention abroad is to attack the United States itself.

[41] *National Defense Strategy of the United States of America*, March, 2005
[42] Ibid
[43] The case for net-centric operations and forces can be made on the basis of general requirements for fast and integrated expeditionary operations nearly anywhere in the world, which demand exceptional shared awareness and seamless collaboration on the part of smaller, lighter forces with precision lethality. Such capabilities are clearly better than pre-network (heavier, slower, stove-piped) forces for finding and fighting terrorists; but the case for them does not depend on GWOT.

In any case, routine homeland defense is about managing borders, inspecting cargo containers, monitoring air and sea approaches, checking transportation systems and travelers. It is also about cops gaining access and cooperation in districts that might be hospitable to terrorists. In crises, homeland defense is the work of SWAT teams, fire-fighters, bomb-disposal units, emergency medical teams, evacuation plans, and the like. As the operational challenges of preventing and reacting to suicide bombings and mass-destruction attacks mount, it is essential to be clear about national priorities and apportion resources – namely, DHS, the FBI, human detection technologies, and layers of police and responders right down to the local level. Where the US military is indispensable, the reserves, National Guard, and Coast Guard should suffice. Moreover, *posse comitatus* could resurface as an issue with the American people if the military began frequenting their streets. In sum, the active military's reluctance about homeland defense happens to fit with what the Nation needs and wants.

Internationally, DoD has, at long last, officially accepted the need to help stabilize and reconstruct failed, occupied, and otherwise stressed-out countries, lest terrorists bring chaos, gain control or find safe haven. While State and other civil agencies should perform most reconstruction tasks, security permitting, the US military does have a role in training indigenous military forces (though not police forces, which may be more important). However, it is important not to rely on the military as a crutch instead of remedying weak civil capacity.[44] In any case, this military mission is different than using deadly force against terrorists.

According to strategy documents, GWOT includes the use of the US military to deny terrorists sanctuary in ungovernable areas.[45] But this would seem to have a very restricted application – namely, to the Afghan-Pak border and Iraq's Sunni triangle. Are we to assume that the US military will enter any ungovernable area that could harbor terrorists, e.g., much of Africa from Western Sudan to Cote d'Ivoire to the Eastern Congo? GWOT does not really mean that US forces will enter failed states around the world. Thus, terrorists have two options outside the Middle East to elude US military might: strife-torn parts of Africa, where the US military will not go, and the West.

What Particular Military Capabilities Are Needed?

Again, the operational challenge involved with physically defeating terrorists is, by DoD's own formulation, to identify, locate, track and engage them. Much of this can and is best done by sophisticated intelligence, networking, and high-performance police-commando units that are not part of military forces. There will be cases and places in which the concentration, capabilities, and attack methods of terrorists will exceed the firepower or reach of non-military forces. In such cases, the next rung is military special operations forces (SOF). Distill DoD's GWOT and one is left with SOF.

Terrorists of al Qaeda's type are patient, cunning, and elusive. They see the importance of blending cognitive excellence with religious fervor and hatred. They show extraordinary attention to information operations and communications security, to the point of recruiting and developing persons with advanced information-technology skills, and they hide in the Internet.[46] Catching them demands a special package: speed,

[44] The establishment of a stabilization and reconstruction office at State is a promising step toward creating civilian capacity to fill post-conflict vacuums that terrorists might otherwise fill.
[45] Ibid
[46] FN from Battle-wise

inconspicuousness, daring, "sensor-to-shooter" integration, initiative, opportunism, decision speed, and rapid adaptability.[47]

Among military forces, SOF have qualities that match up well with these demands:

- stealth
- intelligence sensing integrated with deadly force
- versatility in regard to terrain, climate, medium (land, sea, or air)
- ability to operate deep in hostile territory
- precise and high-probability lethality
- skill at assisting and blending in with indigenous forces
- flexibility (anti-doctrinaire)
- proficiency at working with and calling in other US military forces (e.g., ground combat units and strike) and intelligence sources
- distributed command and control
- an emphasis on quick but sound cognition and decision-making

Of course, the Pentagon understands the utility of SOF in fighting terrorism, as evidenced by their extensive use. In its own standards for shaping and sizing US military forces, DoD distinguishes between decisively defeating adversaries – implicitly, countries -- in overlapping military campaigns, on the one hand, and smaller-scale strikes and raids, on the other. On the assumption that the terrorists will not offer another opportunity like Afghanistan, eliminating them will depend mostly on "strikes and raids." While SOF are not the only forces capable of and suitable for such operations, they are the most natural. And as UAVs and other small and discriminating systems are developed, their employment by SOF comes easily. In sum, notwithstanding GWOT's political and thematic prominence, the objective military mind really does seem to comprehend that, for the most part, main forces are for major combat and SOF are for taking out terrorists.

At the same time, SOF are versatile and used somehow in nearly every US military operation. In addition to counter-terrorism, their missions include finding and neutralizing weapons of mass destruction, building liaison relationships, scouting behind enemy lines, disruption and deception, seizing critical sites, search and rescue, and entering hostile territory before main forces arrive. Therefore, they cannot be dedicated to fighting terrorists; nor can that be the only mission for which they are prepared. However, because the al Qaeda threat is so severe and SOF are so useful in combating it, the essential point of GWOT ought to be to stress and strengthen SOF above all.

Even SOF have limitations in counter-terrorism: they can be good when the whereabouts and identification of terrorists are generally known; but they cannot scour vast population centers or burrow quietly into neighborhoods where terrorists and citizens

[47] FN from Battle-wise

look alike. Still, they are useful enough to stress. After jumping from $5 billion to $7 billion in annual funding in 2002, resources for SOF have settled back and seemingly leveled off at about $6.5 billion, or 1.5 percent of defense spending. Of the increase in defense spending since GWOT began, roughly 1 percent has gone into the forces that are most able to wage it. True, SOF are inherently cheap; but that does not explain why their share of the defense budget has actually slipped since their success in Afghanistan.[48]

What does this imply for the rest of the US defense program? US military capabilities must be justified based on the known and anticipated needs for them, not because they are emblazoned with GWOT, proclaimed vital, and supported by a Congress afraid to appear wimpy after 9/11. It is well beyond the scope of this paper to say which and how much of the force structures, platforms, and weapons that make up main US combat forces are required for the security challenges facing the Country. There are major non-terrorist security needs for which US military forces are indispensable: Korea; world energy supplies; world trade routes; the East China Sea; stability operations. If the GWOT case is stretched, other demands are considerable.

Beyond the SOF issue, one cannot escape the apparent disparity in resources available to DoD for GWOT and those available to other instruments: State, USAID, DHS, Justice. If defeating terrorism is as crucial as the Government says – no dissent here -- yet there is less to the role of military power in waging GWOT than the Government thinks, there is a need to rethink how resources are allocated. One of the greatest contributions DoD could make to winning the war on terror is to economize and thus make money available to sister agencies whose roles in the war are essential yet exceed their current means.

Findings

1. Neither Afghanistan nor Iraq is the right model for waging war against Salafi-Islamist terrorism. The enemy cannot be expected to concentrate again as they did in Afghanistan, and Iraq has hurt the cause more than it has helped.

2. Given the diffused, embedded, shifty, and calculating nature of the most critical segment of the terrorist threat, the military is not the main weapon in the war against it. Nor should GWOT be the main template for military force planning. It is a special need – and a critical one that must be addressed with focus and discipline.

3. That need is best met by SOF. They number a tiny fraction of total US military end-strength, and they are very resourceful. Yet the SOF share of defense spending since is microscopic and shrinking.

4. The Government could serve the public by examining carefully the allocation of resources between DoD capabilities and non-DoD capabilities, such as DHS, State, Justice, and the intelligence community.

[48] From just over 2 percent to just under 1.5 percent.

Technological and Financial Responses to Terrorism

By Doug Farah
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Introduction

Since the attacks of 9-11, the Bush administration and its allies have struggled to develop an effective strategy to cut off the stream of financial assets to al Qaeda and other terrorist groups. The 9-11 Commission's Monograph on Terror Finance portrays a U.S. intelligence community that paid little attention to and had little understanding of terror finance before the attacks. The Monograph found that "Terrorist financing was not a priority for either domestic or foreign intelligence collection. As a result, intelligence reporting on the issue was episodic, insufficient and often inaccurate."[49] The Monograph is harshly critical of both the FBI[50] and the CIA for largely failing to "comprehend al Qaeda's methods of raising, moving and storing money."[51]

Therefore, the response came in the context of a vacuum of knowledge of who and what one needed to respond to. It was a distinct disadvantage because al Qaeda had closely studied Western financial systems and understood its points of weakness. Shortly after 9-11, bin Laden bragged to a Pakistani journalist that his men were "as aware of the cracks inside the Western financial system as they are aware of the lines in their hands."[52]

The Initial Response

The immediate response to the attacks was to seek to freeze assets that could be associated with the funding of terrorism, including those of charities monitored by the CIA and FBI for years. The primary instrument was the Treasury Department's Office of Foreign Assets Control (OFAC), broadly charged with enforcing sanctions against individuals and countries hostile to the United States. OFAC has the authority, after extensive interagency review, to designate individuals and companies as Specially Designated Global Terrorists, and freeze the assets of that entity or person.

The asset freezing mechanism was, in a matter of weeks after 9-11, coordinated with the United Nations Security Council. The purpose was to facilitate getting individuals and entities designated by individual countries also listed on a U.N. list. That list, in theory, would then be enforced by all member states and assets would be frozen. Individuals on the list are also banned from international travel. As I will examine in more detail later, this mechanism has been largely ineffective. One small measure of the inefficiency of the travel ban is that no nation has reported stopping any designated individual seeking entry into or transiting its national territory.[53]

This initiative yielded a freezing of some $149 million in assets worldwide and the naming of about 400 people as Specially Designated Global Terrorists supporting terrorist efforts.[54] However, almost all the designations were made in the three months immediately following the 9-11 attacks, and the mechanisms have hardly been used in

[49] National Commission on Terrorist Attacks Upon the United States, Monograph on Terrorist Financing, 2004, p. 4.
[50] Ibid, p. 5
[51] Ibid, pp. 5-6, 36.
[52] Osama bin Laden interview with Karachi Umat, published Sept. 28, 2001.
[53] "The Second Report of the Monitoring Group on Sanctions Against al-Qaida, the Taliban and their Associates and Associated Entities," Report to the United Nations Security Council, Nov. 3, 2003, p. 3. Author interviews in July 2005 confirmed this was still the case.
[54] Treasury Department figures provided to author by Treasury Department Public Affairs Office, July 25, 2005. It is worth noting, however, that of the total amount listed as seized assets, about $130 million were frozen in the first three months after 9-11. It is also important to note that the figure refers to the total assets frozen of each entity. In almost every case, the amount of money from any organization was estimated to be less than 10 percent of the group's proceeds. The net effect, while removing some assets from the terrorist financial structure, was far less than the figure suggests.

the past two years because the number of easily identifiable targets has evaporated. It is also worth noting that the United States has proposed more than 390 of the designated individuals. In contrast, Saudi Arabia has only designated two people.[55] A United Nations report in August 2004 stated that "it would appear that the sanctions regime imposed by the Security Council has had a limited impact."[56]

Ongoing Efforts

The intermediate term efforts have sought primarily to remedy vulnerabilities in the formal financial sector, and this remains the focus today. This includes drafting new reporting requirements, seeking consensus in international forums on how to create effective multinational structures to identify the movement of terror finances, criminalizing the activity and punishing countries that do not comply. The actions are modeled on some of the tactics that proved somewhat effective in tracing money laundering operations of drug cartels.

This strategy is useful because it has raised the cost of doing business to terrorist organizations and has taken away their easiest and most easily identifiable channels of moving money. It also utilized the legal mechanisms available to the United States and other nations, even though the instruments were blunt and somewhat crude in the face of the new situation. Slowly, some of these instruments are being honed to have a more precise effect.

But this strategy largely ignores the strong evidence some terrorist groups, particularly al Qaeda, have not been reliant on the formal financial sector for many years. In fact, al Qaeda had begun moving away from the formal financial system at least by 1998, in the aftermath of the attacks on the two U.S. Embassies in East Africa. [57]

The "freeze and seize" tactics and the "name and shame" campaigns aimed at targeting terrorist funding and those behind it is flawed for another underlying reason. The intelligence and law enforcement communities have spent decades developing an understanding of classic money laundering, where drug traffickers and other criminals take large amounts of illicit money and try to make it appear that the "dirty" money is, in fact, "clean." The flows of money are often tens of millions of dollars at a time, and schemes to launder the cash, while constantly changing, follow a few clearly identified patterns.

The funding for terrorism is, in many ways, the opposite of money laundering. Terrorist groups, especially al Qaeda, take money given to or generated by legitimate institutions such as charities and businesses, and divert it to illicit purposes. This "reverse money laundering" is much more difficult to trace because it often involves only a trickle of money from any given legitimate source at any given time. This makes imposing new requirements on financial institutions less effective than such measures were when authorities were trying to track tens of millions of dollars that flow through banks and have a significant, traceable effect on a local and national economy. As David

[55] This information is drawn from author analysis of the U.S. Treasury Department's proposed designations, the United Nations Consolidated List of Designated Individuals and the designations announced by the government of Saudi Arabia.
[56] "First Report of the Analytical Support and Sanctions Monitoring Team Concerning al-Qaida and the Taliban and Associated Individuals and Entities," Report to the United Nations Security Council, S/2004/679 Aug. 25, 2004, paragraph 30.
[57] For a detailed look at this, see Farah, Douglas, Blood From Stones: The Secret Financial Network of Terror, Broadway Books, New York, 2004; Global Witness, *For a Few Dollars More,* London, 2003.

Aufhauser, then General Counsel for the Treasury Department, said in 2003, "We had been looking at the world (of terror financing) from the wrong end of the telescope."[58]

The new reporting requirements imposed on the formal financial sector and sectors of traditionally unregulated money remittance systems have had a foreseeable but unintended consequence: they created an enormous backlog of paperwork in the Treasury Department. Because of the vast amount of new reports flowing into a largely pre-9-11 structure, most of the information does not get looked at for weeks after it is filed. Financial institutions, scared of being caught handling suspicious activities, file reports on anything and everything as a way to avoid charges of negligence. Yet regulators and investigators glean almost no useable information from the flood of data. This system overload has made it virtually impossible to detect suspicious transactions in time to act on them.[59]

The financial intelligence community, both in the United States and Europe, also suffers from a "relative paucity of Arabic and other key language translators ... and from a general failure across the government to systematically manage the use of document exploitation technology," according to former senior National Security Council official.[60]

Efforts to implement international reporting requirements or to get individual countries to implement more uniform reporting requirements have also met with mixed success. While the United States has sponsored several conferences on regulating *hawalas* on the Arab peninsula, Pakistan and India, there has been little to date to indicate that new measures have been implemented, and that, if they were, they would not overwhelm the system as they have in the United States.[61]

In the field of commodity trade, the Treasury Department has issued draft regulations that would require dealers in precious metals, stones or jewels to establish anti-money laundering programs. The rationale was that "the characteristics of jewels, precious metals and precious stones that make them valuable also make them potentially vulnerable to those seeking to launder money."[62] In a $7 billion a year industry like diamonds, such requirements for trying to block transactions that at most total a few million dollars a year going to terrorist organizations strikes many in the diamond and jewelry trade as onerous and likely to create a backlog of information that will have no timely use.

Finally, a variety of factors, both internal and external to the law enforcement and intelligence communities, have made developing non-regulatory methods of tackling terror finance mechanisms outside of the formal financial structure a more difficult priority to pursue. These factors have also made tracing and understanding these methods a lower priority. This has had and will continue to have long-term consequences because that is where most of al Qaeda's money continues to flow.

[58] Testimony of David Aufhauser before the Senate Committee on the Judiciary, Feb. 12, 2003.
[59] Author interviews with U.S. government officials.
[60] Myers, Joseph M., "The Silent Struggle Against Terrorist Financing," *The Georgetown Journal of International Affairs,* Winter/Spring 2005, p. 6.
[61] There is not space to fully explain how *hawalas* and other informal financial transfer mechanisms work. For greater detail, see Passas, Nikos, "*Hawala* and other Informal Value Transfer Systems: How to Regulate Them?" U.S. National Institute of Justice, 2003, pp. 4-5; Jost, Patrick and Harjit Singh Sandhu, "The *Hawala* Alternative Remittance System and Its Role in Money Laundering," Interpol Report, January 2000.
[62] "Dealers in Precious Metals, Stones or Jewels Required to Establish Anti-Money Laundering Programs," Press release of the Financial Crimes Enforcement Network, June 3, 2005.

Stuart Levey, the Treasury Department's Undersecretary for Terrorism and Financial Intelligence, said recently that "we are starting to see encouraging results" in fighting terror financing and that "terrorist groups like al Qaeda and Hamas are feeling the pinch and do not have the same easy access to funds they once did."[63]

But he admitted it was difficult to measure such progress, and said that "the most significant progress has been in bringing about a change in mind-set. There is now near-unanimous recognition among nations that terrorist finances and money laundering pose threats that cannot be ignored."[64] If it has taken four years to build that consensus following a massive terrorist attack, and it is the most significant achievement, it reflects tellingly on the amount of work that remains to be done in the field of terror finance.

As a United Nations study noted, "It will always be difficult to design, let alone enforce, sanctions against diverse groups of individuals who are not in one location, who can adopt different identities and who need no special equipment for their attacks."[65]

Background

Al Qaeda has used several identified methods to raise and move money, including *hawalas*, commodities such as gemstones and gold, charities and the financial network of businesses and financial institutions owned and operated by leaders of the international Muslim Brotherhood. These often include offshore companies based in Liechtenstein, Panama, Isle of Man and other tax havens.[66] These methods have been successful over time, and are likely be used again because they are extremely difficult to combat and are not susceptible to quick policy fixes. While the specifics of the operations will and have already evolved into different forms, the general patterns are likely to remain the same until effectively countered.

This point was driven home in recent Congressional testimony that fundraising for al Qaeda's allies in Iraq "follows similar patterns as fundraising for Sunni *jihadist* terrorist groups throughout the world, including deep-pocket donors and the abuse of charities. Indeed, there is reason to believe that extremist networks throughout the world that had been providing financial support to *jihadist* terrorist groups are directing portions of their funds to Iraqi insurgency groups."[67]

Commodities such as gold, diamonds and tanzanite have played a vital role in the global terrorist infrastructure. Gemstones have played a particularly important role in al Qaeda's financial architecture. Diamonds, in particular, have been used to raise money, launder funds and store financial value. Gold, for a variety of cultural and logistical reasons, has been used primarily as way to hold and transfer value. These commodities are not tangential to the terror financial structure, but a central part of it.[68]

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[63] Prepared Testimony of Stuart Levey before the Senate Committee on Banking, Housing and Urban Affairs, July 13, 2005.
[64] Ibid.
[65] "First Report of the Analytical Support and Sanctions Monitoring Team Concerning al-Qaida and the Taliban and Associated Individuals and Entities," op cit.
[66] For the names of the leaders of the Muslim Brotherhood who have been designated as terrorist financiers, see http://www.treasury.gov/offices/enforcement/ofac/sdn/ and Farah, op cit, pp.146-149. For a list of designated charities, see http://www.treasury.gov/offices/enforcement/key-issues/protecting/fto.shtml.
[67] Testimony of Daniel L. Glasser, Acting Assistant Secretary for the Office of Terrorist Financing and Financial Crimes, U.S. Department of Treasury before the House Financial Services Subcommittee on Oversight and Investigations and the House Armed Services Subcommittee on Terrorism, July 28, 2005.
[68] For a full discussion of the role of commodities in the al Qaeda financial structure, see Farah, op cit.

The role of gemstones is the topic of some debate and analysis in the intelligence community. The role of gold is equally important and less understood. A measure of the importance of the commodity was that, in 1998, the Taliban government — with funds from Osama bin Laden — held $220 million in gold on deposit in Federal Reserve. This was frozen in the aftermath of the August 1998 U.S. Embassy bombing in East Africa, and helped precipitate the movement of al Qaeda and Taliban assets out of the formal banking system.[69]

The sophistication of al Qaeda's financial network was due in part to its compartmentalization, the priority it gave to financial aspects of its operations and its management of its capital and investments. The result, according to al Qaeda expert Rohan Gunaratna, is "the most complex, robust and resilient money-generating and money-moving network yet seen."[70]

The network is also difficult to detect because it flows, in part, through the river of money that traditionally has flown from Saudi Arabia and other Arab peninsula nations to the outside world to spread the *wahhabist* version of Islam. Indeed, the global propagation of *wahhabism* is a "core tenet" of Saudi foreign policy.[71]

The amount of money for missionary efforts to spread of *wahhabism* is staggering, and in some ways is indistinguishable from money that ends up aiding al Qaeda and other terrorist groups. This is particularly true in the case of charities, where small percentages of the money given to help *wahhabist* organizations were siphoned directly into the coffers of terrorist groups.

The Saudi government calculates its ministries and charities spent $87 billion on missionary efforts from 1973-2000, almost $2.5 billion a year. In contrast, the Soviet Union, at its peak, spent about $1 billion a year in external propaganda.[72] This massive effort is responsible for the rise in the appeal of al Qaeda and Islamic radicalism across the Muslim world. While the vast majority of the money does not go directly to support terrorist organizations, it helps drive the broad and growing *jihad* movement that is increasingly targeting U.S. interests and spreading in ideology that supports terrorism.

This, too, is a type of terrorist financing that must be dealt with on a broad level, rather than solely focusing on individual branches of individual charities that may be directly supplying funds and support to a particular al Qaeda cell. David Aufhauser, a senior official responsible for tracking terrorist financing, likened Saudi support for spreading *wahhabism* around the world while abdicating responsibility for the violence that might ensue to "lighting a match in a parched forest" and denying responsibility for the ensuing conflagration.[73]

Looking Ahead

Cutting off the flow of terrorist finances is a hard goal that will require constant creative thinking about how and where terrorists will move money. In the immediate aftermath of 9-11 the U.S. government targeted the individuals, charities and businesses

[69] Benjamin, Daniel, and Steven Simon, The Age of Sacred Terror, New York, Random House, 2002, p. 289; Farah, op cit, p. 5.
[70] Gunaratna, Rohan, Inside al Qaeda: Global Network of Terror, Columbia University Press, New York, p. 61.
[71] "Update on the Global Campaign Against Terrorist Financing," Second Report of an Independent Task Force on Terrorist Financing Sponsored by the Council on Foreign Relations, New York, June 2004, p. 18.
[72] Confronting Terrorism Financing, American Foreign Policy Council, University Press of America, 2005, p.38.
[73] Ibid, p. 142.

that were the easiest to identify as suspected terrorist backers and froze their U.S.-based assets. While this was an effective short-term tactic, it has proven to be much more difficult to go after broader, systemic money flows. As often has been stated, 9-11 was not just an intelligence failure, but a failure of imagination. Pursuing terror finances has suffered and continues to suffer from the same lack of imagination.

The intelligence, law enforcement and policy establishment continue to primarily look for piecemeal regulatory and legal remedies against traceable financial systems that they are familiar with such as bank accounts and wire transfers. But the overarching system of moving money through a variety of non-traditional means that are culturally and ethnically unfamiliar is only now beginning to be looked at, often in a haphazard fashion.

Groups like al Qaeda have shown that staying one step ahead of those moving the money by simply avoiding the roadblocks in the formal system is possible with minimal risk.

To begin to effectively deal with terrorist finance, there must be a paradigm shift in the underlying approach. This shift requires moving from viewing regulations — both national and multinational — as the primary instrument for cutting off the flow of terrorist money. Instead, the actions must be intelligence driven. The primary instrument must be targeted human intelligence, because the volume of money that terrorists need, while substantial in relative terms, is less than a drop in the bucket of the economies through which that money flows. Broad, sweeping regulations aimed at that tiny trickle serve a modest purpose. But they also divert scarce resources and time from perhaps more effective methods and carry a significant economic cost for the targeted industries.

Terror finances only intersect the formal banking system at a few points, and the money is moved so quickly even filing Suspicious Activity Reports is largely an exercise in futility. This means the traditional way of monitoring transactions that could trigger investigations is no longer especially useful. The day has also long passed when money was discussed by telecommunications that could be traced and intercepted. Couriers and Internet chat rooms have replaced sat phones and e-mail. Implementing new reporting requirements and regulations will often only slow the system down further, not make it more effective.

In addition, very few countries have the capacity to comply with the numerous new regulations, either in freezing assets or maintaining effective travel ban lists. Even if the political will exists to do it, the measures are seldom given a high priority.

The Need for a Cultural Revolution

Part of the paradigm shift in confronting terrorist finance must include a cultural revolution, perhaps one of the most difficult things to achieve in a government of bureaucracies and turf wars. The ability to look at different systems, imagine creative means of moving and raising resources, and a willingness to explore culturally different types of behavior is imperative.

Intelligence officers and military officers on the ground in Pakistan, West Africa and elsewhere are continually frustrated by the ongoing inability of their superiors to think outside the cultural paradigms that are familiar. The use of gold, *hawalas*, and gemstones are not part of the traditional Western mix.

There are many examples of where there has been little thinking outside the box on terror finance issues, from understanding the use of commodities to an almost complete ignorance of *hawala* structures before 9-11. Here are two ongoing examples that illustrate some of the shortcomings of the regulatory approach in dealing with mechanisms that could be better dealt with through human intelligence gathering.

There has been little serious work done on the network of ethnic Lebanese businessmen that dominates West African trade — including diamonds and gold — from Mali to Cameroon. Obviously, not everyone of this ethnic origin is engaged in criminal activity and illegal businesses, but certain types of activities are dominated by this ethnic group. The clans operating in West Africa are often related by blood to families operating out of Panama and the Tri-border in central-eastern South America.

For years members of these communities have raised money for Hezbollah, laundered money from organized crime and dumped products that are about to expire on the European or U.S. markets. (This includes chickens and other perishable goods whose expiration dates have passed). The businesses are tied together by interlocking family networks that have intermarried, and that retain strong ties to Lebanon.[74]

Two of the clans, related through marriage and operating in West Africa through a group of businesses in Antwerp with interlocking directorships, helped move at least $19 million of al Qaeda funds from late 1998 until just before 9-11.[75] Yet the communities remain little understood in terms of how they could relate to terrorist and criminal activities, largely because it is culturally distinct from what the intelligence and law enforcement communities are used to dealing with. Understanding such kinship and trade networks is vital to understanding how money flows in areas of the world where the regulation of the formal financial sector is meaningless and state control nonexistent.

No amount of regulation will give a government the ability and capacity to deal with these types of criminal networks. The only way to know and understand them is through concerted efforts to understand the community, the relationships within the community, and the commercial practices of the group.

A second example is the slow nature of the response to the crucial role that leaders of the Muslim Brotherhood have played in the radical Islamist financial infrastructure, including that of al Qaeda. The known areas of the Brotherhood's activities are through its web of offshore companies, particularly the Al Taqwa Bank and Bank Akita, both registered in Nassau, Bahamas. These two banks, run by Yousef Nada and Idriss Nasreddin, were the primary financial institutions of the Brotherhood. Nada and Nasreddin, along with the two banks, were designated as terrorist sponsors by both the United States and the United Nations for their support of al Qaeda.[76]

One former senior U.S. government official testified that the Brotherhood "has played a central role in providing both the ideological and technical capacities for supporting terrorist finance on a global basis ... the Brotherhood spread both the

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[74] Lansana Gberie, *War and Peace in Sierra Leone: Diamonds, Corruption and the Lebanese Connection,* The Diamond and Human Security Project, Occasional Paper 6, January 2003. Also, Harris, Edward, "Hezbollah Extorting Funds From West Africa's Diamond Merchants," The Associated Press, June 29, 2004

[75] Belgian Police Report, Case LIBI, Federal Police, GDA Antwerp-Diamonds Section, available at www.douglasfarah.com/materials.shtml; Unofficial translation of Public Prosecutor File 1/2002-Subsection General Examining Magistrate, Antwerp, "Conclusion 5: Information Regarding Washington Post Article Dated 2.11.2001," pg. 39.

[76] U.S. Treasury Statement on Terrorist Designations, Aug. 12, 2002.

ideology of militant pan-Islamicism and became the spine upon which funding operations for militant pan-Islamicism was built."[77] But it took several years for the broader intelligence community to identify and target specific Brotherhood organizations that were suspected of funding terrorism.

The biggest obstacle, according to sources inside the intelligence community, was a lack of understanding of what the Brotherhood is; its history, its central role in the training of most of al Qaeda's senior leadership, and its extensive financial empire that spans the globe. It was outside of the culturally familiar and traditional intelligence targets, and therefore remained a low priority.

A sign of the growing awareness of the complexities posed by the Brotherhood, in April NATO formed a "Coalition of the Willing," led by the United States and the Netherlands, to pool intelligence and information on the Muslim Brotherhood and its financial architecture.[78] But this is beginning after almost four years have passed since 9-11. Again, no regime of regulations can begin to stop transactions that go through largely-legal businesses and financial institutions. The only way to develop the capacity to trace funds flowing through those channels is to develop the intelligence to determine what avenues are most likely to be used for funding terrorists, then pursue those.

Weaknesses in the Sanctions Regimes

Even those nations that do have the capacity and resources are often failing to enforce the regulations. Despite the increased scrutiny of the United States and its European allies, the innate weaknesses of the international sanctions regime are evident in the cases of both Nada and Nasreddin.

Despite a travel ban and a supposed freeze on assets by European allies, the two men travel freely and have suffered little financial loss. A U.N. investigation found that some bank accounts had been frozen, but "nothing has been done with respect to any of their other... physical assets." The report went on to outline how Nada has traveled from Switzerland to Liechtenstein to liquidate his companies that were designated to have their assets frozen, had himself appointed liquidator, and, still in control of assets, used them to set up new companies that were not designated.[79]

Nasreddin's companies — from a luxury hotel in Italy to cookie factories in Nigeria — also continue to operate with little impediment.[80] This led the U.N investigators to conclude that the "Nada and Nasreddin examples reflect continued serious weaknesses regarding the control of business activities and assets other than bank accounts."[81]

One of the primary weaknesses is that any jointly held company cannot be designated unless all of the owners of the company are also designated. This means that any person designated as a terrorist financier can simply register a company with a non-designated individual such as a family member, and escape the sanctions. Authorities argue that it is impossible to determine what assets of a jointly held company should be frozen. While that may be true, and the rights of unaffiliated persons must be protected,

[77] Winer, Jonathan, Testimony before the Senate Committee on Governmental Affairs, July 31, 2003. See also statement by Richard A. Clarke before the Senate Committee on Banking, Oct. 22, 2003.
[78] Author interviews with NATO officials, May 2005.
[79] "Update on the Global Campaign Against Terrorist Financing," op cit, paragraphs 74-82.
[80] Nasreddin's continued ability to operate was documented by a June 30, 2005 NBC Nightly News investigation, www.msnbc.msn.com/id/8421366/
[81] "Update on the Global Campaign Against Terrorist Financing," op cit, paragraph 81.

there has been little creative thinking to deal with the most obvious loophole in the process.

The same weakness in the sanctions regime is evident with charities. While dozens of charities have been designated for their support of al Qaeda and other organizations, many were never closed down by the host country. Many more were simply closed and opened a short time later at the same address but under a different name. These include some of the best-known charities such as the al Rashid Trust and branches of al Haramain.[82]

Changing the Paradigm

Developing the necessary intelligence infrastructure to attack the nontraditional methods used by terrorist financiers would take years in the best case scenario, but this is not a high priority in most of the intelligence community. However, there are some interim steps that could improve the situation.

The primary tool available is to begin a serious and sustained outreach program to the private sector in areas of concern or potential concern, particularly in the less formal financial areas that are vulnerable to exploitation by terrorists. This includes those in the diamond, gold and other gemstone industries; *hawaladars*, money remitters, charity groups and others. Each of these groups is relatively small, where almost all the major people in the sector know each other.

Within these small communities, those who work on the illicit side are usually well-known to the rest. In the diamond trade, every dealer I spoke with in Africa and Antwerp could identify the same handful of buyers who sold to Hezbollah and were likely to deal with al Qaeda. In the gold market in Dubai and Karachi it was no secret among the dealers who dealt with the Taliban and al Qaeda. Yet this information was never accessed by the U.S. intelligence community.[83]

There are inherent difficulties to using this type of information, and it would likely be of little use in formal judicial proceedings. The trades are highly competitive, and it is likely one group would generate false information to damage a rival. However, there also are methods of triangulating information and developing valuable leads. And there are many who would be willing to help for more honorable reasons. Many of those in the most vulnerable industries are anxious to avoid the stigma of being associated with terrorism. Others oppose terrorism and are concerned with helping end the money flows to terrorist operations. Whatever the mixture of motivating factors, the information generated could be of considerable use.

It is probable that much of this type of outreach would be more productive if carried out by U.S. Embassy staff, such as economics officers, rather than intelligence officers. There have been cases when industry insiders have offered information to U.S. intelligence services, but were told they could only speak if the person agreed to take a polygraph test and sign an agreement to become a confidential informant. This approach is likely to expose the potential sources to danger as well as drive them away.

These groups are also very knowledgeable about their markets and can detect anomalies that an outsider could not. For example, in the diamond sector in Antwerp,

[82] Ibid, paragraphs 39-54.
[83] Author interviews with diamond dealers, gold merchants and U.S. intelligence officials from 2001-2005.

diamond dealers knew something was very wrong with the West African diamond market in the summer of 2001. One was so concerned that the diamonds were being used for nefarious purposes that he briefed the U.S. ambassador on the situation. A cable was written, but no action taken because no one could envision diamonds as a part of the al Qaeda financial structure.[84] One wonders what would happen today if someone came forward with the same information. Would there be someone to talk to in the U.S. government who would be able to begin to understand the importance of the information?

The Spread of Wahhabism and the Threat in Iraq

The flow of money from the Arab Peninsula to spread *wahhabism* must ultimately be addressed if progress is to be made in stemming the flow of money to al Qaeda and like-minded terrorist organizations. Policy options in dealing with Saudi Arabia, in particular, are limited, yet the relationship must be rethought to incorporate this issue as a high priority. Without serious governmental oversight of charities and other types of money flows, it will remain easy for terrorist groups to retain access to financial aid in many parts of the world.

The 9-11 Commission noted that the "war on terrorism" was not just a war against al Qaeda *per se*, but a war against Islamic radicalism. It noted that a second threat is "gathering and will menace Americans and American interests long after Usama bin Ladin and his cohorts are killed or captured. Thus our strategy must match our means to two ends: dismantling the al Qaeda network and prevailing in the longer term over the ideology that gives rise to Islamic terrorism."[85]

It could well be true that, as the 9-11 Monograph states, with al Qaeda becoming less centrally directed it could become "essentially indistinguishable from a larger global jihadist movement. ... Rather than the al Qaeda model of a single organization raising money that is then funneled through a central source, we may find we are contending with an array of loosely affiliated groups, each raising funds on its own initiative."[86]

That makes reining in money to spread *wahhabism* even more imperative, because more groups could be seeking access to the funds to foment terrorism. And, as the emerging pictures in sub-Saharan Africa and Iraq show, that global *jihadist* movement will almost certainly rely on the same structures that have served al Qaeda and other groups so well until now, with variations that will make it even more difficult to track the funds.

As noted earlier, senior U.S. officials now believe that Sunni *jihadists* in Iraq use "classic terrorist financing" techniques, including relying on donors from the Gulf states and the abuse of charities.[87] There are already indications that those financing the *jihadists* in Iraq are using variations that will make intelligence, rather than regulation, even more crucial.

[84] Farah, op cit, pp. 100-104.
[85] Final Report of the National Commission on Terrorist Attacks Upon the United States, W.W. Norton Company, New York, p. 363.
[86] National Commission on Terrorist Attacks Upon the United States, Monograph on Terrorist Financing, op cit, p. 29.
[87] Testimony of Daniel L. Glasser, op cit.

The most notable is the ability of *jihadists* from the Arab Peninsula to find an individual sponsor for his efforts to reach Iraq and fight there. This type of "micro sponsorship," usually about $10,000 per *jihadist*, is a far cry from the large sums of money flowing through charities, and much more difficult to combat.[88]

There is another familiar refrain. Much of the money for the *jihadists* is delivered through Syria. While U.S. officials said there is no overt Saudi government support for the *Salafist* arm of the insurgency, they have expressed their deep unhappiness to the Saudis over the level of the kingdom's efforts to block the flow of money.[89] Already, several charities with long-standing financial ties to al Qaeda have set up operations in Iraq, almost exclusively in areas where the *mujahadeen* are most active.[90]

As the participation of radical Islamists in the Iraq conflict grows, the nation is becoming "a training ground, a recruitment ground, the opportunity for enhancing technical skills," a senior CIA adviser said recently. "At the moment, Iraq is a magnet for international terrorist activity."[91] This trend will likely accelerate and spread to other areas of the Islamic world.[92] Growth means, by definition, rapidly increasing expenditures and a growing role for fundraisers.

With the increased expenditures will come the increased need to understand more fully how terror finances operate, and how to attack not just individuals, but networks and structures, more efficiently. As long as the global structures to raise and move money exist, terrorists will have access to the money when they need it. So far, however, despite optimistic statements and occasional triumphs, those structures endure.

[88] Author interviews with U.S. and Asian analysts following the Iraqi insurgency.
[89] Author interview with U.S. and European intelligence officials. See also Schmitt, Eric and Thom Shanker, "Estimates by U.S. See More Rebels with More Funds," *The New York Time,* Oct. 22, 2004, p. A1.
[90] Kohlmann, Evan, "Terrorist-linked Islamic Charities Responsible for Funneling more than $1 million in aid to Central Iraq," www.globalterroralert.com, Jan. 20, 2005.
[91] Priest, Dana, "Iraq New Terror Breeding Ground: War Created Haven, CIA Advisers Report," *The Washington Post*, Jan. 14, 2005, p. A1.
[92] Mapping the Global Future: Report of the National Intelligence Council's 2020 Project, Government Printing Office, December 2004.

Intelligence Approaches to the War on Terrorism

By John McLaughlin
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Introduction

The War on Terrorism is in many respects an intelligence war. This is underlined by the fact that we are dealing with an enemy for whom secrecy is the paramount weapon -- to a greater degree than in any past conflict. The most prized secrets, moreover, are held by a smaller group of people – perhaps only a dozen or so -- than typically has been the case among US opponents in either peacetime or war. Detection and disruption are, therefore, extremely urgent intelligence requirements -- but much more difficult to achieve than in most previous conflicts.

This is an enormous challenge for our intelligence services, which by the nature of this war are required to perform typical intelligence collection and analytic functions – essentially penetrating enemy ranks and assessing their tactics and strategy -- while frequently also being the front end of the US offensive capability – the "pointy end of the spear" -- in many theaters outside of Iraq.

The following paper is intended to provide some context for understanding how US intelligence has approached the War on Terrorism, the results so far, what remains to be done, and requirements for continued success. It is written more from the perspective of the practitioner than the scholar. It will focus principally on the war as it is conducted outside settings like Iraq, where US conventional forces play the dominant role. And it will deal mainly with the threat from Al Qaeda and its affiliates, while acknowledging that intelligence has a broader role to play in combating other terrorist groups such as Hizbollah.

Where We Have Been

Like other Americans, US intelligence officers saw the 9/11 attacks as a devastating tragedy – but not as the *beginning* of a war. US intelligence had been combating terrorists for at least two decades and had considered itself at war with Al-Qaeda since the mid to late 1990s. The attack of 9/11 was thus seen by intelligence as a major battle lost in a war that had been ongoing.

It was a war in which intelligence had seen both victories and defeats. Among the victories were its work with foreign partners to disrupt a Ramzi Yousef plot to down tenl civilian US airliners over the Pacific in the mid-1990s, the disruption of plots to bomb our embassies in Yemen, Albania, and at least one West European capital, and the disruption of a wide array of planned attacks on US interests in the US, Jordan, and other parts of the Middle East in 2000-2001 (the so-called Millennium plots.)

Among the defeats were the bombings of our embassies in East Africa in August, 1998, the attack on the USS Cole in Yemen in October, 2000, and of course the major and catastrophic loss of 9/11 itself.

So, while 9/11 will forever be viewed as the major demarcation line between eras in US counter terrorism, it was also in a sense a mark along a continuum for US intelligence – the major battle lost in a long-running war.

And while the specific targets, timing, and method of attack came as surprises, the spectacular nature of the assault did not. Throughout the summer of 2001, the conviction grew within US intelligence that a major attack was coming – so much so that the alarms sounded by the intelligence community were seen by many in the policy

world as having an almost frenzied quality – the more so since the intelligence lacked the sort of specificity that policymakers hungered for at that time.

After the attacks occurred, the intelligence community response benefited enormously from the extensive thought and planning that the CIA in particular had given – beginning in the Clinton administration -- to tactics and strategies designed to undermine al-Qaeda's Afghan sanctuary.

This all came into play in the immediate aftermath of 9/11 as the Agency's strategy of working closely with Afghan tribal allies moved to center stage and as the relationships built years before with the Afghan Northern Alliance paved the way for CIA teams to be on the ground in Afghanistan just 16 days after 9/11. This was of course the front end of what became the successful takedown of the sanctuary by combined military and intelligence capabilities in Operation Enduring Freedom.

What Has Changed

Since 9/11 and the early days of Enduring Freedom, much has changed in the intelligence community's approach – and also in the enemy camp.

It is not well understood that by 9/11, the intelligence community was already in the midst of a dramatic transformation – one that accelerated as the community adjusted to its new authorities and responsibilities post- 9/11. Following resource cuts approaching 25 percent in the 1990s after the Soviet collapse, intelligence capabilities had become extremely stretched. Hiring had come to a virtual standstill, and the CIA in the mid to late 1990s was training only a couple dozen clandestine service officers a year. In this period, the FBI had more Special Agents in New York City alone than the CIA had Clandestine Service Officers overseas. Meanwhile, requirements for foreign intelligence were mounting steadily as the illusion of a peace dividend gave way to reality.

It was during this time of resource stress and constantly shifting priorities that the terrorist challenge began to come into sharper relief. It was also in this period that the CIA embarked on a strategic plan designed to increase its collection capabilities, adapt them to new technological realities, enhance its analytic expertise, and ensure that its scientific work stayed on the cutting edge. These efforts were just off the ground and just beginning to benefit from a restoration of some resources when 9/11 hit.

The intelligence community had already moved far away from the Cold War paradigm by the time of 9/11, but the momentum increased markedly in the wake of the attack. Any comparison with how intelligence was postured in the Cold War illustrates this dramatically.

Back then, for example, intelligence focused on tracking and locating big things, such as motorized rifle regiments, deployed strategic forces, bombers, submarines. Today, intelligence still has to do much of that but, meanwhile, has learned to hunt for small things – a suitcase with a bomb, a single person in a city of 17 million, one room in an apartment, a single packet of data moving through the global information network.

During that earlier era, intelligence worried mainly about governments and political parties – especially those with a Soviet connection. Today, there is still a requirement to follow governments and parties, but for what they represent in and of

themselves. And in the case of counter terrorism, the requirement is to look deeper into other societies – down to towns, regions, religions, and tribes – while also assessing the societal stresses that can be factories for terrorism.

During the Cold War, the secrets intelligence had to unlock were shared by hundreds of individuals in ministries and embassies. – a large pool from which to recruit agents. As noted earlier, the secrets terrorists guard most closely are shared by small numbers of people, and they are likely to be living in remote areas, possibly in caves, or broken into small groups scattered throughout dense urban environments. None of them will be found at cocktail parties, embassy receptions, or government ministries. In other words, the recruiting pool has shrunk and avenues into are constricted and obscure.

The Cold War period was also often marked by a shortage of data on many issues. Today, despite the difficulty of acquiring secrets through classic espionage, the capture of a terrorist cell may yield terra bytes of data – as much as we house in a small public library. The challenge is to find ways to sort it, fuse it with other data, and discern any threatening patterns in it.

Finally, years ago intelligence acquired by the US had to be shared mainly with other agencies in the federal government and with a few foreign partners. Today, it must be shared with a worldwide anti-terrorist coalition and with thousands of local law enforcement officers in the US. Today, a local cop on the beat should be able to access nationally compiled domestic and foreign data, and that data should reflect the full spectrum of Homeland and overseas information acquired by agencies such as the FBI and the CIA.

Beyond these broad trends, the specific practices of the intelligence community on counterterrorism have changed substantially since 9/11. Little of this is recorded or even acknowledged in the 9/11 Commission Report, because the Commission drew a line at October, 2001 and did not delve into changes and improvements subsequent to the attack. Therefore, the report takes no real account of these in its analysis or its recommendations.

As I told the Senate Armed Services Committee in testimony on August 17 last year, this was the most dramatic period of change for the intelligence community in my memory,

- Our *policies* – the nation's and the intelligence community's underwent fundamental changes. The principal change is that post-9/11 national policies and the authorities given to the intelligence community allowed it to go decisively *on the offensive* against terrorists worldwide. As a result, most of the traditional sanctuaries are dismantled or under relentless pressure.

- Day to day *practices* have also changed dramatically. While the degree of pre-9/11 tension among agencies has been highly exaggerated by critics and commissions, it is nonetheless true that there is routinely closer integration of effort today. While there is always room for improvement, intelligence officers, law enforcement, and military officers serve together and share information in real time on the front lines of the fight at home and abroad. When something happens, the default instinct today is to *share* information. A good example was the discovery last August of detailed Al-Qaeda casing reports on some of our most important financial institutions. Within hours, all of this was in the hands of

federal and local law enforcement and local official's right down to the affected building managers.

- *Operational integration and response* has also advanced markedly. During Director Tenet's tenure and continuing into my period as Acting Director of Central Intelligence, we chaired a daily operational meeting that brought together intelligence and law enforcement representatives, along with defense intelligence and military officers stationed at CIA. Decisions made at the table went immediately to our officers in the field and their foreign partners, whose penetration and disruption of terrorist networks yielded the precise kind of intelligence represented by the casing reports discovered a year ago.

- The world wide anti-terrorist *coalition* has changed. This still takes constant tending, as I will discuss below, but the climate of skepticism and disbelief we frequently encountered abroad has diminished in the face of the new realities of terrorism. As a result, the coalition is broader, deeper, and more committed than before 9/11. This reflects the very high priority the intelligence community has placed on building relationships with foreign counterparts, recognizing that the work cannot be done without local officials who are ready and willing to work jointly with the US. It also reflects the growing recognition on the part of many partners that they are personally threatened by the terrorist drive and that the terrorists' campaign is drawing more heavily on local resources and indigenous populations.

- Needless to say, our *laws* have also changed. Principally, the Patriot Act has given the intelligence community real time access to data it did not formerly have, and this has permitted a more productive integration of data from all sources.

- Finally, our *institutions* have changed. Almost two years before the stand up of the National Counter Terrorism Center (NCTC) late last year, the intelligence community had pooled resources to create its progenitor – the Terrorist Threat Integration Center (TTIC). The NCTC is really an augmented version of the TTIC, with a strategic planning function added. What made both institutions unique is the bringing together of more than 20 databases from a wide variety of foreign intelligence, domestic law enforcement, homeland security, military, and diplomatic agencies. Both TTIC and NCTC also are unique in the diversity of their personnel; like TTIC before it, the NCTC is staffed by officers from agencies as diverse as CIA, FBI, Coast Guard, Homeland Security, Customs, and Treasury. While there is much work still to be done – more on that later – these institutions hold the promise of integrating data more thoroughly and with less chance that something will be missed.

The terrorist landscape has also undergone enormous change since 9/11.

- Obviously, the key strategic change was Al Qaeda's loss of its comfortable sanctuary as a result of Operation Enduring Freedom in Afghanistan. This forced the leadership and foot soldiers to scatter, making them more vulnerable to apprehension and less able to plan and execute large operations securely.

- A second key strategic development was the decision of Pakistan's President Musharraf to work in close partnership with the US on counterterrorism following

9/11. This helped expose key operatives to capture and disruption in Pakistan's urban areas, where so many of the major US counter terrorist successes have occurred.

- A third key strategic moment came in the aftermath of successful al Qaeda attacks in Saudi Arabia in May, 2003, leading the Saudi leadership to dramatically step up operations against Al Qaeda in the Kingdom. More than 200 operatives have been brought to justice there since then, in aggressive operations that have cost the lives of at least 20 Saudi officers.

In other arenas, including Yemen and other Gulf countries, the Levant, Southeast Asia, North and East Africa, and Europe, intelligence-based partnerships have kept the movement under pressure that has in many cases seriously hindered or prevented terrorist fundraising, communication, and operational planning.

The by now widely-cited figure of 2/3 to 3/4 of al Qaeda's 9/11 era leadership brought to justice is testament to the success of the US effort. And beyond these more visible and publicized successes, there is the less visible but relentless grinding away at other essential components of the terrorist networks – the couriers, the facilitators, the fund raisers, the safe house keepers, the technicians – that US intelligence officers and their foreign partners engage in every single day. This is work in which the media has little interest and about which the public has little knowledge. But it is the work that, left undone or neglected, would allow these networks to regenerate in ways even more dangerous than we have seen in recent successful terrorist attacks in London, Madrid, and elsewhere.

So the movement that US intelligence now confronts is in some ways less dangerous than the 9/11 era al Qaeda and in some ways more. It is *less dangerous* in that terrorists now have more obstacles to overcome in attempting to orchestrate large scale international terrorist operations. It is *more dangerous* in that the movement is now more amorphous and operates in smaller cells that are widely dispersed geographically. It is driven less by a hierarchical command structure and geographic considerations and more by an ideology that is spread easily by the internet and other electronic media.

The movement now has an African face, a European face, an Asian face, and perhaps an American face. It is not easily "profiled". While the inspiration, and presumably some level of funding and training, still comes from the center, more autonomy seems to be flowing to locally based parts of the network that recruit operatives from indigenous populations and rely on the external operatives for only portions of the planning and execution.

Clearly, the movement in its current configuration presents new challenges for intelligence and law enforcement officers seeking to penetrate the networks, acquire their secrets, and bring them to justice. Terrorist cells are more dispersed, they have gone to school on our successes, and they are adopting stealthier forms of recruitment, training, reconnaissance, and operational execution.

And while many of the recent attacks – London, Madrid, Istanbul, Casablanca, Bali, Sharm el-Sheik – appear local in nature, we must not delude ourselves into thinking this is no longer an international movement. Even if these attacks are not being staged by a centrally directed, hierarchical movement, the goals of each attack transcend regional borders, in that successful attacks feed recruitment efforts world wide.

Dispersed cells, moreover, are connected by, among other things, the celebration of each attack in jihadist chat rooms and the propaganda that moves across the internet after each terrorist success.

And although it can be argued that our successes must be making it harder for Al Qaeda to mount a major attack in the United States, we cannot take any real comfort in that or afford to believe it. Nothing would boost the movement more or provide a greater incentive to Al Qaeda's seemingly flagging donors than another attack on American soil. For al Qaeda, this remains the brass ring, the way to recoup its losses and return the movement to its earlier preeminence.

What Must Be Done?

Against the backdrop of these changes, what is required of intelligence and of the national policymakers on whom it must depend for support? The requirements range from the heroic to the mundane, from the short term tactical to the long term strategic -- but all are essential to a successful intelligence role. Although it is possible to draw up a list, it is important to emphasize that these tasks cannot be approached serially; they must be tackled simultaneously, albeit with varying degrees of intensity. Among the key aspects of the problem:

- Intelligence has had noteworthy success in weakening the central leadership of the movement through the apprehension of a large number of the 9/11 perpetrators, most notably the operational architect of the attack, Khalid Sheik Mohammed, and many of his lieutenants. *Intelligence must now intensify its focus on the remaining elements of the leadership*, including of course Bin Laden and his deputy, Ayman Al-Zawahiri. That said, the movement has now evolved beyond the possibility of a "decapitation strategy". Although success by the German plotters in their assassination attempt on Hitler in July, 1944 probably would have ended World War II, wrapping up Bin Laden will not end this war. But it would nonetheless be an operational setback and an enormous symbolic blow to the movement.

- *There is no unilateral solution to the problem America now faces.* American intelligence has been extraordinarily successful in building counterterrorist partnerships with other intelligence services around the world but must now -- along with their counterparts across the US government -- tighten, deepen, and build on these relationships. They cannot be allowed to flag or wither. And as important as the intelligence relationships are, they in many cases need stronger diplomatic and military-to-military components. The goal should be to build shared commitment with other societies – a goal that will require resources for training and equipment and large investments of personal time on the part of US officials. Increasingly, the terrorist nexus will be in remote parts of multiple and diverse societies where Americans will have trouble operating. Senior American officials need to be able to pick up the phone and reliably mobilize the resources of other countries in response to intelligence leads – not through pressure or superpower preeminence but as the result of shared commitments developed over time. If this kind of "intelligence diplomacy" is neglected, we will find ourselves lacking some of the fundamental tools required to defeat terrorists where they live.

- *Success against this adversary has little to do with structure or organization in the intelligence community, despite the attention paid to that recently; it has everything to do with something even more prosaic – the effective fusion of data.* As noted earlier, success against terrorist networks has yielded an enormous amount of data -- enough that sophisticated algorithms are required to sort through it efficiently. But along with volume, it is the diverse sources of this data – and classification levels that range from none to the most sensitive -- that make it especially hard to integrate and share. It is critical that our terrorist data be managed in a way that a local law enforcement officer trying to sort out suspicious activity somewhere in the Midwest is able to reach into a database to bounce his findings off of what CIA case officers have picked up overseas, what FBI officers may be hearing in New York City or what Customs or Border Patrol officers may have learned – and for all of this to work just as well in reverse. The US has made impressive strides toward that goal with institutions such as the National Counter Terrorist Center and a variety of databases developed by the CIA's Counter Terrorist Center, but we are still not where we need to be. If there was ever a goal worthy of a "Manhattan Project" approach – bringing together the best minds in industry and technology – this is it. Getting this done should be a legacy issue for the new Director of National Intelligence.

- *The key to intelligence success against terrorists is speed and agility in responding to leads, and we must be on guard against anything that reduces the progress the intelligence community has achieved on that score in recent years.* Response decisions must frequently be made in a matter of minutes or hours on highly perishable intelligence. The possibility of honest error is thus ever present. The National Intelligence Director must be careful not to allow the new intelligence structure to evolve into an additional layer of approvals that would compromise speed and agility, and he must also preserve the responsible risk taking environment that the community has created in recent years. Congressional intelligence committees and other overseers, meanwhile, must exercise careful judgment as they pursue their important work, mindful that one way to ensure risk aversion is to highlight every error made in the course of taking risks.

- *Intelligence must stay on the offense, but the country must pay increasing attention to the defense.* Intelligence will frequently pick up the signals necessary to prevent attacks, but given the highly compartmented secrets in the terrorist world, intelligence professionals can bat over .900 and still fail. The homeland security effort has come a long way since 9/11, but our country is still not entirely beyond a mindset geared to the expectation that specific intelligence on timing, target, and method is the primary way to avoid terrorist attacks. Clearly, that should be the goal, but given the large body of data we now have on potential terrorist targets and methods, there needs to systematic use of that data to close the gaps in our vulnerabilities here at home. This should not be seen as intelligence ducking a responsibility; the point, rather, is to make sure we are using to the fullest the information we already have at hand.

- *Intelligence must pay special attention and focus intensively on potential terrorist use of WMD*. Terrorism is by its very nature an asymmetric approach to war. WMD – nuclear, chemical, or biological – are the tools that would restore asymmetric power to a weakened movement and give it the potential to level the playing field with the US and its allies. There is no reason to doubt that the

terrorists have the ambition to deploy such weapons. Bin Laden has said so plainly, and intelligence has uncovered ample evidence that al Qaeda in particular has devoted substantial effort to gaining a WMD capability Terrorist leaders know that use of such weapons in the US would be the surest way to top 9/11..

- *Finally, national policymakers must provide constancy in resources and moral support to the intelligence community to maximize its effectiveness in what surely will be a protracted fight.* This risks sounding like "special pleading", but the reality is that few aspects of intelligence work are as resource intensive and painstakingly detailed as counter terrorism. Budgets that go up and down or depend on unpredictable supplemental funding will make it harder to maintain the relentless focus that counter terrorism requires. And while holding the intelligence community to high standards and expecting strong performance, national decision makers must also throw in a dose of patience for an intelligence community that was practically in Chapter 11 in the late 1990s and in the early stages of a strategic rebuilding effort when 9/11 hit. The community has been fighting the war very effectively so far – but with essentially no reserve capacity. It will take several more years to hire and train the numbers of skilled case officers, analysts, and technical specialists required to achieve maximum effectiveness on counter terrorism while simultaneously meeting the community's manifold other responsibilities.

Much of the foregoing has to do with the tactical aspects of intelligence in wartime. Clearly, though, there must be a strategic component to the US conduct of the war. Put another way, and in classic counterinsurgency terms, we must attack not only the terrorists; we must also attack their strategy. For intelligence, this must mean working systematically to dismantle the pieces of the network that give it global reach – such as its finances, communications, and logistics. In other words to isolate its decentralized cells and deprive them of the means to spread their ideology and recruit converts prepared to act on it.

And ideally, this should occur against a backdrop of broader US information, development, and aid policies designed to attack the intellectual, ideological and socio-economic roots of terrorism – an effort to which intelligence can contribute but cannot lead.

Working Group on Protecting the Homeland and Preserving Freedom:

Principles and Recommendations – DRAFT

By Suzanne Spaulding
Managing Director, The Harbour Group and Former Executive Director, National Commission on Terrorism

Executive Summary: Working Group on Homeland Security and Freedom

Analysis

Homeland security remains a national imperative. Action has been taken, but the country is still lacking a truly comprehensive national strategy.

The alleged tension between civil liberties and national security is misleading. Values like liberty and security should not be seen as competing or mutually exclusive. After all, those who declared, fought for, and secured our independence knew well that we are strong not *despite* but *because* of our freedoms.

Furthermore, only if citizens identify with the state will they be willing to protect it, and institutions should therefore remain accessible and transparent. Equally, the government must make an effort to rebuild its relationship with Muslim and Arab communities. The targeting of one particular ethnic or religious community is counter-productive. It also harms our image abroad, alienating friends and potential allies.

Recommendations

The following recommendations have emerged:

- New technologies to increase government information awareness – for example, data mining, link analysis, and data integration – need to be developed, but only if they are usable and if due process rights are developed and deployed.

- In the critical infrastructure context, the government should apply cost/benefit analyses common to risk management. This means carrying out comprehensive threat assessments, identifying vulnerabilities and gaps, prioritizing those gaps and vulnerabilities, calculating what gaps can be filled, and what is the associated cost (not only in financial terms, but also in terms of liberties, etc.). There must be clearly defined objectives, which are measured in regular intervals.

- There needs to be a public debate about – and a clear definition of – the role of the military inside the United States.

- The legal implications of the 'war on terror' need to be clarified and restricted. In the long term, a legal framework should be developed that goes beyond the criminal justice approach but falls short of the unilateral authority the President claims in times of 'war.'

- We must become much better at learning lessons, not only from counter-terrorism exercises but also from disaster management in cases of natural catastrophes, like the response to Hurricane Katrina.

These principles and recommendations do not reflect the views of any member of the Task Force or even a consensus among the members. They are, however, informed by the papers and the online discussion.

1. The homeland security imperative is to protect the homeland and preserve freedom.

The absence of a terrorist attack inside the United States since September 11, 2001, should not become an excuse for complacency or a false sense of security. The terrorists have not been defeated, nor have they abandoned their goal of destroying American lives and our way of life. The homeland security imperative is to defeat both of these objectives by protecting the homeland and preserving the freedoms that define our way of life.

2. To accomplish these objectives, we need a comprehensive national strategy.

Documents developed to date, despite their titles, do not reflect a comprehensive, cohesive national strategy. They are piecemeal, largely federal in nature, give inadequate attention to the role of the private sector and measures to mitigate economic impact, and fail to provide a unifying concept that can appropriately be described as a "strategy" as opposed to "a good plan."

3. It is time to reframe the debate and move away from the notion of "balancing" civil liberties and security to recognize that civil liberties are a key source of America's strength and security

This strategy must reflect the imperative of both protecting the homeland and preserving our freedoms. To do this, we must fundamentally change the way we think about the concepts of security and freedom and how they relate to each other. The Task Force seemed in general agreement that the debate about finding the right "balance" between security and civil liberties is fundamentally misleading. This traditional vision of security and liberty on opposite sides of a scale implies that they are competing values and are mutually exclusive. It assumes that liberties make us vulnerable and if we will give up some of these liberties, at least temporarily, we will be more secure. We seem to have forgotten what those who declared, fought for, and secured our independence knew so well, that we are strong not *despite* but *because* of our freedoms. While it is undeniable that security is an essential prerequisite to the exercise of civil liberties, it is equally true that civil liberties are a key source of this nation's strength and security.

This is not to deny that there are sometimes tensions between specific government needs, such as for information or order, and civil liberties. But this tension should not be viewed as being between "security" and civil liberties but rather as objectives we must strive to optimize within the security construct.

4. Do not allow the terrorists to undermine the essential relationship between the government and the people.

One of the clearest examples of the connection between preserving freedoms and protecting the homeland is the relationship between the government and the governed. The framers understood that the strongest nation would be one in which the people viewed their government as "us" and not "them." The brave men and women who struggled on September 11 to keep their plane from being used to decapitate the

government confirmed that the most effective antidote to threats inside our borders is an informed and committed citizenry committed to preserving a nation in which they have a very real stake.

Yet security restrictions can begin to drive a wedge between government and the people. Before the attacks of 9/11, an average of 10,000 to 20,000 visitors roamed the halls of the U.S. Capitol on busy days. Now, visitors are only allowed if they are on a tour and the numbers are down dramatically. Similar limitations on access characterize federal offices all across the country. A government that shuts off the halls of power inside jersey barriers and cloisters its public servants behind armed guards runs the risk of detaching itself from the governed.

Thus is particularly true if the government erects barriers to information that preclude the transparency in the development of policy that is essential to a functioning democracy.

5. The government must rebuild the vital relationships with Muslim and Arab communities in the US and around the world that have been so severely strained by actions and policies undertaken in the name of homeland security.

The impact on homeland security of strains between the government and the people can perhaps be seen most clearly in the damaged relationship with the Muslim and Arab communities, where support for government efforts could have yielded significant security benefits.

In addition to the constitutional and ethical issues raised by singling out innocent people based on their ethnicity or religion, there is a very real security cost to actions that alienate communities whose cooperation law enforcement needs. Local police have learned how essential it is to become a more integral part of their communities. Citizen support for law enforcement efforts is strengthened by a sense that the system is just and fair. As that conviction begins to erode, so does vital citizen support.

According to polls conducted by the Arab American Institute and Zogby International, actions taken after 9/11, including large-scale detentions of undocumented Arab and Muslim immigrants, the Special Registration program, and the "Interview Project," took a toll in the Arab American community. Immediately after 9/11 Arab Americans were heartened by President Bush's strong display of support for the community. In October 2001, 90% said that they were reassured by the President's support, while only six percent were not reassured. By May 2002, those who felt reassured dropped to 54% as opposed to 35% who were not. In a July 2003 poll, the ratio dropped even further, with only 49% now saying that they feel assured by Bush's support for the community while 38% say that they are not assured. By 2004 this number dropped to the 20% range. In addition, the poll found that thirty percent of Arab Americans reported having experienced some form of discrimination, and 60% said they were concerned about the long-term impact of discrimination against Arab Americans. (See Dr. James J. Zogby, *Statement before the United States House of Representatives Committee on the Judiciary, Hearing on "Reauthorization of the PATRIOT Act",* June 10, 2005.)

These policies and actions also impacted our effectiveness in enlisting the international cooperation that is equally vital to homeland security. James Zogby points out that, as a result, America is less popular, and it is more politically difficult for our Arab allies to cooperate with our counter-terrorism efforts.

"According to polls conducted by the Arab American Institute and Zogby International, Arab public opinion attitudes toward the United States had dropped to dangerously low levels even before the U.S.-led invasion of Iraq. We found that Arabs had strong favorable attitudes toward American values, and also had largely favorable attitudes toward the American people. However, they had extremely negative attitudes toward U.S. policy, which shaped their views of America. To be sure, U.S. policy toward the Israeli-Palestinian conflict and Iraq contributed to these attitudes, but perceptions of civil liberties abuses against Arab and Muslims Americans are also a contributing factor. In fact, in a 2004 poll of Arab attitude toward the US, we found that our treatment of Arab and Muslim immigrants had eclipsed Palestine and Iraq as the number one reason for negative attitudes toward Americans in some Arab countries." (Zogby testimony)

We must recognize that the policies we implement to protect us here at home have a direct impact on our ability to win the battle of ideas globally that is so essential to our long term efforts to defeat the terrorists.

6. We can and must protect privacy and due process while strengthening government's information awareness

"Issues concerning laws to protect physical infrastructure focus on the question of *how* the government should protect the assets, not *whether* they should. ... Conversely, the challenges to laws for protecting cyber infrastructure seem to be focused on *whether* the government should be passing such laws." (John McCarthy, *Protecting Critical Infrastructure*) There is a higher degree of public sensitivity with regard to government actions involving information technology. Yet, many of the changes being sought to the government's investigative authorities seek to "update" them by applying these authorities equally to new technologies such as email and the Internet.

"Government access to and use of personal information raises concerns about the protection of civil liberties, privacy, and due process. Given the limited applicability of current privacy laws to the modern digital data environment, resolving this conflict will require the adoption of new policies for collection and access, use, disclosure and retention of information, and for redress and oversight." (Paul Rosenzweig, *Privacy in the 21st Century – Law and Policy*)

Cutting edge technologies such as data-mining, link analysis and data integration, and biometrics can contribute significantly to the goal of protecting the homeland. Yet they raise significant concerns about their potential to infringe upon civil liberties, particularly privacy concerns. The task force concluded that these new technologies should be developed, assuming the technology proves usable, *if and only if* accompanying limitations designed to protect privacy and due process rights are also developed and deployed.

Paul Rosenzweig suggests seven basic principles that should be incorporated in any new system manipulating personally identifiable information:

Neutrality -- First, any new technology should be "neutral" -- that is, it should "build in" existing legal and policy limitations on access to individually identifiable information or third-party data and not be seen as a reason to alter existing legal régimes.

Minimize Intrusiveness -- Second, new technologies should minimize intrusiveness to the extent practicable consistent with achieving their counter-terrorism objectives.

At least one task force member suggested a standard similar to that found in the Foreign Intelligence Surveillance Act and other statutes authorizing intrusive techniques: the technology should only be used if no technique raising fewer privacy concerns is feasible.

Intermediate Not Ultimate Consequence -- Third, where appropriate, the consequence of identification by a new technology should not be presumptive – that is, it should not lead directly to the ultimate consequence (e.g. arrest, denial of access). Rather, such identification is generally best seen as a cause for additional investigation, not punitive government action.

Other task force members would go even farther, proposing that information collected specifically for counterterrorism purposes—perhaps using techniques specifically authorized for terrorism targets—should not be used for anything other than terrorism or other violent crime prosecutions. This would address the concern that individuals in targeted groups, such as Muslims and Arabs, will be subject to higher rates of prosecution for violations such as those related to immigration status, even though they are innocent of any involvement in terrorism, merely because they are under a higher level of scrutiny.

Audits and Oversight -- Fourth, any new technology should have strong technological audit and oversight mechanisms to prevent against abuse built in. Mary DeRosa suggests that real-time compliance mechanisms, such as real-time logging of information access and use, and periodic reviews are critical. "These compliance mechanisms require feedback loops to personnel in a position to correct behavior. If, for example, certain employees are failing to provide adequate information about their need for information before accessing it, you don't want to have to wait until someone's rights are violated and an IG investigates and punishes the employees. Instead, audit and other mechanisms should be in place, along with a process to inform someone quickly about the failure so they can correct the problem."

Accountability -- Fifth, new technologies should be used in a manner that insures accountability of the Executive to the Legislative for its development and use. For example, we can conceive of systems that require authorization by a publicly appointed and accountable official before they are deployed, and perhaps used, and that involve periodic oversight of their basic architecture and effectiveness.

The Necessity of Redress Mechanisms -- Sixth, we must provide a robust legal mechanism for the correction of false positive identifications.

People and Policy -- As new information technologies are deployed we must create a culture of heightened accountability and oversight. This will include: Internal policy controls and training; Administrative oversight of the use of technology through, for example, Inspectors General or a Privacy Board; Enhanced congressional oversight through the intelligence committees; and ultimately, civil and if necessary criminal penalties for abuse.

Mary DeRosa pointed out that "guidelines are only paper unless there is a process for governing their use. Training is critical to a process for protecting privacy; personnel need to be trained regularly and well about what is permitted and what is not."

7. Risk management principles should be applied to proposed security activity implicating civil liberties

At least one task force member felt that ensuring that the development of new technologies is accompanied by the development of appropriate mechanisms to safeguard civil liberties is necessary but not sufficient. The use of potentially intrusive technology must be justified by a compelling need. Perhaps one way to think of this is to apply the kind of cost/benefit analysis that informs risk management in the critical infrastructure protection context.

John McCarthy's paper suggests a similar possibility. He asks, "[g]iven that threats to privacy may not be easily quantifiable (e.g., the problem of damages in the dismissed class action) or easily calculated with DHS's objective measures and variables of 'threat, vulnerability, and consequences,' how can privacy protection become a factor in DHS's new risk-based strategy for protecting the homeland?"

Risk management analysis recognizes that there are costs associated with security measures. In this case, those costs include the potential infringement of civil liberties, with a concomitant potential for undermining the very security you seek to ensure. Before these costs are incurred, there should be a careful analysis of the need.

The first step is a comprehensive national assessment of the scope and nature of the threat of terrorist activity inside the United States. Then a vulnerability or gap analysis – what are the tools we have available to detect and deter this activity and where are the gaps. A risk assessment would then attempt to prioritize those vulnerabilities or gaps. Finally, the risk management strategy would include an assessment of what information gaps could be filled by the proposed technology and whether the "costs"—fully understood to include not just resources but costs to our way of life -- can be justified by the benefit.

A truly effective risk management plan must also be dynamic. That requires frequent re-evaluations of the costs and benefits. Just as with other preparedness activities, we should have clearly defined objectives for these and metrics for evaluating how well the technology is meeting those objectives and at what cost. This feedback should prompt changes where appropriate.

8. There is a need for informed public discussion and debate about the role of the military inside the United States

(CNN) -- New Orleans Mayor Ray Nagin in an interview with local radio station WWL-AM:

WWL: Did you say to the president of the United States, "I need the military in here"?

NAGIN: I said, "I need everything." Now, I will tell you this -- and I give the president some credit on this -- he sent one John Wayne dude down here that can get some stuff done, and his name is [Lt.] Gen. [Russel] Honore. And he came off the doggone chopper, and he started cussing and people started moving. And he's getting some stuff done. They

ought to give that guy -- if they don't want to give it to me, give him full authority to get the job done, and we can save some people.

In a time of crisis, a frightened public, and frightened leaders, may well be willing to hand over control to anyone that they think can save them. Hurricane Katrina may indeed be the kind of catastrophic event in which it is appropriate to give DOD a leading role. But it is essential that these decisions be carefully and thoroughly considered well before a crisis develops, when circumstances allow for the kind of informed discussion and debate that is necessary to inform effective and appropriate policies.

The Department of Defense has now released its ***Strategy for Homeland Defense and Civil Support***, which marks a significant step forward in enhancing the public's understanding of these missions. As always, however, the devil is in the details—and the details with respect to Homeland Defense in particular are still hard to come by.

As Mike Wermuth notes, "[i]ssues of what agency is 'in charge' need to be identified carefully and discussed comprehensively, and decisions on the adoption of specific terminology should be couched in terms that are so clear and concise that they are not subject to misinterpretations. ... There is no doubt that various Federal agencies will be involved in some aspect of terrorism prevention, preparedness, response and recovery. What is clear is that a common lexicon and complete transparency of plans and processes among those various entities are required. We are obviously not there yet."

One area about which there has been far too little public discussion and debate is the legal authorities for DOD activities inside the United States. For example, the Department of Defense (DOD) traditionally undertakes a wide range of activities related to "preparation of the battlefield" in anticipation of military actions. In the Global War on Terrorism, the potential battlefields are legion and, with DOD's Homeland Defense mission, include the United States. *Posse Comitatus* is often cited as a restriction on military activities inside the US but it only applies to "law enforcement activities" and presumably would not apply to "traditional" military operations. Preparation of the battlefield also includes intelligence collection efforts. The military has updated, and sometimes made publicly available, its policies with respect to the collection of intelligence inside the United States. Yet, there has been almost no public discussion and debate about these policies, how they are being implemented, and what oversight mechanisms are in place in the Executive Branch and Congress.

9. Problems inherent in the legal implications of the Global War on Terrorism must be better understood and a new legal framework developed for addressing the terrorist threat.

It is clear that the policymakers, and the lawyers, in the Executive Branch do not regard the Global War on Terrorism as a rhetorical war, like the War on Drugs or the War on Poverty, but as a war in the full legal sense. Thus, all actions taken to protect Americans from terrorist attack, whether overseas or inside the US, occur in the context of this war; a war in which the enemy cannot be distinguished by uniforms, nationality, or location, with no defined battlefield, and with no discernable end point.

At least some experts outside the US understand that the debate over whether this is a Global War on Terrorism or a Struggle Against Violent Extremists or a Battle for

Heart and Minds has implications beyond the rhetoric. Jurgen Storbeck's paper, *Homeland Security and Freedom – a European Perception*, notes that "most European politicians and experts avoid using the term 'war against terrorism.' This may be viewed as a useless controversy over words. But drawing such a distinction has important consequences. It concerns for example the status and legal protection for those suspected of being terrorists and arrested in crisis areas."

But it is not clear that the American public, nor the Congress, understand the implications of that distinction. As noted earlier, there are clear implications with respect to the authorities of the Department of Defense. But perhaps the most significant consequence is in the assertion of the President's authorities as Commander in Chief, which have been interpreted as astonishingly broad by some Administration lawyers.

For example, the August 1, 2002, Department of Justice memo on interrogation claims, "the President enjoys complete discretion in the exercise of his Commander-in-Chief authority." (p. 33.) It goes on to assert that "Congress may no more regulate the President's ability to detain and interrogate enemy combatants than it may regulate his ability to direct troop movements on the battlefield." Under this analysis, the lawyers concluded that the explicit statutory prohibition on torture "does not apply to the President's detention and interrogation of enemy combatants pursuant to his Commander-in-Chief authority." (p. 35.) Months after this memo came to light, the Department issued a new memo on interrogations. However, it did not address these issues and, although most legal scholars and various court opinions before and after 9/11 reject this broad claim of unilateral authority, this analysis has never been explicitly repudiated.

Supreme Court Chief Justice William Rehnquist observes in his book, All the Laws but One, "Quite apart from the added authority that the law itself may give the President in time of war, presidents may act in ways that push their legal authority to its outer limits, if not beyond." Nevertheless, while the assertions in the DOJ memo overstate the President's authority during war, it is hard to dispute that what authority the President does legitimately have is heightened in a time of war. Rehnquist also notes that courts are reluctant to decide a case against the government on an issue of national security during a war. Congress, too, tends to defer to the President in times of armed conflict. The normal checks and balances that are so fundamental to our democracy are skewed when the nation goes to war.

Nearly all experts agree that the Global War on Terrorism will last at least through our lifetimes. Do we really want this to be the legal framework within which the country operates for such an extended period of time? The answer must be no. However, most experts also agree that terrorism is a national security challenge, not just a law enforcement challenge. If we cannot rely simply on criminal laws or on the traditional laws of war, we must roll up our sleeves and undertake the difficult task of developing a sustainable legal framework to address this long-term threat.

10. We need to be more rigorous in capturing and incorporating lessons learned from exercises and from experiences like Hurricane Katrina.

Since September 11, 2001, there have been numerous exercises simulating a catastrophic terrorist attack. There have been three national exercises, mandated by Congress, called TOP OFF for the top officials who are supposed to participate. Yet, the process for capturing lessons learned and, most importantly, for translating those lessons

into meaningful changes in preparedness, is still inadequate. As this conference convenes, the horrific tragedy that continues to unfold in New Orleans and in the Diaspora of that city's refugees serves as a stark wake up call about how much we still have to learn.

Working Group on Homeland Security and Freedom:

Paper Abstracts

Rethinking Border Security by Randall J. Larsen, Founder and CEO, Homeland Security Associates, LLC.

The author believes that current thinking and initiatives aimed at improving border security are nothing more than an attempt to build the 21st century equivalent of a Maginot line between us and the terrorists. The importance of border control and detection of materials is exaggerated. Other than nuclear material, terrorist weapons are likely to be obtained and/or constructed inside the United States. Conventional explosives as well as radiological, biological and chemical components are all available in the U.S., so there is no need to bring them in from outside. Nuclear weapons, on the other hand, are unlikely to be imported through official ports of entry. If one spends millions on developing such a device, one may as well fly them to an uncontrolled airstrip, or ship them to a remote place on the coast.

Rather than spending money on detection equipment, the tracing of CBRN materials should be based on intelligence. Indeed, US border security strategy should be based on a 70-20-10 model: seventy percent of funding should be spent on preventing terrorists from obtaining special nuclear material; twenty percent on the pursuit and recapture of material should it fall into terrorists' hands; and ten percent on developing and maintaining response and mitigation capabilities.

Privacy in the 21st Century – Law and Policy by Paul Rosenzweig, Senior Legal Research Fellow, Heritage Foundation Center for Legal and Judicial Studies

The paper examines how privacy concerns can be addressed when using new technology in the fight against terrorism. The author argues that, rather than rejecting the use of this technology, the most promising approach can be found in the traditional American principle of checks and balances. The key, he believes, lies in empowering government while exercising strict oversight. Furthermore, the paper maintains that pragmatic answers to civil liberties concerns can be found, and that such considerations should be addressed at the very start of the development cycle.

The author outlines seven principles that could be utilized to make new technology more compatible with the right to privacy, and which should consequently guide the development of technology in this area. They include the need for neutrality (that is, any new system should build in existing legal limitations and not be seen to alter the legal regime); the minimization of intrusiveness; allowing for intermediate (rather than ultimate) consequences; the introduction of audits, mechanisms of accountability and redress; and the development of a culture of oversight, ranging from policy controls and training to civil and, if necessary, criminal penalties for abuse.

Critical Infrastructure Overview by John A. McCarthy, Director, George Mason University Critical Infrastructure Program

The paper examines issues of privacy and individual freedoms in relation to critical infrastructure protection. While, at first sight, the issue of privacy doesn't seem to be central to discussions about critical infrastructure protection, this view ignores the amount of intelligence that needs to be gathered. The author provides a number of case studies, which highlight many of the dilemmas we are likely to be faced with. The

first case illustrates the differences between the law enforcement and national security approaches towards fighting cyber crime at the example of the Council of Europe's Convention on Cybercrime. The second case study compares cyber security and physical security, using the examples of the Communications Assistance for Law Enforcement Act (cyber) and the Transportation Working Identification Act (physical). The author shows that, whereas in the case of physical security, the argument is about how it should be done, in relation to cyber security, the question is whether anything should be done at all. The third case study examines the commercial side of the critical infrastructure business. Using the example of passenger information stored by airlines, it looks at the tension between individual privacy and security requirements, questioning whether existing administrative and private regulations are robust enough to resolve it.

Rethinking Border Security

By Randall J. Larsen
Founder and CEO, Homeland Security Associates, LLC

Purpose

This paper examines the current thinking on the role border protection plays in securing the American homeland, offers analysis of the threat and current programs, and provides recommendations for a new approach that will provide a far better return on investment. This paper will not address the issue of immigration or illegal aliens, but instead focuses on the Department of Homeland Security and Customs and Border Patrol's stated objective of preventing terrorist weapons from entering the United States.

Introduction

Within hours of the 9/11 attacks, land, air and sea ports were either closed or severely restricted. One can question the utility of such immediate actions; however, in many respects this immediate and short-term response to an unprecedented situation was understandable. However, four years after 9/11, many people still believe that one of America's top priorities should be the screening of all cargo entering the United States. Programs such as the Container Security Initiative (CSI) and Customs Trade Partnership Against Terrorism (C-TPAT) create increased costs for the transportation sector while offering little or no improved security from terrorist activities. These costs, of course, are passed along to the consumer. Other initiatives that include substantial government investments in new and improved gates, guns, guards, Geiger counters and other high-tech screening devices also add little or no improved security from terrorist activities. These initiatives divert funds from programs that would have a far better return on investment in defending the American homeland. Why is this happening?

When the Department of Homeland Security was created, President Bush assigned it three primary missions: prevention, mitigation, and response. Based on the 22 organizations that were transferred into the new department, one can certainly argue that the department was provided considerable assets for mitigation and response. However, the vast majority of prevention assets within the Federal government are outside the Department of Homeland Security: the Departments of Defense, Justice, State and the intelligence community.

Nevertheless, the Department of Homeland Security has pursued its prevention mission with great vigor, making it the primary focus of the Customs and Border Protection Agency, the Transportation Security Agency and the US. Coast Guard. This fact, combined with the horribly flawed notion that the new department could operate effectively without an Under Secretary for Policy to coordinate the efforts of the various agencies, has brought us to the point where the effort is focused on tactical solutions driven by the science and technology community, rather than a strategic, integrated approach.

The current strategy is that America will be best protected by employing a multi-layered defense with a major focus on the physical borders of the United States. In theory, a multi-layered strategy is the preferred solution to most security issues. Unfortunately, in the reality of bureaucratic politics, this strategy often translates into wasteful spending on a wide variety of ineffectual solutions and the failure to make tough decisions regarding priorities. The latest document released by Customs and Border Protection (CBP) is entitled *The 2005-2010 Strategic Plan*. The problem with this plan is that it is based on a flawed national strategy.

This strategic plan lists two goals as its top priorities:

1. Preventing terrorists and terrorist weapons, including weapons of mass destruction and weapons of mass effect, from entering into the United States at ports of entry

2. Strengthening the control of the borders between the ports of entry to prevent entry of terrorists, terrorist weapons and contraband

Clearly, we need some degree of effort focused at and between our ports of entry. The question is how we as a nation prioritize the spending. But prioritization requires a national strategy for defending our homeland, and that strategy does not exist.

In July 2002, the Department of Homeland Security released a document entitled *A National Strategy for Homeland Security*. Despite the title, both the Secretary of Homeland Security and the principal author of the document admitted it was not really a strategy, but merely "a list of things to do." The document was certainly of value, but it did not provide the nation with a strategy. The fault, however, does not lie with the Department of Homeland Security. Any national strategy for homeland security would by necessity contain elements that are beyond the reach and scope of the Secretary of Homeland Security and the Commissioner of Customs and Border Protection. A successful strategy for securing the American homeland must come from the President, and it must include an overarching and integrated perspective of both the public and private sectors, and it must be based on an understanding of the 21st century threat.

The failure to produce such a strategy guarantees an uncoordinated, wasteful, and ineffectual approach to homeland security. Placing a high priority on intercepting terrorist weapons at our borders is a prime example.

Analysis of Current Thinking

Most of our current effort is focused on acquiring and employing new and improved gates, guns, guards, Geiger counters and other high-tech screening devices. There are a limited number of programs which use information technology to identify suspect containers and vessels that require heightened scrutiny. (Without question, these information initiatives are a far better investment.) Nevertheless, current thinking and initiatives appear to be nothing more than an attempt to build the 21st century equivalent of a Maginot Line between us and the terrorists. The majority of efforts are focused at the U.S. borders with a limited number of programs in overseas ports. Hundreds of millions of dollars have been spent, and planning is underway to spend billions more. Unfortunately, this 21st century Maginot Line, regardless of whether it is built at the U.S border or in foreign ports, will provide us no more protection than the original provided the French in 1940.

Before we continue this unprecedented spending on traditional solutions, we need to more closely examine the problem we are trying to solve. We need to ask ourselves two important questions: first, what materials (weapons) would terrorists want to bring across our borders, and second, how would this be accomplished? There are five main categories of weapons with which we need to concern ourselves: conventional and enhanced conventional explosives; chemical weapons; radiological weapons; biological weapons; and nuclear devices. What we find, under closer examination, is

that although transportation of materials and weapons across our borders may be possible, it might also prove unnecessary for the terrorists.

Conventional and enhanced conventional explosives: The vast majority of explosive devices can be obtained or manufactured within the U.S. Ramzi Yousef, the mastermind of the 1993 World Trade Center bombing, made his bomb in New Jersey from material purchased inside the U.S. When Timothy McVeigh parked the Ryder truck in front of the child care center at the Murrah Building in Oklahoma City, it contained a bomb built in Kansas from diesel fuel and fertilizer. The July 7, 2005 suicide bombers in London made their explosives in a bathtub in Leeds. Bombs made from acetone and peroxide, diesel fuel and fertilizer, and TNT can be made solely with material already located and readily obtainable within US borders. And we must not overlook the 9-11 attacks. Those weapons, which are in the category of enhanced conventional explosives, were also obtained inside US borders.

Chemical weapons: It is hard to imagine why terrorists would import chemical weapons when we already have them conveniently located throughout our metropolitan areas in the form of industrial chemicals. In 1984, 6,000 people were killed and thousands more seriously injured in Bhopal, India when a disgruntled employee released water into a tank containing methyl isocyanides. A nearly identical chemical plant is located upwind of Washington, DC. Small-scale chemical attacks, such as the 1995 Aum Shinrikyo attack on the Tokyo subway, certainly had a significant psychological impact, but only killed 12 people. A major chemical attack is far different. The first chemical attack by the Germans in World War I was comprised of 160 tons of chlorine gas. It required a freight train to deliver these chemicals to the front lines. This is the threat that Richard Falkenrath, the former Deputy Director of the White House Office of Homeland Security, has so eloquently identified. Rail tanker cars routinely carry lethal chemicals through our largest urban centers, including the rail line just four blocks south of the U.S. Capitol. Why would one attempt to smuggle such material into the U.S. when it is already here and conveniently located in densely populated areas? Barges carry even larger quantities through metropolitan areas.

Radiological: The material required to build a radiological dispersal device (RDD), or "dirty bomb," is readily available inside U.S. borders at medical treatment facilities, research institutes, and major construction sites. Trucks containing large quantities of cesium 137 drive from hospital to hospital in southern California with absolutely no security protection. This ubiquitous availability of radiological material is why many experts believe that a dirty bomb is the most likely CBRN (chemical, biological, radiological, nuclear) scenario.

Biological: Most university biology laboratories are capable of producing biological weapons. Several years ago, a government program called Bacchus demonstrated that all equipment needed to produce biological weapons can be purchased over the Internet for less than $50,000. Congress has passed legislation that makes it somewhat more difficult to obtain seed stock for a bio-weapons program in the U.S.; however, more than 350 laboratories outside the U.S. can provide the stock for bio-weapons, such as bacillus anthracis (anthrax), yersinia pestis (plague), and viral hemorrhagic fevers (Ebola and Marburg). With the exception of the variola virus (smallpox), all of the 40 pathogens tested in various bio-weapons programs exist in countless laboratories around the world. In fact, a terrorist wouldn't even be required to obtain samples of anthrax or plague from a laboratory. The anthrax bacteria can be found in the soil in Texas and Kansas. The plague bacteria can be found in rats above the 5,000-foot level in the Rocky Mountains.

Various hemorrhagic fevers are endemic in certain parts of Africa. Bottom line: no amount of investment could ever hope to prevent terrorists from creating and producing bio-weapons, either inside our borders, or outside of our borders for importation. According to the US Office of Technology Assessment Report on Weapons of mass Destruction (1993), 100-kilograms of high-quality bacillus anthracis could kill more people than 50 Hiroshima bombs. Just imagine how many 100-kilogram packages of heroine and cocaine enter the U.S. each week. This is why the bio-defense aspect of our national strategy must be focused on post-attack actions: early detection, rapid response, and recovery. Nevertheless, it is not uncommon to hear members of Congress and the Administration talk about detecting bio-weapons at our borders. No amount of money, technology, or manpower could ever hope to make this a successful or even plausible strategy.

All of the above listed weapons (which will be referred to as OTN, or "other than nuclear") could be manufactured from scratch inside the United States. This does not mean a terrorist would never attempt to smuggle them into the country. What it does mean is that there are easier, more efficient methods of constructing them within our borders, and consequently any major investment to intercept this type of contraband at our borders would do little to prevent their use against us. A major investment in a totally impregnable border for OTN weapons would not make us more secure. In fact, it will make us less secure because it diverts funds from programs that will have a far better return on investment.

On the other hand, the weapon that most seriously threatens the U.S. would most likely be built on foreign shores and transported into the country: a nuclear weapon.

Nuclear: Without a doubt, this is the type of weapon that would be valuable enough to a terrorist to justify an attempt to bring it across our borders. The most likely weapon, made of "special nuclear material" (aka fissile material), would be a gun-type bomb made from highly enriched uranium (HEU). Does this mean that we should spend enormous sums of money on radiological detectors for our ports of entry? Surprisingly, the answer is "no."

During a July 2005 workshop, a team of public and private sector nuclear physicists, engineers, and security experts examined past, present, and future programs to prevent nuclear attacks from non-state actors. I asked this distinguished group the following two questions:

1. If you were advising a terrorist organization that had obtained nuclear weapons, how many of you would put those weapons inside a 40-foot shipping container and send it to the U.S.?
2. How many of you would attempt to bring these weapons through a major sea, land, or air port in the U.S.?

Not a single hand was raised.

Why do we presume that any terrorist smart enough to obtain one or more nuclear weapons would then be so foolish as to bring them through a choke point designed to detect special nuclear material? There are more than 7,500 miles of unguarded borders and more than 95,000 miles of shoreline in the U.S. Spending hundreds of millions, perhaps even billions of dollars, to detect special nuclear material in our ports of entry is an attempt to apply a 20th century solution to a 21st century problem.

The consensus of the workshop's participants was to bring such a weapon into the U.S. on a small boat that had rendezvoused off-shore with a larger vessel (much like the drug-runners do), or on a Gulfstream-size corporate jet. (If you think the answer is inspecting such jets before they depart for the U.S., consider the fact that these jets have a 10,000 mile range. Within a 10,000 mile radius of the U.S. there are thousands of 5,000 ft. paved strips that can accommodate such aircraft. The vast majority of these airfields are "uncontrolled".)

To complicate matters even further, using as little as 1/8th inch of lead shielding foils our current state-of-the-art detectors, rendering them highly unreliable at detecting HEU.

Recommendations

Understanding the current threats clearly indicates that our number one priority has to be preventing nuclear weapons from entering the United States. Our strategy, therefore, should be based on a 70-20-10 model:

- Seventy percent of funding should be spent on preventing terrorists from obtaining special nuclear material. This includes involving multiple disciplines, agencies, and programs. The Administration and Congress must provide full funding and authority for the newly created National Counter Proliferation Center, and full funding and political support for programs such as Nunn-Lugar Cooperative Threat Reduction. Furthermore, we must ensure that this goal is the top priority for the intelligence community (the recent Report from the Commission on The Intelligence Capabilities of the United States Regarding Weapons of Mass Destruction stated, "It is obvious that intelligence on loose nukes is not a high priority for the intelligence community.")

- Twenty percent of funding should be allocated to the detection of material and devices should special nuclear materials fall into terrorists' hands. This should include research and development funds for new technology. A new generation of active detectors may offer far better potential than the current passive technology. Detectors, both current and new generation, should not be placed at fixed sites in ports, and the ports with detectors should not be listed on the Internet, as they are now. These new devices should be highly mobile, not only to keep the terrorists guessing as to their location, but also to allow for the flexibility of rapid deployment in response to intelligence information.

- Ten percent should be spent on response capability should a nuclear detonation occur.

For OTN weapons, we must understand that our current philosophy and programs provide a very limited return on our investment. All of the current programs in place, including C-TPAT, CSI, etc., may provide some value in protecting cargo from the Tony Soppranos of the world, but they do very little to prevent terrorists from bringing OTN weapons into the U.S. When attending transportation security conferences, I often hear officials from the Department of Homeland Security, which includes the Transportation Security Administration and Customs and Border Patrol, state that these border security program and initiatives will not only improve security against terrorists, but also improve the efficiency of America's transportation industry. Frankly, I think that Fred Smith (CEO of FedEx) and his fellow CEOs don't need the help of government officials to improve their

efficiency. What they need, what America needs, is a strategy that makes sense. The current one doesn't.

When a reporter asked Albert Einstein what his theory of relativity had changed, he said: "Everything…everything except the way people think." We need to change how we think about security in the 21st century. In particular, we need to change how we think about protecting our borders.

Privacy in the 21st Century – Law and Policy

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An extended version of this paper, titled "Privacy and Consequences: Legal And Policy Structures For Implementing New Counter-Terrorism Technologies And Protecting Civil Liberty," will appear in Robert Popp & John Yen, eds., *21st Century Enabling Technologies and Policies for Counter-Terrorism* (IEEE 2005) (forthcoming). This version is reprinted with their permission.

Introduction

New 21st century technologies (ranging from data-mining, to link analysis and data-integration, to biometrics, to new encryption techniques) have much to offer in achieving the compelling national goal of preventing terrorism.

But all the new technology in the world will be of little use if partisan political considerations or an unwarranted fear of the loss of individual liberty prevent the deployment of new systems. And there is substantial political resistance to many of the new technologies – the demise of Terrorism Information Awareness is but one cautionary tale. That resistance arises from legitimate fears: Government access to and use of personal information raises concerns about the protection of civil liberties, privacy, and due process. Given the limited applicability of current privacy laws to the modern digital data environment, resolving this conflict will require the adoption of new policies for collection and access, use, disclosure and retention of information, and for redress and oversight.

Thus, this working paper asks a practical, concrete question: Can the new technologies be developed, deployed, implemented, and operated in a manner that allows them to be used as an effective anti-terrorism tool while ensuring that there is minimal risk that use of the tool-set will infringe upon American civil liberties?

Some believe this goal is not possible to achieve. Civil libertarians believe that the technologies are "Big Brother" projects that ought to be terminated. They begin with the truism that no technology is foolproof – every new technology will inevitably generate errors and mistakes will be made. And, as with the development of any new technology, risks exist for the misuse and abuse of the new tools being developed. From this, critics conclude that the risks of potential error or abuse are so great that all development of many new technologies (such as Terrorism Information Awareness, MATRIX, or biometric identification) should be abandoned. To buttress their claim that these systems should be abandoned, critics parade a host of unanswered questions. Among them: Who will be trusted to operate the systems? What will the oversight be? What will be the collateral consequences for individuals identified as terrorist suspects?

These questions are posed as if they have no answers when all that is true is that for a system under development, they have no answers . . . yet. The same is true of any new developmental program; and our experience tells us that these implementation issues are generally capable of being resolved.

But to hear civil libertarians ask these questions is to suppose that they believe there are no feasible, practical answers. And if that were so, then all should be rightly concerned – for the provision of adequate checking mechanisms and safeguards ought to be an absolute precondition to the deployment of any new technological system that pose a potential threat to civil liberties.

The thesis of this paper, however, is that practical answers to the problem of oversight can, and must, be crafted. In fact, there are a number of analogous oversight and implementation structures already in existence that can be borrowed and suitably modified to the new technologies. Thus, new enabling technologies can and should be developed if the technology proves usable, *if and only if* the accompanying limitations are also developed and deployed. This can be done in a manner that renders them

effective, while posing minimal risks to American liberties, if the system is crafted carefully with built-in safeguards to check the possibilities of error or abuse. This paper is an effort to sketch out precisely what those safeguards ought to be and how they might impact the most prominent proposed new technologies.

But even more important than its specific recommendations, this paper is an exhortation to technology developers – *consider privacy at the start of any system development.* Privacy protection methods and code (such as immutable audits, or selective revelation techniques) need to be build into new systems from the beginning – both as a matter of good policy and as a matter of good politics. If privacy is treated as an "add on" for a new technological development, then it is likely that development will fail.

With appropriate safeguards, 21st century technologies can be safely implemented. Failing to make the effort poses grave risks and is an irresponsible abdication of responsibility. As six former top-ranking professionals in America's security services have observed, we face two problems -- both a need for better analysis and, more critically, "improved espionage, to provide the essential missing intelligence." In their view, while there was "certainly a lack of dot-connecting before September 11," the more critical failure was that "[t]here were too few useful dots."[93] Technology can help to answer both of these needs.

Indeed, resistance to new technology poses practical dangers. As the Congressional Joint Inquiry into the events of September 11 pointed out in noting systemic failures that played a role in the inability to prevent the terrorist attacks:

> 4. Finding: While technology remains one of this nation's greatest advantages, it has not been fully and most effectively applied in support of U.S. counterterrorism efforts. Persistent problems in this area included a lack of collaboration between Intelligence Community agencies [and] *a reluctance to develop and implement new technical capabilities aggressively* . . . .[94]

It is important not to repeat that mistake.

Building the Legal and Policy Structures

Nobody can deny the possibility of abuse – for we know that a perfect system is impossible to construct. And we also know – through quite a bit of history – that men and women are imperfect creatures, capable of error and of ill-intentioned action. Thus, the existence of new technologies has a real consequence because we fear the misuse of the observations that will result.

But the answer to the "problem of abuse" is not prohibition. We don't for example, disarm the police, even though we know that police weapons can and have been misused -- especially in the context of terrorism investigations. The better answer is

[93] Robert Bryant et al., *America Needs More Spies*, ECONOMIST, July 12, 2003, at 30.

[94] *Report of the Joint Inquiry Into the Terrorist Attacks of September 11, 2001*, House Permanent Select Committee on Intelligence and Senate Select Committee on Intelligence, 107th Cong., 2nd Sess., S. Rept. No. 107–351 and H. Rept. No. 107–792, Dec. 2002, p. xvi, *available at* http://www.fas.org/irp/congress/2002_rpt/911rept.pdf (emphasis supplied). The Joint Inquiry also critiqued the lack of adequate analytical tools, *id.* at Finding 5, and the lack of a single means of coordinating disparate counterterrorism databases, *id*. at Findings 9 & 10.

the traditional American one of checks and balances – authority combined with responsibility. Power and oversight. It's an unwieldy system – it won't create a perfect technology. But it is the best, most workable model we have.

So, what does that mean in practice? How should a link analysis or knowledge discovery system or a cyber-security system using personal information or biometrics be built in a way that is consistent with this understanding conception of privacy?[95] What checks and balances should be built into new technology systems at the front end?

Herewith, seven basic principles (with, naturally, some sub-principles) that can and should be incorporated in any new system manipulating personally identifiable information:

Neutrality – First, any new technology should be "neutral" -- that is, it should "build in" existing legal and policy limitations on access to individually identifiable information or third-party data and not be seen as a reason to alter existing legal régimes. In mapping the rules of consequence that exist in the physical world into the cyberworld the rules should, where feasible, be hard wired or programmed in, not an add-on later.

For example, when we talk about individually identifiable data held by a commercial third party data holder, the rule in the physical world is that the third party data holder has an opportunity to object to the request and have its propriety adjudicated by a neutral third-party decision maker (i.e. a judge).[96] The right way to build, for example, a new cyber-security system that requires access to such data would incorporate that same rule into the software design.

Similarly, existing rules recognize a substantial difference between non-content "traffic" information, and the content of a message. Law enforcement, for example, can get the phone numbers a person calls without a warrant. But they need a warrant to gain access to the content of his communications. And, intelligence investigators can obtain the header information on an e-mail easily (though some dispute whether the "Subject" line should be treated as traffic information or content) but to get the body of the message requires a warrant.[97]

One strongly suspects that much of the analysis that will go into creating better cyber-security walls, tracking down hackers, and linking information data bases will be of the "traffic" variety. The fact that X called Y phone number, known to be used by a terrorist (or accessed the internet using an account known to have been used by a

[95] Of course, the first question is whether the new technology will work. As a non-technologist, I defer to the work of others in the field (*e.g.* David Jensen, Matthew Rattigan, Hannah Blau, "Information Awareness: A Prospective Technical Assessment," SIGKDD '03 August 2003), which suggests that the prospects for success are real, though tentative. The purpose of this working paper is, therefore, two-fold: to identify control mechanisms that ought to be incorporated directly in the architecture of any new system where possible and practicable; and to reassure those who have legitimate concerns about the misuse of new technologies that means of controlling misuse while fostering appropriate advances do exist.

[96] Fed. R. Crm. P. 17; U.S. v. R. Enters., Inc., 498 U.S. 292 (1991). There is ongoing debate concerning whether certain provisions of law prohibit such third-party challenges. *See* Doe v. Ashcroft, 334 F.Supp.2d 471 (S.D.N.Y. 2004) (declaring National Security Letter provisions, 18 U.S.C. § 2709, unconstitutional for lack of right to challenge). To the extent the law does not allow such challenges it is suspect – but the question of whether such challenges should, or should not, be permitted ought to be independently determined on the merits, outside the context of enabling technological implementations.

[97] *Compare* 18 U.S.C. §§ 3121-23 (authorizing access to pen register/trap and trace phone record information by certification of need) *with* 18 U.S.C. §§ 2516-18 (authorizing access to content of communications on showing of probable cause made to a court); *see also* Electronic Communications Privacy Act of 1986, Pub. L. No. 99-508, 100 Stat. 1848 (extending content protections to e-mail).

terrorist) will be the initial item of interest, rather than knowing the content of that phone conversation or internet communication. This suggests that a process of selective revelation is the most appropriate mode of cyber-analysis -- a two-step process (even in fully automated systems) where non-content analysis that is more readily approved (and less intrusive) precedes access to content, just as in the "real" world.

Minimize Intrusiveness – Second, new technologies should minimize intrusiveness to the extent practicable consistent with achieving their counter-terrorism objectives.[98] Depending upon the context this principle might mean:

1) Ensuring that entry of individually identifiable information into the system is voluntary, where possible. To be sure, some systems involving, for example, access to controlled locations, will not be voluntary. But where feasible, the degree of intrusiveness is lessened if individuals have the option of foregoing the benefit if they do not wish to be scrutinized.

2) Whether voluntary, or involuntary, the use of any new system should be overt, rather than covert where possible. Thus, one should be particularly skeptical of programs that operate without the knowledge of those upon whom they act. To be sure, in a national security environment, secrecy may at times be necessary – but any new technology should seek to minimize those occasions, and maximize disclosure.

3) Information technologies are more readily used, and accepted by the public, when used for the verification of information rather than as an independent source of identification. To take but one example, biometric systems are better suited for a one-to-one match assuring that the individual in question is who he says he is and has the requisite authorization to engage in the activity in question. Biometrics are both less practically useful, and more problematic as a matter of policy, when they are used in a one-to-many fashion to pierce an individual's anonymity without the justification inherent in, for example, seeking access to a particular location.

4) As a corollary, to these principles, information technologies are generally more appropriately used to generate investigative leads than to identifying individuals for specific action. Consider again the analogy to the law enforcement context, where the standard for the initiation of an investigation of a particular individual is minimal. No judicial authorization is needed for a government agent to initiate, for example, surveillance of a suspected drug dealer. All that is generally required is some executive determination of the general reliability of the source of the predication and, within the context of a particular agency, approval for initiation of an investigation from some executive authority.

Subject-oriented queries of this sort, using, for example, knowledge discovery technology is best understood as enhancing the efficiency of the information gathering process. But it should not be seen as an end in itself – just as in the physical world, the enhanced scrutiny must produce tangible results before adverse consequences beyond the fact of scrutiny should be allowed to be imposed.

5) Access to information already in the possession of the government is more readily accepted than is access to information in the private domain. For once the information is lawfully collected the public generally accepts its use within governmental

[98] These principles were first developed in Paul Rosenzweig, Alane Kochems & Ari Schwartz, "Biometric Technologies: Security, Legal, and Policy Implications," Legal Memorandum No. 12 (The Heritage Foundation 2004).

systems. Similarly, government access to information in the private domain that is freely available to the public (for example, Yellow Pages listings or Google searches) is relatively unproblematic. The greatest problems will arise when (or if) the government seeks access to private commercial information that is not otherwise broadly available to the public.

6) Data and information are better maintained in a distributed architecture than in a centralized system. To be sure some applications will require centralization of information – but the impulse to centralization should be resisted where possible. For in a centralized database there is a greater possibility of abuse. A single repository of information provides, for example, an inviting target for a hacker and a brittle cyber-security redoubt. By contrast, distributed databases, though sometimes less efficient, are also less easily compromised.

So, for example, when constructing a biometric system of identification for access to a secure facility, or for authorization to use a particular system, the preferred methodology (if feasible for the particular application) is to use a form of "match-on-card" technology where the biometric identifier is verified at a distributed site, rather than through transmission to a centralized database containing all the known biometrics available.

7) Finally, where possible, individually identifiable information should be anonymized or rendered pseudononymous and disaggregated so that individual activity is not routinely scrutinized. Frequently, the pattern analysis or the link that needs to be discovered can be examined without knowing the individual identity of the subject of the investigation, so long as the subject is uniquely identified. One can imagine many ways in which this form of anonymization can be achieved – as one example, it may be possible to use "one-way hashes" of lists that require comparison, allowing each list holder to maintain security of the list, and piercing the veil of anonymity thus created only in instances where a match occurs. Disney can compare its list of visitors with the Terrorist Screening Center's watch list and neither need disclose the contents of the list. If, and only if, a match occurs, would Disney be obliged to disclose the identity and characteristics of the record associated with the individual identified.[99]

Protection of individual anonymity can be even further enhanced under this model. Mirroring the rules regarding identification in the real world, we could, for example, protect privacy by ensuring that individual identities are not disclosed without the approval of a neutral third-party decision maker such as a judicial officer who determines the necessity for this disclosure based upon some defined standard of proof. Then those involved in high-level policy determinations can regulate the use of the system by imposing greater or lesser requirements for the degree of proof necessary before the veil of anonymity is torn away.

Intermediate Not Ultimate Consequence – Third, where appropriate, the consequence of identification by a new technology should not be presumptive – that is, it should not lead directly to the ultimate consequence (e.g. arrest, denial of access). Rather, such identification is generally best seen as a cause for additional investigation, not punitive government action. Considered in this light, we develop an understanding that knowledge discovery used for "subject based" inquiries is really just an improved form of information sharing and link analysis. In this formulation, knowledge discovery is

[99] James X. Dempsey & Paul Rosenzweig, "Technologies That Can Protect Privacy as Information is Shared to Combat Terrorism," Legal Memorandum No. 11 (The Heritage Foundation 2004).

generally less likely to be subject of abuse since it more closely follows the traditional forms of police investigation and thus may appropriately lead in short order to ultimate consequences.

"Pattern based" analysis also has a paradigm in the physical world. For example, the Compstat program in New York City uses pattern analysis to identify emerging crime patterns allowing the police to direct scares enforcement resources to at risk areas, or to address emerging crime patterns before they become entrenched – all to the great benefit of the its citizens.[100] Thus, pattern analysis recapitulates in automated and enhanced form the common place human behavior of seeing patterns in discrete objects[101] – whether stars in the sky, the repetitive pacing of a man casing a store for robbery on the ground,[102] or bank transactions in cyberspace. But, while useful in the aggregate, many remain skeptical of its ability to identify particular individuals for scrutiny. Given the comparatively greater potential for false positives in the context of pattern-based analysis we should be especially vigilant in ensuring that the consequences of such identification are limited to investigative, rather than ultimate results.

Audits and Oversight – Fourth, any new technology should have strong technological audit and oversight mechanisms to prevent against abuse built in. The only way to assure public acceptance of a new technology is to build in processes that demonstrate the certainty of punishment for misuse. Most of this will need to be based upon the inclusion of technological means in the design of a new system. New technologies should, for example, be tamper proof or at a minimum tamper evident. They should include automated and continuous audit functions that log all activity for later review, and incorporate routine review as a means of uncovering misuse.

Accountability – Fifth, new technologies should be used in a manner that insures accountability of the Executive to the Legislative for its development and use. For example, we can conceive of systems that require authorization by a publicly appointed and accountable official before they are deployed, and perhaps used, and that involve periodic oversight of their basic architecture and effectiveness. Here, again, the real world paradigm maps well. Just as a police chief wouldn't institute new rules for physical interactions with citizens in a manner that forestalled review by the city council, a new technology should not be developed under the guise of an intelligence program and deployed without appropriate consideration by those elected officials who are responsive to public concerns.

The Necessity of Redress Mechanisms – Sixth, we must provide a robust legal mechanism for the correction of false positive identifications. People's gravest fear is being misidentified by an automated system. The prospect of not being allowed to fly or of being subject to covert surveillance based on electronic records scares them.

Of course, the same possibility exists in the "real world" – individuals become subjects of suspicion incorrectly all the time. What makes the difference is that in a cyber-system, the "suspicion" may persist – both because the records generating the suspicion are often persistent and uncorrected and especially because the subject of

[100] For a short overview of Compstat and a description of its spread throughout the United States, *see* Shaila K. Dewan, "New York's Gospel of Policing by Data Spreads Across U.S.," NY Times (Apr. 28, 2004).
[101] *See* Heather MacDonald, What We Don't Know *Can* Hurt Us, City Journal (Spring 2004). (describing use of pattern analysis techniques for star pattern analysis).
[102] Terry v. Ohio, 392 U.S. 1 (1968).

the suspicion is a broad concern for pre-empting future attacks that is likely to be less susceptible of refutation. By contrast in the real world, law enforcement eventually comes to a conclusion and "clears" the suspect of connection to a specific prior criminal act.

Hence, here the direct map from the real world to the cyber world may break down. As a result, rather than relying on the inherent nature of investigative methods to correct false positives, we will need a formal process, including both administrative and if necessary judicial mechanisms, for resolving ambiguities and concerns discerned by new knowledge discovery technologies.

We should recognize that the greatest difficulties of all in developing new technologies may lie in the construction of such a process. For one thing, it must act in many instances, nimbly and quickly – especially, for example, in real time contexts like clearing passengers for flights. For another, it must itself have protections against being spoofed, lest terrorists go through the clearing process to get "clean" before committing wrongful acts.

But equally problematic, the process will likely not be able to meet our traditional standards of complete transparency in an adversarial context. For often disclosure of the methodology and algorithms that lie behind a new information technology will destroy their utility for identifying suspicious individuals. Yet, the failure to disclose this information will deprive the effected individual of a full and fair opportunity to contest his identification.

In short, an effective redress mechanism will need to answer questions about: How much information about himself can an individual see; What will be the forum and mechanism for disputing and correcting alleged inaccuracies in that information; What mechanisms will there be to purge old records; And what sort of notification should an individual receive when information about him has led to a loss of a privilege (e.g. employment in a secure capacity, or ability to travel).

What will be necessary is a concept of calibrated, or graduated and partial transparency, where alternate mechanisms of resolution are used. Those are fairly rare in American legal structures and will require careful thought.[103] By and large, however, these mechanisms will be external to the new technologies themselves. They are relevant to the development of technology however first in demonstrating the need for audit mechanisms that will provide accurate data correction capabilities and, more importantly, in emphasizing the need for technological development to go forward in tandem with parallel policy development – for the absence of an answer to the redress question may doom even the most advantageous new technology.

People and Policy – Finally, we must recognize that besides the process we build into any new technology, there are people. Here, too, technological development will benefit from attention to external policy content. For, as new information technologies are deployed we must create a culture of heightened accountability and oversight. This will include: Internal policy controls and training; Administrative oversight of the use of

[103] For a detailed consideration of what a redress mechanism should look like in the context of watch list identification, *see* Paul Rosenzweig & Jeff Jonas, "Correcting False Positives: Redress and the Watch List Conundrum" Legal Memorandum No. 17 (The Heritage Foundation June 2005).

technology through, for example, Inspectors General or a Privacy Board;[104] Enhanced congressional oversight through the intelligence committees; And ultimately, civil and if necessary criminal penalties for abuse.

We know that this sort of effort can be successful. One example is the modern NSA. In the 1970s Congressional investigations concluded that the NSA had misused its surveillance powers, conducting improper surveillance of American citizens.[105] Since that time, through a substantial training and oversight effort, NSA has developed a corporate culture that strongly controls potentially abusive behavior.[106] It isn't easy – controlling abuse requires a continuous and sustained commitment, something rare in our political culture. But it is possible.

Conclusion

To solve the new terrorism/privacy equation, we need to know more than we do now. We need to know how effective a new technology will be. We need to know the frequency with which it might misidentify individuals for examination. We need to know what "gates" for the imposition of consequences will be built into the system. And we need to know what error-correction mechanisms there will be.

But none of these can be determined without much more testing and development. So we know that the only really wrong answer is to stop the testing of these new systems now. If the government does not develop them, the private sector and the academy surely will.[107]

In short, we must realize that there are no iron-clad guarantees against abuse. But prohibition on new technology developments is surely the wrong answer. We cannot act with an over-wrought sense of fear. While we must be cautious, John Locke, the seventeenth-century philosopher who greatly influenced the Founding Fathers, was correct when he wrote: "In all states of created beings, capable of laws, where there is no law there is no freedom. For liberty is to be free from the restraint and violence from others; which cannot be where there is no law; and is not, as we are told, a liberty for every man to do what he lists."[108] Thus, the obligation of the government is a dual one: to protect civil safety and security against violence *and* to preserve civil liberty.

In reviewing what we have done and what we should do in the future, we must be guided by the realization that this is not a zero-sum game. We can achieve both

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[104] A Privacy and Civil Liberties Board was created by Intelligence Reform and Terrorism Prevention Act of 2004, Pub. L. No. 108-458, § 1061 (2004).

[105] See *Intelligence Activities and the Rights of Americans, Book II, Final Report of the Select Committee to Study Governmental Operations with Respect to Intelligence Activities Together with Additional, Supplemental, and Separate Views*, S. Rep. No. 755, 94th Cong., 2d Sess. (1976) ("Church Committee Reports"); *Recommendations of the Final Report of the House Select Committee on Intelligence*, H.R. Rep. 833, 94th Cong., 2d Sess. (1976) ("Pike Committee Reports"). The Church Committee Reports, but not the Pike Committee Reports, were made public, but the latter were eventually leaked, and both sets of reports, comprising many volumes, are available online.

[106] *See* Joel F. Brenner, Information Oversight: Practical Lessons from Foreign Intelligence, Heritage Lecture No. 851 (2004). There is a risk, of course, that stringent rules may create rigidity within an organization. Thus, some flexibility needs to be maintained. By and large, however, suitable rules actually promote useful activities by affording those who act on our behalf with a "safe harbor" of approved conduct.

[107] *See* Robert O'Harrow, Jr., "Bahamas Firm Screens Personal Data to Assess Risk," Wa. Post (Oct. 16, 2004) (new firm formed in Bahamas for data analysis in part to avoid US privacy laws); Eric Lichtblau, "Homeland Security Department Experiments With New Tool to Track Financial Crime," NY Times (Dec. 12, 2004) (describing new British program for tracking financial transactions); *see generally*, K.A. Taipale, "Data Mining and Domestic Security: Connecting the Dots to Make Sense of Data," 5 Colum. Sci. & Tech. L. Rev. 2 (2003) (describing potential commercialization phenomenon generally).

[108] John Locke, TWO TREATISES OF GOVERNMENT 305 (Peter Laslett, ed., 1988).

goals – liberty and security -- to an appreciable degree. The key is empowering government, while exercising oversight. So long as we keep a vigilant eye on police authority and so long as the debate about governmental conduct is a vibrant part of the American dialogue, the risk of excessive encroachment on our fundamental liberties is remote. The only real danger lies in silence and leaving policies unexamined.

Protecting Critical Infrastructure

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Critical Infrastructure Overview

Discussing the strategy of the Department of Homeland Security (DHS), Secretary Chertoff[109] recently explained that "we must make tough choices about how to invest finite human and financial capital to attain the optimal state of preparedness," and therefore "DHS must base its work on priorities that are driven by risk." Chertoff defined "preparedness" as the country's "capabilities to prevent, protect against, and respond to acts of terror or other disasters." DHS will assess these capabilities based on "objective measures of risk and performance," and DHS will analyze risk according to "three variables: threat, vulnerability, and consequences." The goal is to "build the right capabilities in the right places at the right level," and DHS will "begin by concentrating on events with the greatest potential consequences."

This risk management strategy is exactly what the business of managing critical infrastructures is all about. This approach addresses risk management, not risk elimination, and dictates how to allocate resources for the best protection. Critical infrastructure businesses find the highest priorities and apply their resources across the spectrum of prevention, response, and restoration.

At first glance, issues of privacy and freedom may not seem central to discussions of critical infrastructure protection. However, in order to manage risk appropriately, both businesses and government need a lot of intelligence information. For example, an electric power generating company may appreciate the government's ability to access library records of individuals who have viewed blueprints of the electricity plant. Also, government intelligence that red-flags certain transactions can be very useful to a bank's determination of necessary tracking and protection systems. Thus, critical infrastructure businesses are indirectly affected by legislation or court orders that hamper the government's capabilities to gather intelligence. (Therefore, this working group's discussions of the PATRIOT Act also implicate the protection of critical infrastructure.)

In sum, from the point of view of the critical infrastructure businesses, providing reliable protection is an economic necessity. The businesses want to protect their assets (physical, cyber, proprietary information, etc.) and remain competitive in the marketplace. In order to manage risks effectively, businesses rely on the government's ability to gather intelligence. Also, given the interrelationships and interdependencies of our society, there must be some degree of collaboration amongst competitors and industries, and between the private sector and government, in order to accomplish effective risk management analyses.

The scope of issues relating to "homeland security and freedom" and critical infrastructure protection is broad and varied. Thus, to prompt the working group discussions, this paper pulls out specific issues from three case studies.

The first case study discusses critical information infrastructure protection through an overview of the Council of Europe's Convention on Cybercrime. This section hopes to promote discussions of a "law enforcement" approach versus a "national security approach" to fighting cyber crime/terrorism (i.e., are treaties founded in traditional criminal justice relevant/useful, or does the war on terror require different protocols with expanded state authority).

[109] These comments are taken from Secretary Chertoff's "Second Stage Review Remarks" of July 13, 2005, available at http://www.dhs.gov/dhspublic/display?content=4597.

The second case study compares cyber security and physical security, looking at the Communications Assistance for Law Enforcement Act (CALEA) and the Transportation Working Identification Card (TWIC). This section hopes to promote discussions relating to the different privacy challenges; i.e., whereas the protection of physical assets has focused on *how* the government should control access to privately-owned physical infrastructures, cyber concerns have focused on *whether* the government should be allowed to interact in the cyber realm (i.e., to carry out surveillance on, or restrict, privately-owned cyber infrastructures).

The third case study looks at the commercial side of critical infrastructure businesses and the personal/consumer information they gather and may share with the government. This section hopes to promote several discussions, including (1) whether existing administrative law and private ordering are robust enough to deal with the emerging tension between individual privacy and security requirements during the war on terror; and (2) whether this tension will wane (i.e., the heightened security demands may be only a temporary concern based on the current threat), or remain (i.e., the heightened security demands may be permanent given the seeming ubiquitous threat of terrorism). The case study is an overview of the government's use of passenger airline information (jetBlue / CAPPS II / Secure Flight).

I. International Critical Information Infrastructure Protection

In the aftermath of the September 11, 2001, terrorist attacks, the United States government promptly created new laws to prevent future attacks on American soil. Since the July 7, 2005, terrorist attacks in London, Britain has discussed expanding their laws created to fight terrorism -- for example, to increase government authority to surveil activity on the Internet. The constant terrorist threat has sparked aggressive homeland security measures.

The currently defined "War on Terror" has emphasized a national security approach rather than a traditional law enforcement approach. Some argue that law enforcement alone is not capable of protecting the United States from terrorism threats. Others argue that expanded authorities are not necessary; traditional criminal laws and law enforcement procedures are sufficient.

To frame the discussion, this case study looks at an international treaty on cybercrime. The War on Terror includes the threat of cyber terrorism and other cyber crimes, which have the unique characteristic of being borderless activities. Some questions to consider include:

1) Because cybercrime is borderless, does it require a new criminal justice system? Are new laws needed to reduce the chance of a cybercrime from occurring? Is international cooperation required?

2) If new laws are created to fight the War on Terror, are these new laws applicable to terrorist activity only, or do they also apply to non-terrorist cybercrimes?

3) Is the criminal justice system sufficient to fight cybercrime or do we need to expand current authority to help fight this new age war? For example,

do the surrounding issues and concerns of the War on Terror demand that online searches without warrants be legal?

4) Are international cybercrime conventions still relevant given our current national security approach to fighting terror?

Convention on Cybercrime

Critical information infrastructure protection addresses not only the information and communication technology industries, but also the critical information infrastructure that underlies all of our homeland security and national defense resources. For the working group discussion, this paper looks at cybercrime, which is not simply a national problem. Rather, it is a complex problem that cannot be managed without international cooperation. One of the most unique characteristics of the Internet is that it does not have borders. Therefore, all countries must address how to assist one another with rising cybercrime issues and threats. One international proposal is the Council of Europe's (COE) Convention on Cybercrime.[110]

The Convention's main objective is to pursue a common criminal policy against cybercrime by adopting appropriate legislation and fostering international cooperation. The Convention encompasses three main parts: (1) it establishes domestic criminal offenses;[111] (2) it adopts procedural tools for surveillance and investigations; and (3) it creates provisions for international cooperation.[112]

The Convention's categories of crime include "illegal access, illegal interception, data interference, system interference, misuse of devices, computer-related forgery, computer-related fraud, offences related to child pornography and offences related to copyright and neighbouring rights."[113] For example, the Convention lists the crime of hacking, including the production, sale, or distribution of hacking tools.

The Convention's procedural law section is not limited to the crime categories defined in the Convention; rather, it "applies to any offence committed by means of a computer system or the evidence of which is in electronic form." The Convention addresses jurisdictional issues and defines "the following procedural powers: expedited preservation of stored data; expedited preservation and partial disclosure of traffic data; production order; search and seizure of computer data; real-time collection of traffic data; interception of content data." For example, one procedural provision mandates that law enforcement be granted the power to compel an Internet Service Provider to monitor a user's online activities in real time.

The cooperative provisions address mutual assistance, "transborder access to stored computer data ... with consent or where publicly available," extradition, and the establishment of a "24/7 network for ensuring speedy assistance." The Convention contains several mechanisms to establish cooperation while avoiding conflicts with foreign law and process.

[110] Several non-member states participated in the development of the Convention, including the U.S. (Department of Justice, State Department, Department of Commerce, and U.S. technology and communications experts).
[111] In January of 2003, the COE also proposed an Additional Protocol to the Convention on Cybercrime, "concerning the criminalisation of acts of a racist and xenophobic nature committed through computer systems" (CETS No. 189). Twenty-four member states plus Canada have signed the Additional Protocol. Only four member states have ratified it (most recently Denmark in June 2005), one member-country short of the five needed before the Additional Protocol can come into force. [Note: this footnote is current as of July 22, 2005.]
[112] Computer-related crimes are often committed via transmissions routed through numerous countries.
[113] This information is taken from the Convention on Cybercrime (ETS No. 185) Explanatory Report, available at http://conventions.coe.int/Treaty/en/Reports/Html/185.htm.

International cooperation is vitally important to U.S. efforts to defend against cyber attacks and to improve global cyber security. The speed at which cybercrime can occur renders international cooperation necessary for preserving and disclosing stored computer data, searching and seizing computers and data, and collecting traffic information and content in real time.

Thirty-one countries (including the U.S.) have signed the Convention, and it has been ratified by eleven COE member countries.[114] President Bush presented the Convention to the U.S. Senate for ratification in late 2003,[115] and there has been a large amount of debate as to whether the U.S. should ratify it. Some concerns regarding ratification include:

- The Convention lacks a "dual criminality" provision, which would require that prerequisite to international law enforcement activities, all countries concerned must consider the investigated act a crime. Otherwise, for example, U.S. law enforcement would be required to cooperate with foreign police authorities even if the investigated activity is legal in the U.S.

- U.S. privacy and surveillance laws may not provide adequate protections given current technology. For example, one concern is the possibility that the Convention will be used as a validation for enforcing new design mandates on Internet providers that will threaten many of the Internet's most important attributes. The U.S. should not introduce sweeping new authorities or greater government surveillance capabilities without ensuring privacy protection.

II. Cyber Security vs. Physical Security

The government plays a vital role in protecting critical infrastructure. For example, during the Cold War, ships from Communist countries were only allowed to enter five ports in the United States. Further, most of their personnel were not permitted to leave the ships. It was acceptable, and in fact *proper*, that the U.S. discriminate against certain ships and individuals for security purposes.

Issues concerning laws to protect physical infrastructure focus on the question of *how* the government should protect the assets, not *whether* they should. In the past, we never recognized an inherent right to freely access physical structures such as ports and nuclear plants. Conversely, the challenges to laws for protecting cyber infrastructure seem to be focused on *whether* the government should be passing such laws.

Also, in both the physical and cyber worlds, advancing technologies are introducing more friction into the debate. The case study below addresses the Transportation Working Identification Card (TWIC) and the Communications Assistance for Law Enforcement Act (CALEA). Some questions to consider include:

[114] Albania, Croatia, Estonia, Hungary, Lithuania, Romania, Slovenia, the former Yugoslav Republic of Macedonia, Cyprus, Bulgaria, and Denmark. The convention came into force on January 7, 2004.
[115] On July 26, 2005, the Senate Committee on Foreign Relations voted to send the Convention out of the Committee and to the Senate for ratification.

1) In contrast to physical security, why does cyber security face the additional hurdle of *whether* the government should access/restrict the cyber world?

2) Since the War on Terror does not allow us to simply identify an individual as an enemy and deny access to our physical or cyber infrastructures, and given the ubiquitous information flow and terrorists' use of technology, are enhanced surveillance measures justified?

CALEA and TWIC

The terrorist attacks on September 11th, 2001, have led to the development of new laws and technologies to help improve national security. Two new laws that have created a lot of comments are the Communications Assistance for Law Enforcement Act (CALEA) and the Transportation Working Identification Card (TWIC).

Congress originally passed CALEA in 1994 to assist law enforcement's investigative authority by (1) further defining existing statutory obligations of telecommunications carriers to assist law enforcement in executing electronic surveillance pursuant to court orders or other lawful authorization, and (2) requiring carriers to design or modify their systems to ensure that lawfully-authorized electronic surveillance could be performed. CALEA aims to preserve law enforcement's ability to conduct lawfully-authorized electronic surveillance while preserving public safety, the public's right to privacy, and the telecommunications industry's competitiveness.

Initially, CALEA required only telephone companies to redesign their networks to assist law enforcement. However, in the War on Terrorism environment of 2004, the Department of Justice, the Federal Bureau of Investigation, and the Drug Enforcement Administration filed a joint petition with the Federal Communications Commission requesting that CALEA be extended to cover Internet communications. If passed, it would compel Internet carriers, as well as telephone companies, to be compliant with CALEA requirements.

The possible extension of CALEA to Internet providers has provoked much debate. Some concerns for extending CALEA are that the extension would invade privacy rights. For example, surveillance conducted in packet-mode environments could result in the unauthorized capture of third-party communications. Also, an extension of CALEA would require Internet companies to spend a lot of time and money redesigning their networks to meet CALEA requirements.

On the other hand, the benefits of extending CALEA include the enhanced ability of law enforcement to fight terrorism. Today's criminals frequently use telephones and the Internet to coordinate their illicit activities, and electronic surveillance is an extremely effective tool for preventing these crimes and catching the criminals.

In addition to the cyber security protections of CALEA, new physical security protections recently introduced include the Transportation Worker Identification Card (TWIC). These cards are tamper-resistant credentials that contain several types of biometric information, including a fingerprint, iris scan, hand geometry, and a snapshot of a hand on a flat surface. The purpose of TWIC is to prevent unauthorized people from gaining access to secure business locations, such as airports, energy pipelines, rail station and seaport. TWIC is being introduced in four different phases: (1) planning phase; (2)

technical phase; (3) prototype phase; and (4) implementation. TWIC is currently in the prototype phase.

An important benefit of TWIC is that it improves the flow of commerce by eliminating the need for redundant credentials: TWIC is a cost effective way to minimize redundant background investigations. Another benefit of TWIC is that it will prevent terrorists and other unauthorized persons from gaining access to sensitive areas of the nation's transportation system. TWIC also lessens the risk of imitation credentials through the use of state-of-the-art anti-tamper and anti-counterfeit technologies.

However, TWIC may have some privacy implications. TWIC could make it easier to track people to a degree that may be unnecessary for security. Also, sensitive information in the card could be misused. Creating cards for every employee can be extremely costly. And finally, conducting criminal background checks on all employees would not only be costly but time consuming.

III. The Public/Private Dialogue & Consumer Privacy

Given the standard statistic that 85% of U.S. critical infrastructure is owned by the private sector, concerns of privacy and freedom from government abuses may not seem central to discussions of critical infrastructure protection. However, information gathering and sharing are prerequisites to the risk management analyses that determine the allocation of resources to protection. Thus, privacy issues may be implicated in many ways.

Since an in-depth discussion of all of these issues is beyond the scope of this working group, this case study will address only one issue -- specifically, consumer privacy concerns when a critical infrastructure business shares customer information with the government. The case study outlined below involved a private company that wanted to create a computer program to improve the security of a critical infrastructure. In order to test the program, the private company needed large amounts of data, which was provided by another private sector business. Without this data, the computer program either would have not been completed, or would have been of lower quality (thus providing less security).

After news of the data sharing broke, several privacy concerns were voiced; for example, that (1) since the government ran the security of this critical infrastructure and the data sharing was not properly managed, the government violated provisions of the Privacy Act; (2) since the sharing of information was not transparent or openly audited, the public could not be sure that there would be no scope creep (that the shared data would not be used by other government agencies and law enforcement); and (3) since the shared data constituted personal and transactional information of individual consumers, and since the individuals had not consented to the data sharing, the private sector business that handed over the information had acted wrongly.

The following case study is provided as a context for framing the discussion of public/private interactions and consumer privacy in the war on terror. The case study is followed by specific questions suggested for the working group discussion.

Case Study: jetBlue

In the course of commercial transactions, critical infrastructure businesses may gather information on consumers--personal information, purchase histories, shopping habits, etc. When these businesses share (either voluntarily or under orders) such information with the government, privacy concerns may arise. One paradigmatic case study is the transfer of jetBlue airline passenger data to the government via private sector subcontractors and Transportation Security Administration (TSA) personnel.[116]

In response to the post-September 11 war on terrorism, Department of Defense (DOD) subcontracted with Torch Concepts to develop and test a proposed data pattern analysis application for predicting security risks of individuals. The testing required a large amount of outside source data, and it was determined that national passenger airline databases would provide an adequate variety of individual characteristics. However, some of the larger airlines denied Torch Concepts's requests for their passenger information and indicated that involvement and approval by the Department of Transportation (DOT) and TSA would be required before the airlines shared passenger data.[117]

DOD, DOT, and TSA personnel worked to get Torch Concepts the data it needed. Ultimately, TSA contacted jetBlue Airways, who agreed to transfer (without charge) five million Passenger Name Records (PNRs) to Torch Concepts via Acxiom Corp., a data broker with whom jetBlue contracted.[118] Torch Concepts later combined this data with demographic data purchased from Acxiom and used the combined information to test its predictive screening application.

A year later, jetBlue similarly offered to participate in the testing of CAPPS II, but TSA determined that jetBlue's existing privacy policy would need to be changed in order to permit the data sharing. The impending testing of CAPPS II stimulated attention from both the general public and privacy advocates, who discovered jetBlue's earlier PNR sharing and argued that such a data transfer to the government was improper and that it also violated jetBlue's privacy policy.

The DHS Privacy Office investigated, and its February 2004 report concluded:

[116] This incident occurred during 2001 and 2002, before the creation of DHS.

[117] At this same time, TSA was developing its second Computer Assisted Passenger Screening System (CAPPS II), but the government insisted that this program was separate from the Torch Concepts project. This description of CAPPS II was taken from a law review article: "Under CAPPS II, airline personnel will be required to electronically submit each passenger's name, address, and telephone number to the TSA prior to issuing a boarding card. Although current regulations require passengers to present photo identification to the agent, there is currently no way of verifying the authenticity of the ID. The TSA's main computer is linked to various law enforcement and commercial databases. First, the TSA will confirm the identities of passengers and identify known foreign terrorists or persons with terrorist connections. Then, it will perform criminal and credit checks on each person. Through the use of sophisticated data-mining algorithms, it will also analyze patterns of travel, purchases, and a variety of other undisclosed classified factors. The factors that CAPPS II will analyze will remain classified information in order to prevent terrorists from learning how to undermine the screening process. From all this information, the TSA will assess whether an individual poses a potential threat, or appears harmless and "rooted in the community." The "passenger stability indicators" include length-of-residence, home ownership, and income. Based on these indicators, each traveler will get a red, yellow, or green score. The vast majority of travelers will not have a suspicious background and will get a green score. They will pass through standard security procedures and may be subjected to an occasional random search. Those who trigger the yellow rating will have their checked and carry-on baggage inspected and may be questioned. A red score is a "no-fly" indicator, resulting in a denial of boarding." Deborah von Rochow-Leuschner, *CAPPS II and the Fourth Amendment: Does it Fly?*, 69 J. Air L. & Com. 139, 142-43 (Winter 2004).

[118] DHS's Privacy Office report on the jetBlue incident noted that CAPPS II also contracted with Acxiom, although not at the time of the jetBlue data transfer.

1. Although TSA employees "acted without appropriate regard for individual policy interests or the spirit of" the 1974 Privacy Act, the act was not violated because no data was provided directly to TSA or DOT.
2. Without assistance from TSA personnel, the data transfer would likely not have occurred.
3. The DHS Privacy Office needed to develop "clear rules" for the "sharing of data between the private sector and the federal government for security purposes."

In the two months following this report, numerous airlines and airline reservation businesses publicly announced that they had given passenger data to TSA for use in the development of CAPPS II. In the following public outcry, Congress banned the deployment of CAPPS II until it could satisfy privacy criteria established by the Government Accountability Office (GAO).

In the past several years, CAPPS II and its successor programs (Secure Flight, Registered Traveler) have also been criticized as dangerous to privacy. In fact, in July of 2005, the GAO reported to Congress that TSA had violated the Privacy Act during its testing of Secure Flight. Apparently, TSA (1) gathered passenger data information in excess of its published notices; (2) gathered information on passengers with similar names to those in the identified test group; and (3) contradicting its notice, stored this information. After the GAO notified TSA of its Privacy Act violations, TSA amended its published notice to include the aforementioned actions that had previously been undisclosed, and affirmed that all test data would be destroyed at the conclusion of the testing.

In addition to these administrative investigations and actions, several class action lawsuits were filed by passengers against some of the airlines, their agents, and some government contractors. In a recent trial court decision in class actions consolidated for pretrial proceedings, the plaintiffs' complaints were dismissed (without prejudice) because

(1) the plaintiffs failed to state a claim under the Electronic Communications Privacy Act-Stored communications (ECPA) § 2701, which regulates unauthorized access, because American Airlines authorized its agents to access American's electronic communications facility and because the government contractors did not access the facility but rather received the electronic communications from American's agents;

(2) the plaintiffs failed to state a claim under ECPA § 2702, which prohibits an electronic communications service provider from knowingly, and without the recipient's "lawful consent," divulging the contents of a communication, because a breach of contract (American's privacy policy) did not deprive American, the recipient of the plaintiff passengers' communications, "of the legal capacity under [ECPA §2702] to consent to disclosure" -- that is, American could lawfully consent to the disclosure of the plaintiffs' information, even if that consent breached its privacy policy;

(3) the plaintiffs failed to state a claim under state law breach of contract because the plaintiffs "failed to plead the essential element of damages flowing from the breach;" and

(4) the plaintiffs' other state law claims were preempted by the Airline Deregulation Act because the claims related to American's ticketing services.

In Re Am. Airlines, Inc., Privacy Litig., 370 F. Supp 2d 552 (N.D. Tex. May 25, 2005).

Questions for the Working Group Discussion

1) Do "Industrial Age" concepts provide acceptable security in the "Information Age," or are new information ordering requirements needed? That is, with ubiquitous systems, networks, and information flows, and with the seemingly ubiquitous terrorism threat that can neither be identified nor bounded temporally or physically, is a new paradigm of ubiquitous access to information required?

2) Given the results of the administrative law and private ordering remedies in the above case study, are the existing administrative law sanctions and private ordering remedies robust enough to deal with the emergent tension between individual privacy and security requirements?

3) Is this tension just a temporary concern based on security responses to the current threat? Or are we committed to permanently changing the rules under which the government may access, maintain, and manipulate citizens' personal, demographic, and transactional information?

4) Given past history of erring on the side of internal homeland security during stressful periods, is there no end in sight to the growing pattern of subsuming personal privacy to security needs?

5) Given that threats to privacy may not be easily quantifiable (e.g., the problem of damages in the dismissed class action) or easily calculated with DHS's objective measures and variables of "threat, vulnerability, and consequences," how can privacy protection become a factor in DHS's new risk-based strategy for protecting the homeland?

Working Group on America's Grand Strategy:

Principles and Recommendations – DRAFT

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This report is based on the exchange of views that took place among working group members. It is a selective summary of the main issues that were debated and is not meant to serve as a consensus document representing the views of the working group members, individually or collectively.

This report first summarizes the analytic issues debated and then turns to policy recommendations.

Executive Summary: Working Group on America's Grand Strategy

Analysis

The group agrees that the fight against terrorism should not become the sole and defining aim of American grand strategy. While some believe that the 'war against terrorism' was an overreaction, others argue that a paradigm shift is necessary but hasn't yet occurred. There is no doubt, however, that we are now confronted with a new set of strategic issues: weak and failed states; religion; the sources of terrorism; the reform of international institutions; the relationship between domestic, foreign policy and U.S. power; and the role of alliances and strategic cooperation.

It is not clear yet whether the international response to current U.S. policies is politics as usual or first attempts at counter-balancing American power. While some believe that the current strategy of retaining the position of unipolarity as long as possible is feasible, others argue that the world is heading towards either 'cooperative' or 'competitive' forms of multipolarity.

In either case, the aims of American Grand Strategy should be to address urgent and pressing threats while preserving international legitimacy and managing a more traditional agenda (for example, fostering cooperative relations among great powers, integrating rising powers, and promoting liberalization and economic growth).

Recommendations

The working group articulated the following ideas and recommendations:

- The United States needs to do a better job at wielding its powers so that it convenes like-minded states rather than encouraging them to engage in 'soft balancing'. It can do so through efforts to engage in multilateralism and public diplomacy.

- There are different ideas on the appropriate scope and direction of U.S. power. Some caution against overreach, recommending that the U.S. should focus on a few areas of strategic importance ('off-shore balancing'). Others believed the way forward lies in a renaissance of 'liberal internationalism', with the U.S. providing for a stable, multilateral order on the basis of its leadership.

- The acquisition of weapons of mass destruction by anti-American terrorist group is the greatest immediate danger to national security. The priority should be to increase efforts to secure fissile material, strengthen and secure non-proliferation regimes, as well as to shot down the nuclear programs in Iran and North Korea.

- Laws and institutions need to be reformed to reflect the changing security environment, which has challenged the traditional division between 'law' and 'strategy'. There also needs to be a rethinking of the doctrine of warfare.

- The quality and scope of the strategic debate in the United States must be improved. Issues that should be taken into account include the effects of domestic polarization, competing ideological visions, religion, and demographic change.

Analytic Assessments

September 11, Grand Strategy, and the Need for New Paradigms

The group spent a considerable amount of time debating whether September 11 necessitated a paradigm shift in U.S. grand strategy. The dominant view was that although international terrorism poses a new and pressing threat that requires adjustment to grand strategy, the struggle against terrorism should not be *the* defining mission for U.S. grand strategy. In this respect, a majority of the working group members believed that the Bush administration, at the level of grand strategy, has overreacted, overhauling America's approach to the world rather than adjusting it as necessary to adapt to new threats. The challenge ahead is to maintain the struggle against terrorism while bringing back into focus more traditional geopolitical objectives.

Quoting from one of the working group members:

"The events of September 11 have not fundamentally altered the nature of international politics. Despite assertions of a new clash of civilizations, no new geopolitical fault-lines have been created. Despite optimism that the threat of terror would serve as a durable source of unity among the great powers, managing relations among the world's main centers of power still remains a vital challenge. Indeed, September 11 has done more to divide than to consolidate the Atlantic Alliance. Rather than changing the underlying dynamics of international politics, the events of September 2001 have only added the need to combat terrorism to an already long list of priorities – but traditional priorities and paradigms remain as relevant as ever . . . . American policy makers have thus come to believe that the international system has changed much more than it has, holding a view of a global landscape that bears little resemblance to that envisaged by the rest of the world."

A minority of the working group disagreed with this assessment. They argued that September 11 does indeed necessitate a paradigm shift – but that such a shift has not yet occurred. As one group member wrote: "We have not had a paradigm shift post 9/11, in my view, but we might need one. We still fund petro-states regardless of how they may use our money. We still ignore failed states. We still allocate little resources to conflict prevention. We don't know what to do about the existing failed states or ones we mess up ourselves."

Depite this disagreement, there was widespread acknowledgement of the need for practitioners and scholars alike to focus on a new set of strategic issues, including:

- Strategies for Responding to Weak States and Failed States: State-Building, Nation-Building, and Democratization.
- Religion and Its Impact on International Politics
- The Sources of Terrorism and Its Impact on Great Power Behavior
- Adapting International Institutions and Law to Globalization and Its Exploitation by Extremists
- Domestic Politics, Foreign Policy, and the Exercise of US Power

- Alliances and Strategic Cooperation After September 11

America's Strategic Predicament

The working group sought to assess the defining characteristics of the global environment in which the United States must formulate grand strategy. Opinions diverged widely on this question. Some working group members offered quite benign assessments, contending that the United States enjoys unprecedented primacy and influence. According to one member, "For the first time in modern history the leading state in the international system can operate without facing counter-balancing states -- we call this 'unipolarity.' Preeminent and secure, the United States is in an unprecedented world-historical position: it alone is situated to shape decisively the rules and organization of world politics for the next generation." With the appropriate grand strategy, the United States is poised to be "at the center of a 'one world' system defined in terms of open markets, democratic community, and cooperative security." Moreover, "the underlying order is sufficiently robust to withstand" the challenges it currently faces.

Other working group members argued in favor of a much less benign assessment of America's strategic predicament. They believed that American primacy would be much more short-lived, undermined by the diffusion of power to other quarters, the efforts of other nations to thwart American hegemony, and the loss of American credibility and legitimacy abroad. According to two working group members, public opinion surveys reveal that, "in the years following 9/11, support for the United States has plummeted, resentment toward U.S. unilateral foreign policy has intensified, approval of the U.S.-led war on terrorism has been undermined and, for the first time since widespread polling began, foreigners' affection for the American people has declined."

The working group grappled with the issue of whether consequential balancing against the United States is taking place. Some members dismissed the claim that countries are "moving away" from U.S. leadership, arguing that we are witnessing "not balancing or the creation of separate spheres -- this is politics as usual within an existing world order." Others argued that "active non-cooperation with the US has emerged," as demonstrated by the transatlantic rift over Iraq, growing strategic cooperation between Russia and China, America's isolation on issues such as the Kyoto Protocol and the International Criminal Court, and public opinion surveys revealing an alarming loss of confidence abroad in American leadership.

Despite these analytic differences, there was broad agreement that the United States has unnecessarily eroded its image abroad and compromised key partnerships. Members of the working group pointed to an urgent need to reverse these developments by repairing key alliances and building the multilateral infrastructure needed to meet effectively global challenges, including those posed by terrorism and the spread of weapons of mass destruction.

U.S. Grand Strategy: The Way Forward

The working group searched for the center ground -- a set of guiding principles that would enable the United States to address effectively the new threats made apparent by September 11 while preserving its international legitimacy and its ability to manage the more traditional geopolitical agenda. This more traditional agenda includes preserving cooperative relations among the great powers, peacefully

integrating rising powers such as China and India into the global system, and promoting political liberalization and economic growth in the developing world. Recommendations arising from this discussion include the following:

Wielding America Power

Some members of the working group agreed with the Bush administration's security strategy, arguing that the United States "should seek to retain its current position of primacy for as long as possible, and discourage the rise of new 'peer competitors.'" Others saw this objective as both unsustainable and unwise, arguing that the world is headed toward either "cooperative multipolarity" or "competitive multipolarity."

Interestingly, members on different sides of this debate nonetheless converged around similar policy prescriptions: the United States needs to do a better job of wielding its power so that it "convenes" like-minded states and prompts joint action instead of inducing them to engage in "soft balancing." It can do so through greater reliance on multilateralism, more astute efforts to explain its policies to the world, and greater effort to take the concerns of like-minded states into consideration when formulating policy.

The working group remained quite divided over the appropriate scope and ambition of U.S. grand strategy. Some members cautioned against overreach, fearing that the war in Iraq, a far-flung system of military deployments and bases, and efforts to spread democracy on a global basis would mire the United States in excessive ambition. One member cautioned that we needed to retrench from "a strategy of global hegemony with the main effort devoted to expanding and consolidating our dominant position in the so-called Great Middle East." Another wrote that Americans should "accept the things we cannot change, have the courage to change the things we can, and the wisdom to know the difference."

Those arguing for a reduction in the scope of American engagement endorsed a grand strategy of "off-shore balancing." If it pursued this strategy, the United States would step back from its current range of global commitments, instead focusing on "only a few areas of the globe [that] are of strategic importance," ensuring that "they do not fall under the control of a hostile power." Others in this camp argued that the United States, although it should not give up on spreading democracy in the Islamic world, should scale back its efforts, diminishing the resentment that comes with intervening in the domestic affairs of countries in the Middle East and recognizing the limits of American power. As one member commented, "though very strong on many dimensions, the U.S. is not strong on the capabilities needed to re-engineer other countries' political, social, and economic systems."

Other members of the working group took a quite different position, arguing that the United States had to return to a strategy of robust multilateral leadership on a global basis, reminiscent of that of the Cold War. According to one member, "the United States needs to go back to what it does well -- pursuing a liberal internationalist grand strategy in which it grounds its power and interests in any array of rules and institutions that draw states together into an open, integrated, consensual order." Others in this camp recognized "the difficulties of steering social change in other cultures," but argued that "we have little choice" if we are to tackle extremists and the anti-secular and anti-modernizing ideologies they propagate.

The Proliferation of Weapons of Mass Destruction

There was virtual unanimity in the working group that "the greatest danger in the near-to-medium term is the possibility that an anti-American terrorist group will acquire weapons of mass destruction, and especially nuclear weapons . . . . It follows that U.S. grand strategy should concentrate on the danger of WMD terrorism."

The working group recommended stepped up efforts to secure fissile materials in the former Soviet Union, new measures and institutions to monitor and enforce non-proliferation regimes, and vigilant efforts to contain and shut down nuclear programs in North Korea and Iran.

Law, Institutions, and Grand Strategy

The working group generally agreed that the United States is addressing the new challenges of the twenty-first century with laws and institutions suited for the twentieth century. The separation between law and strategy, although appropriate for dealing with the state-based threats of yesterday, is no longer serving the interests of the United States and the international community. As one member put it, "doctrines of active counterproliferation, the preemption of terrorist attacks, and an agreed upon basis for humanitarian intervention all await international legal recognition. Without both legal reform to bring international and domestic law into accord with strategic context, and a thorough re-thinking of doctrines of warfare to integrate regard for law into our strategic missions, the war against terror cannot be won."

Many members of the working group believed that the United States should take a leading role in reforming existing institutions and law, when possible working through the United Nations and other forums that can facilitate consensus and legitimate the process of reform.

The Domestic Politics of Grand Strategy

The working group underscored the need to gain greater understanding of the domestic sources of grand strategy in the United States. Among the factors requiring greater examination are:

- The impact of intensified political polarization on the formulation of policy.
- How competing ideological visions shape grand strategy.
- Whether regional political cultures are playing an important role in shaping foreign policy and, if so, in what ways.
- The impact of religion and religious belief on strategy.
- How demographic change is affecting policy and is likely to do so in the future.

The working group also expressed concern about the narrowing of political debate in the United States and the need to regenerate rich discussion of grand strategy. One member noted the need "to expose the fraudulence of most of [what] passes for public discourse on these matters." Another noted that "the spectrum of

opinion on US grand strategy across the two political parties and their experts on foreign and security policy is now very narrow."

The working group strongly endorsed the importance of improving the quality and scope of strategic debate in the United States.

Working Group on America's Grand Strategy:

Paper Abstracts

A New Grand Strategy for the War On Terrorism by Stephen M. Walt, Academic Dean, John F. Kennedy School of Government, Harvard University

The author assumes that U.S. primacy will continue, that there are currently no significant threats from peer competitors, and that terrorism is not an existential threat unless terrorists obtain access to a nuclear device. In the near term, the principal goal of U.S. grand strategy therefore should be to deny terrorists access to weapons of mass destruction. In the longer term, the aim should be to retain the U.S.'s position of global primacy as long as this is possible, and discourage the rise of competitors. These objectives can be achieved through what the author calls 'off-shore balancing,' that is, the idea of concentrating and exerting influence in strategically important regions (primarily Europe, Asia and the Middle East) rather than attempting to project power everywhere. The means for making such a strategy effective include divide and conquer, calculated threats, as well as engaging in more sustained efforts at public diplomacy. It may also be time for a 'grand bargain' on nuclear terrorism, which would involve restraint on and a commitment to prevent the proliferation of nuclear materials on behalf of existing and potential nuclear powers in exchange for a U.S. commitment to significantly reduce its nuclear arsenal.

September 11th, Unipolarity and American Grand Strategy by G. John Ikenberry, Professor of Politics and International Affairs, Woodrow Wilson School

The United States has emerged as the uncontested global superpower, argues the author, and faces the most benign security environment it has seen in the last one hundred years. This status of "unipolarity" means the United States wields unprecedented power to shape the rules and organization of a "one world" system defined in terms of open markets, democratic community and cooperative security. The liberal internationalist grand strategy proposed by the author would entail anchoring U.S. power in partnerships, alliances, multilateral institutions, etc. by which it would provide public goods for global governance in return for other states joining the U.S. bandwagon. By contrast, the current Administration's approach seeks to use the global war against terrorism as the defining goal of American grand strategy around which other goals should be subordinated. The author argues that a liberal internationalist approach is the better one because: terrorism is in itself not a first tier security threat and its protagonists cannot effectively be defeated through military means; the threats we face are more diffuse and uncertain; new security challenges like gangs of extremists or criminals require building viable states, the rule of law and international cooperation; and integrating China and India into stable and cooperative relations with the West is a more pressing challenge. Finally, the author argues that American grand strategy needs to rediscover the ways in which American power can be made more acceptable to the rest of the world.

Grand Strategy and the War on Terror by Philip Bobbitt, Professor of Law, University of Texas School of Law

The author argues that the constitutional order has undergone a dramatic transformation. Triggered by economic globalization and a concentration on individual rather than collective liberties, we are witnessing the rise of the so-called market state.

Furthermore, there is a struggle between states that are based on consent and states that are based on terror. Contemporary terrorism may be seen as an expression of these new divides: Al Qaeda, for instance, can be seen as a market state, because its rise has been facilitated by the forces of globalization – but it also is a state of terror.

Addressing the challenge from terrorism more specifically, the author argues that we need to overcome the division between external security (strategy) and domestic peace (law), which has informed our thinking and shaped our attitudes for more than a century. International terrorism can no longer be seen to belong to either one of these domains – in fact, terrorists have become exceedingly skilful at exploiting the different practices and institutions we have created for each. Only if we manage to bridge this intellectual divide and adapt to the new reality of violent political actors that threaten us from within as well as from outside can we hope to win the war on terror. This, however, requires more than the creation of new institutions, but a profound change of mindset.

September 11 and the Ramifications of Its Impact on Public Attitudes Toward the United States by Andrew Kohut, Director, Pew Research Center for the People and the Press and Bruce Stokes, International Economics Columnist, National Journal

The paper provides extensive empirical evidence for the decline in pro-American attitudes across the world. While attitudes have somewhat improved over the last year, the United States and in particular its policies continue to be viewed as a threat to world peace by majorities in most countries, including some of America's long-standing allies in Western Europe. There is also a widespread perception that the United States has overreacted to the terrorist attacks of September 11, 2001, and that the 'war on terror' is used by the American leadership to pursue one's strategic interests. Indeed, U.S. policies are particularly unpopular among younger people who view China as less of a threat than the United States. The authors suggest that a first step towards rectifying this problem would be for American leaders and the American public to acknowledge that there is a problem. A serious and consistent effort to engage in public diplomacy would undoubtedly help the United States to regain some lost ground. Yet ultimately, the decline of America's global image cannot be rectified through public relations alone: it will only be through a change in U.S. behavior that some of the negative attitudes could be reversed.

A New Grand Strategy for the War on Terrorism

By Stephen M. Walt
Robert and Renee Belfer Professor of International Affairs, Harvard University

This paper draws upon Stephen Walt's book "Taming American Power: The Global Response to U.S. Primacy" (New York: W. W. Norton & Co., September 2005).

Since September 11, 2001, the global war on terrorism—recently renamed the "global struggle against violent extremism"—has been the defining focus of U.S. grand strategy. In addressing this danger, the United States has adopted a broad definition of "terrorism" and pressured other states to support its various counter-terrorist initiatives. As President Bush put it shortly after 9/11: "either you are with us, or you are with the terrorists."[119] Any group employing terrorist methods has been seen as an enemy, and any state facing a terrorist challenge is a potential ally.

In fashioning a grand strategy for dealing with global terrorism, the United States faces a basic choice. One option is to try to eradicate terrorists through aggressive offensive action. In addition to taking defensive measures (border security, domestic surveillance, etc.), the United States would use its power—and especially its military power—to attack terrorist bases, capture or kill suspected terrorist leaders, and coerce or overthrow governments whose policies were either deliberately or inadvertently facilitating terrorist operations. In its most extreme form, the United States would invade and occupy areas from which terrorist threats emanated both to dismantle existing networks and to prevent these areas from being used as safe havens in the future.

A second option, by contrast, seeks to reduce the threat from terrorism by addressing the grievances that give rise to such movements. Thus, a national liberation movement might be offered autonomy, a disenfranchised minority might be granted greater political rights, or an authoritarian government might take steps to allow its citizens greater freedom. Such steps might not win over the most hard-core extremists, but they seek to defeat the enemy by "draining the swamps" where terrorists are spawned. These two approaches are not mutually exclusive—one can go after existing terrorists while simultaneously addressing their alleged grievances—but the emphasis placed on each option is a basic strategic choice.

For the past four years, the Bush administration has generally favored the first approach. It has gone on the offensive against known terrorist organizations and "rogue states" like Syria, Iran, and Saddam Hussein's Iraq. It has emphasized the need to "preempt" potential terrorist attacks and used the potential threat of WMD terrorism to justify a preventive war against Iraq. The administration has also launched a broad campaign to promote democracy in the Arab and Islamic world, in an attempt to eliminate the social and political conditions that it believes are fomenting Islamic extremism. Although the United States has welcomed support from other countries, it has generally ignored allied advice in pursuing this strategy and placed scant reliance on existing international institutions

This approach has been widely criticized at home and abroad, but its underlying logic contains a certain *prima facie* plausibility.[120] By responding forcefully after 9/11, Bush & Co. sought to disrupt Al Qaeda's existing infrastructure and diminish its capacity to prepare new attacks. By toppling Saddam Hussein, the United States sought to eliminate an alleged source of WMD, encourage democratic change throughout the Arab and Islamic world and consolidate U.S. influence in a key strategic area. And by demonstrating America's unmatched power and global reach, the Administration hoped to compel potential enemies to aid U.S. anti-terrorist efforts and forego their own

[119] George W. Bush, "Address to a Joint Session of Congress and the American People," Washington, D.C., September 20, 2001, downloaded from www.whitehouse.gov.
[120] For intelligent critiques, see Edward Rhodes, "The Imperial Logic of Bush's Liberal Agenda," *Survival* 45, no. 1 (Spring 2003); and G. John Ikenberry, "America's Imperial Ambition," *Foreign Affairs* 81, no. 5 (September/October 2002).

WMD ambitions. In sum, the Bush strategy assumed that the energetic use of U.S. military power would isolate Al Qaeda, force hostile governments to "bandwagon" with the United States, and spark a far-reaching process of pro-American democratization.

Unfortunately, events since 2002 have exposed the basic flaws in this approach. Although the United States experienced an outpouring of sympathy in the immediate aftermath of September 11, its decision to view all terrorist groups as more-or-less identical and its rhetorical emphasis on preventive war (erroneously labeled "preemption") alarmed many countries and cast doubt on U.S. judgment. Threatening adversaries with regime change did not reduce their WMD ambitions; on the contrary, it increased their desire for an effective way to deter U.S. pressure. Instead of reinforcing an image of U.S. omnipotence, the invasion of Iraq ultimately revealed the limits of U.S. power. The failure to find WMD damaged U.S. credibility and reinforced doubts about the feasibility of preventive war, and the postwar occupation was badly bungled. Instead of a democratic triumph, the United States soon faced a resilient and lethal insurgency. The war also facilitated terrorist recruitment, provided a new training ground for the next generation of *jihadis,* and tarnished America's global image. In particular, the various abuses at Abu Ghraib, Guatanamo, and in Afghanistan damaged America's reputation and strengthened the extremists' claims that the United States was fundamentally hostile to Islam. The subsequent bombings in Madrid and London may have been a vivid reminder of the common danger, but they also reinforced doubts about the wisdom of following America's lead. Whatever the merits of the current strategy *in theory,* it has been a failure in practice.

This paper presents a grand strategy for the war on terrorism that is fundamentally different than the one the United States has followed since September 11. Instead of trying to eradicate terrorism primarily through military means (preemption, regime change, targeted killings, etc.) it focuses on reducing the grievances that facilitate terrorist recruitment and are being used to justify terrorist attacks, while making it easier for other states to cooperate closely with the United States.

This alternative strategy rests on several assumptions and propositions.

First, like the current U.S. strategy, the new strategy begins by recognizing the reality of American primacy. Despite the setbacks in Iraq and a mounting trade deficit, the United States remains in a position of power unseen in recent history. The U.S. economy still produces 20-25 percent of gross world product, and is nearly 60 percent larger than its nearest rival. U.S. defense expenditures are over 40 percent of the global total, and it is the only country in the world with a global military capability. The United States enjoys disproportionate influence in key institutions such as the World Bank, IMF, and WTO, and its educational, cultural, and media institutions cast a broad shadow over the rest of the world. It is also in a remarkably favorable geographic position, with no great powers near its borders. The United States is not omnipotent, of course, but its position is one that many states might envy but none can match.[121]

Unlike the current U.S. strategy, however, I do not assume that primacy allows the United States to do whatever it wants. America's overwhelming power worries both

[121] See Stephen M. Walt, *Taming American Power: The Global Response to U.S. Primacy* (New York: W. W. Norton, 2005); William C. Wohlforth, "The Stability of a Unipolar World," *International Security* 24, no. 1 (Summer 1999); and Barry R. Posen, "Command of the Commons: The Military Foundations of U.S. Hegemony," *International Security* 28, no. 1 (Summer 2003); and Joseph S. Nye, *The Paradox of American Power: Why the World's Only Superpower Can't Go It Alone* (New York: Oxford, 2002).

friends and foes alike, which means that U.S. leaders must go to even greater lengths to use power judiciously and to reassure others about their benevolent intentions.

Second, the United States does not face imminent security threats to its vital interests from other great powers or "peer competitors." Although a number of countries are concerned about U.S. primacy, none of them is likely to attack the United States or its vital interests. Even rogue states such as North Korea are far too weak to threaten the United States, and could not use any WMD they might acquire without triggering devastating retaliation. America's wars will continue to be "wars of choice," rather than wars fought to defend U.S. territory itself.

Third, terrorism is a tactic, not a movement, and the organizations that use it are not a unified monolith with a common objective. Most terrorist organizations are motivated primarily by local grievances (as with the Tamil Tigers in Sri Lanka, the Free Aceh movement in Indonesia, Hezbollah in Lebanon, and Hamas in Palestine), and many are not overtly anti-American, although some terrorist groups do cooperate on occasion. Furthermore, the use of suicide terrorism is usually a tactical response to perceived foreign occupation (e.g., Israel's presence on the West Bank, Russian control over Chechnya, the U.S. occupation of Iraq, etc.) and not a manifestation of religious or ideological extremism per se.[122]

Fourth, provided that anti-American terrorists do not acquire WMD, the danger of international terrorism is manageable. Since January 2000, international terrorist attacks have killed approximately 18,000 people and injured roughly 36,000 more.[123] These losses are tragic, and the use of the tactic is reprehensible, but violence at this level does not pose a serious threat to the American way of life. Suicide terrorism and other forms of insurgent violence may thwart certain US foreign policy goals (most notably in Iraq), but terrorist groups such as al Qaeda do not pose an existential threat to the United States or its vital interests so long as their capabilities are based on conventional means.

Fifth, the greatest danger in the near-to-medium term is the possibility that an anti-American terrorist group will acquire weapons of mass destruction, and especially nuclear weapons. If armed solely with conventional explosives, terrorists can cause hundreds, and perhaps thousands of deaths. If armed with WMD, however, terrorists could threaten tens of thousands if not millions, and could obliterate entire communities. The human, economic, and political costs could be incalculable. Although it is impossible to gauge the *probability* of such an attack with any precision, the potential damage is enough to warrant a vigorous response.[124]

It follows that U.S. grand strategy should concentrate on the danger of WMD terrorism. This focus does not mean abandoning other foreign policy goals, but it does provide a set of priorities. In particular, it suggests that US foreign policy and grand strategy should be conducted in a way that *maximizes* international support for a broad counter-terrorism campaign, and that minimizes the appeal of terrorism as a strategy of political change. The United States wants to enlist as many people as it can in the effort to identify, locate, neutralize, and delegitimate terrorist activity, and we want to reduce the incentives that lead individuals to join terrorist organizations and take up arms against

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[122] See Robert Pape, *Dying to Win: The Strategic Logic of Suicide Terrorism* (New York: Random House, 2005); Fred Kaplan, "It's Not Who We Are, It's What We Do," *salon.com,* July 20, 2005.
[123] Based on data found on the Terrorism Knowledge Base, at www.tkb.org.
[124] See Graham T. Allison, *Nuclear Terrorism: The Ultimate Preventable Catastrophe* (New York: Henry Holt, 2004).

us. At the same time, the United States should take energetic steps to prevent any terrorist group from acquiring nuclear weapons.

How Are We Doing?

Unfortunately, the current U.S. is not doing enough to achieve these goals. To be sure, the Bush administration can claim some genuine successes: a number of key *Al Qaeda* leaders have been captured or killed, the ouster of the Taliban has eliminated a valuable safe haven in Afghanistan, and genuine progress has been made in coordinating counterterrorist activities with a number of other countries. Yet these successes have been accompanied by equally prominent failures: Osama bin Laden remains at large, *Al Qaeda* has "morphed" into a less-centralized collection of smaller but still lethal affiliates and imitators, global support for the U.S.-led war has declined steadily, and efforts to halt the spread of nuclear technology have failed in North Korea and are failing in Iran.

The most obvious symptom of strategic failure is the rising tide of anti-Americanism and the declining global support for the war on terror. In January 2005, for example, a *BBC Worldnews* survey of twenty-one countries found only five where a majority of citizens had "positive" views of the United States—India, the Philippines, Poland, South Africa, and South Korea. Solid majorities held negative views in Argentina, Germany, Russia, Canada, Mexico, France, Australia, Indonesia, Brazil, Chile, *and* Great Britain. In June 2005, the Pew Global Attitudes Survey reported that majorities in all fifteen countries surveyed now "favor another country challenging America's global military supremacy." Indeed, citizens in Canada, France, Germany, the Netherlands, Russia, Spain and the United Kingdom now hold more favorable views of China than of the United States.[125]

Meanwhile, the Pew Survey also reports that support for the U.S.-led "war on terror" is declining on every continent. Fewer than twenty percent of Americans think the war on terrorism is being waged to "control Mideast oil," "protect Israel," "target Muslim governments," or "dominate the world," but between 40 and 60 percent of foreigners surveyed attribute U.S. policy in part to one or more of these ulterior motives. And though the London bombings in July 2005 reminded Europeans of the continued threat of Islamic terrorism, a survey by the British newspaper *The Guardian* found that two-thirds of Britons also believed there was a link between British involvement in Iraq and the terrorist attacks.[126]

The U.S. image is especially bleak in the Arab world. Although many Arabs hold surprisingly positive attitudes towards U.S. science and technology, popular culture, and even the American people themselves, a 2004 Zogby poll reported that fewer than 10 percent of those surveyed in Egypt, Morocco, Saudi Arabia, Jordan, Lebanon, and the United Arab Emirates expressed favorable views of U.S. policy toward the Arabs, the Palestinians, the war on terrorism, or Iraq. Indeed, when asked to identify their "first thought" when America is mentioned, the most frequent response in these states was "unfair foreign policy." Osama bin Laden's popularity has outpaced President Bush's by over forty percentage points in Pakistan, Morocco, and Jordan, and majorities in

[125] See http://www.pipa.org/OnlineReports/BBCworldpoll/html/bbcpoll011905.html; and *Pew Global Attitudes Project,* "U.S. Image Up Slightly, But Still Negative," June 23, 2005, at http://pewglobal.org/reports/display.php?ReportID=247.

[126] *Pew Global Attitudes Project,* "Mistrust of America in Europe Ever Higher, Muslim Anger Persists," March 16, 2004; "U.S. Image Up Slightly, But Still Negative," and "Two-Thirds Believe London Bombings Linked to Iraq War," *Guardian Online,* at www.guardian.co.uk/attackonlondon/story/0,16132,1531387,00.html

predominantly Muslim countries now "express concern that U.S. military power may ultimately be turned against them."[127]

Defenders of U.S. policy argue that extremist violence is primarily a response to our values and not to our policies. As President Bush declared in 2002, "America was targeted for attack because we're the brightest beacon of freedom. . . in the world."[128] There may be a grain of truth in this view, but it explains the sharp decline in the U.S. image since 2000, the intense antipathy directed at President Bush himself, and the vocal opposition to specific actions like the 2002 *National Security Strategy,* the invasion of Iraq, or President Bush's close embrace of the Sharon government in Israel.

This view also ignores what terrorists themselves say. Although some terrorist leaders may be inspired by visions of a radical Islamic revival, anti-Americanism is primarily a reaction to specific U.S. policies. For example, Osama bin Laden has made it clear that his hatred is fueled by opposition to what he regards as unjust U.S. policies in the Middle East, just as his earlier activities in the 1980s were motivated by opposition to the Soviet occupation of Afghanistan.[129]

More generally, the 2002 Pew Global Attitudes Survey found that "antipathy toward the United States is shaped more by what it *does* in the international arena than by what it *stands for* politically and economically." A 2004 study by the Defense Science Board concluded that "Muslims do not 'hate our freedom," but rather they hate our policies," and an earlier report by the State Department's Advisory Group on Public Diplomacy found that "Arabs and Muslims. . .support our values but believe our policies do not live up to them." And even if some *jihadis* are motivated by the far-fetched goal of restoring the caliphate and rebuilding a global Islamic *ummah* (community), it is U.S. policy that provides them with potent recruiting tools and an undeserved degree of legitimacy within these societies.[130]

These trends underscore one of the main failings in the current U.S. strategy for countering global terrorism. When foreign populations disapprove of U.S. policy, their governments are less likely to support Washington's initiatives, and less likely to pursue them enthusiastically even when we do obtain a grudging endorsement. The steadily eroding "coalition of the willing" in Iraq is but one symptom of this broader problem. Rising anti-Americanism also increases the number of people who are willing to use terrorist methods against U.S. forces overseas, against key U.S. allies, or against the U.S. homeland.

Last but not least, U.S. efforts to contain WMD proliferation remain unsatisfactory. As noted above, the Bush administration's attempt to compel "rogue states" to

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[127] See "Impressions of America 2004: How Arabs View America, How Arabs Learn About America," (Washington, D.C.: Zogby International, June 2004); *Pew Global Attitudes Project,* "U.S. Image Up Slightly, But Still Negative."

[128] See George W. Bush, "Statement by the President in His Address to the Nation," September 11, 2001, at www.september11news.com/PresidentBush.htm.

[129] See Osama Bin Laden, "Declaration of War Against the Americans Occupying the Land of the Two Holy Places [Saudi Arabia], *Al-Quds al-'Arabi,* February 23, 1998; "Excerpts: Bin Laden Video," *BBC News World Edition,* October 29, 2004; and National Commission on Terrorist Attacks Upon the United States (The 9/11 Commission), "Outline of the 9/11 Plot," Staff Statement No. 16, June 16, 2004. See also Daniel Benjamin and Steven Simon, *The Age of Sacred Terror: Radical Islam's War Against America* (New York: Random House, 2003), pp. 106, 117, 121.

[130] See *Pew Global Attitudes Survey,* "What the World Thinks in 2002," pp. 61, 69; *Report of the Defense Science Board Task Force on Strategic Communication* (Washington, D.C.: Office of the Undersecretary of Defense for Acquisition, Technology, and Logistics, U.S. Department of Defense, September 2004), p. 40, available at www.acq.osd.mil/dsb/reports/2004-09-Strategic_Communication.pdf; and *Changing Minds, Winning Peace: A New Strategic Direction for U.S. Public Diplomacy in the Arab and Muslim World* (Washington, D.C.: U.S. Department of State, 2003).

dismantle their WMD programs has not worked in the two most serious cases—North Korea and Iran—and efforts to secure world-wide nuclear stockpiles remain under-funded and incomplete. The administration's effort to interdict clandestine nuclear shipments through a multilateral "Proliferation Security Initiative" is a positive development, but its opposition to the Comprehensive Test Ban Treaty, proposals to fund a new generation of US nuclear weapons, and overt acceptance of India's nuclear programs have weakened the overall effort to strengthen the global nuclear regime.

Taken as a whole, therefore, U.S. strategy in the post-9/11 world has been seriously flawed. Despite a number of positive achievements, the United States has for the most part failed to capitalize on the opportunities that its position of primacy presents, and squandered the good will it enjoyed in the immediate aftermath of 9/11. The question is: how might it do better?

Elements of a New Grand Strategy

A different approach to US grand strategy begins by remembering what we are trying to accomplish. In the near term, the primary goal of U.S. grand strategy should be to deny terrorists access to WMD. Over the longer term, the United States should seek to retain its current position of primacy for as long as possible, and discourage the rise of new "peer competitors." Should new peer competitors emerge, the United States will want to enlist other states to help it keep its new rival(s) in check.

Thus, America's short, medium, and long-term goals all require the United States to obtain active, enthusiastic, 24/7 cooperation from as many countries as possible. To do this, the United States needs to address the main causes of anti-Americanism and strive to make its position of primacy palatable to others. The question is how.

Offshore balancing

Instead of trying to eliminate terrorism by garrisoning the globe or reshaping whole societies, the United States should return to its traditional grand strategy of *offshore balancing.*[131] Offshore balancing assumes that only a few areas of the globe are of strategic importance to the United States (i.e., worth fighting and dying for). Specifically, the vital areas are the regions where there are substantial concentrations of power and wealth or critical natural resources: Europe, industrialized Asia, and the Persian Gulf. Offshore balancing further recognizes that the United States does not have to control these areas directly; it merely needs to ensure that they do not fall under the control of a hostile great power and especially not under the control of a so-called peer competitor. Offshore balancers rely on local actors to uphold the regional balance of power and intervene with their own forces only when regional powers are unable to keep aggressors in check.

How would offshore balancing work in practice? First, the United States would remain in NATO, but would drastically reduce its military presence in Europe. Most of Europe is now reliably democratic, and faces no significant external military threats. Although far from united on matters of foreign policy, the EU countries have the political and economic wherewithal to deal with the modest security challenges that they are

[131] See John J. Mearsheimer, *The Tragedy of Great Power Politics* (New York: W.W. Norton, 2001), especially chap. 7; and Christopher Layne, "From Preponderance to Offshore Balancing: America's Future Grand Strategy," *International Security* 22, no. 1 (Summer 1997).

likely to face in the foreseeable future. Small U.S. contingents would remain in Europe for training purposes and as a symbol of America's transatlantic commitments, but the United States would no longer play the leading security role there.

Second, the United States would maintain a significant military presence in Asia (primarily air and naval forces) and continue to nurture cooperative partnerships with its Asian allies. In addition to helping support counter-terrorist operations against *al Qaeda* affiliates in several Asian countries, a visible U.S. presence in Asia also lays the foundation for a future effort to contain China, should that become necessary.[132]

Third, the United States should follow to a balance-of-power policy towards the rest of the world, and especially the Middle East and Persian Gulf. As discussed above, the United States has no need to control these regions; it just needs to ensure that no other state is able to do so. Trying to dominate other regions generates anger and resentment, and entangles the United States in events and processes that it cannot easily control. The United States should declare that it is committed to maintaining the territorial integrity of every state, and that it will oppose any acts of aggression that threaten to result in any one state exercising hegemony over the others. But it will do in classic balance-of-power fashion: relying primarily on local allies and intervening only when necessary.

This strategy also implies that the United States move quickly to withdraw its forces from Iraq. Although the United States bears some moral responsibility for Iraq's current condition, and has an interest in preventing Iraq from becoming a safe haven for terrorists, the U.S. presence there is fueling terrorist recruitment and training and doing little to foster the emergence of an effective Iraqi government. It is one thing to "stay the course" when there is a plausible path to victory, but quite another to soldier on without any clear idea how to make things better. Iraq is not a country we can or should want to control, and the sooner we are out of there, the better.[133]

Interestingly, the Bush administration initially embraced several key elements of an offshore balancing strategy without fully committing to its underlying logic. Bush & Co. recognized that Cold War deployment patterns were no longer appropriate and they have therefore begun to reposition U.S. forces and acquire lighter, more mobile units that can be deployed where they were needed and return when they are done.[134] The United States tends to be more popular when it is willing to go home, and reducing the U.S. military "footprint" would almost certainly reduce the current level of anti-Americanism.

As the world's only superpower, the United States also has the luxury of playing "hard to get." Instead of insisting that it is the "indispensable power" that can solve all global problems and bending over backwards to convince others that it is 100 percent reliable, U.S. leaders should want other states to bend over backwards to convince us that they deserve our help. If other states are not entirely sure that Uncle Sam will come to their aid, they would be willing to do more to ensure that we would. America's Asian and Persian Gulf allies illustrate this dynamic perfectly: whenever they begin to fear that

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[132] See Mearsheimer, *Tragedy of Great Power Politics,* chap. 10, and idem, "Better to Be Godzilla than Bambi," *Foreign Policy* 146 (January/February 2005).

[133] See John Deutch, "Time to Pull Out, and Not Just From Iraq," *New York Times,* July 15th, 2005.

[134] See "Bush Tells Veterans of Plan to Redeploy G.I.'s Worldwide," *New York Times*, August 17, 2004; "The U.S. Global Posture Review," *IISS Strategic Comments* 10, no. 7 (September 2004), pp. 1-2, downloaded from www.isss.org/stratcom.

the U.S. role might decline, they leap to offer Washington new facilities and access agreements and go to greater lengths to conform their foreign policy to ours.

Offshore balancing is the ideal grand strategy for an era of U.S. primacy. It husbands the power upon which U.S. primacy rests and minimizes the fear that U.S. power provokes. But it is not isolationist. The United States would not withdraw from world affairs, and it would retain military forces that were second-to-none. But offshore balancing would maximize America's freedom of action, encourage others to do more for us, and make it less likely that we would be drawn into unnecessary conflicts. Over time, this strategy would make it less likely that the United States will face the hatred of radicals like bin Laden, and thus give us less reason to intervene where we are not welcome.

Mailed Fist, Velvet Glove

If Americans want their power to attract others instead of repelling them, then they must take care to use it judiciously. In particular, the United States should use military force with forbearance, and abandoning the doctrine of "preemption" contained the 2002 *National Security Strategy* would be a good place to start. The United States always has the option of using force to protect its vital interests, but putting preventive war at the heart of U.S. national security policy made us seem overly eager to use force. This policy was alarming to many countries—including some close allies--because no state could be entirely sure that they would not end up in America's crosshairs, or be confident that their interests would not be adversely affected by a unilateral U.S. decision for war.[135]

To illustrate this point, consider how much the United States would have gained had it followed this approach towards Saddam Hussein's Iraq. Had the Bush administration rejected preventive war and chosen instead to continue the U.N.-mandated inspections process, it would have scored a resounding diplomatic victory. The Bush team could have claimed—correctly—that the threat of U.S. military action had forced Saddam Hussein to resume inspections under new and more intrusive procedures. The UN inspectors would have determined that Iraq didn't have any WMD after all. If Saddam had balked after a few months, then international support for his ouster would have been easier to obtain, and the United States would have shown the world that it preferred to use force only as a last resort. This course would have kept Iraq isolated, kept most of the world on our side, undermined Osama bin Laden's accusations about U.S. hostility to Islam, and enabled the United States to focus its energies on defeating al Qaeda. Even more important, this policy of "self-restraint" would have avoided an unnecessary war, thereby saving billions of dollars and thousands of lives, and avoiding both the current quagmire and the embarrassing revelations of Abu Ghraib.

Play "Divide and Conquer"

Dominant powers should try to keep adversaries divided, because they can only be checked if others unite against them. Accordingly, the United States should resist the tendency to see potential enemies as part of a single unified monolith and eschew policies that encourage adversaries to make common cause. Lumping North Korea,

[135] It is worth noting that the publication of the 2002 *National Security Strategy* and its trumpeting by key administration spokesmen (including President Bush), did not convince Saddam Hussein to leave power voluntarily so as to avoid a U.S. attack.

Iraq, Iran, Libya, and other states together as a set of rogue states or announcing a global crusade against any political groups that employs terrorist methods, ignores the critical differences among these various parties, blinds us to the possibility of improving relations with some of them, and encourages them to cooperate with each other more actively. To label Iraq, Iran and North Korea an "axis of evil," for example, made these regimes less likely to moderate their anti-U.S. policies and led key U.S. allies to question America's judgment. Similarly, viewing *al Qaeda, Hezbollah,* or *Hamas* as essentially identical ignores their different origins, aims, strengths, and potential vulnerabilities, and makes it harder to fashion the best policy for dealing with each one.

As Libya's decision to abandon its WMD programs reveals, the United States will do better pursuing a strategy of "divide-and-conquer." The Clinton and Bush administrations persuaded Libya to change course because they employed carrots and sticks (primarily economic sanctions) that were specifically tailored to Libya's particular aims, circumstances and vulnerabilities. Indeed, the Libyan example provides a model for dealing with the most difficult and recalcitrant regimes, including hard cases like Iran and North Korea.[136]

Making U.S. Primacy Legitimate

U.S. power is most effective when it is seen as *legitimate*, and when other societies believe it will further their interests as well as those of the United States. As a result, America's enemies will try to undermine it by portraying the United States as a morally questionable society whose actions are harmful to others and inherently evil.

In addition to waging the familiar forms of geopolitical competition, therefore, the United States must also do more to defend the legitimacy of its position and its policies. As President Bush declared after September 11, "we've got to do a better job of making our case." Unfortunately, U.S. efforts at public diplomacy remain weak, half-hearted and ineffective. A Council on Foreign Relations task force concluded that "public diplomacy is all too often relegated to the margins of the policy process, making it effectively impotent." As a result, the task force concluded, "anti-Americanism is on the rise throughout the world." Similarly, the 9/11 Commission noted that "Bin Laden's message . . . has attracted active support from thousands of disaffected young Muslims and resonates powerful with a far larger number who do not actively support his methods."[137]

To overcome this message, the United States should launch a broad-based public information campaign, using every instrument and channel at its disposal. In addition to preparing diplomats to engage on a regular basis with local media outlets such as *al Jazeerah,* the United States must increase its own Arabic-language broadcasting and develop sophisticated and appealing Arabic websites to reach the growing population of Internet-savvy Arab youth. A major effort to train fluent Arabic

[136] For a bipartisan proposal for a more nuanced U.S. policy towards Iran, see Zbigniew Brzezinski and Robert Gates, Co-Chairmen, *Iran: Time for a New Approach*, Report of an Independent Task Force, Council on Foreign Relations (New York, 2004).

[137] See "President Holds Primetime News Conference," Washington, D.C. October 22, 2001; available from www.whitehouse.gov; Peter G. Peterson, chairman, *Finding America's Voice: A Strategy for Reinvigorating U.S. Public Diplomacy* (New York: Council on Foreign Relations, 2004); and *The 9/11 Commission Report* (New York: W. W. Norton & Co., 2004), pp. 56, 362.

speakers is also essential, so that we can engage Arabic and Islamic news agencies on an equal footing.[138]

The good news is that the United States possesses formidable assets in this sort of ideational competition. Not only is English increasing the *lingua franca* of science, diplomacy, and international business, but the American university system remains a potent mechanism for socializing foreign elites.[139] Students studying in the United States become familiar with U.S. mores, while simultaneously absorbing mainstream U.S. views on politics and economics.[140] Among other things, this also means that the United States should not let its post-9/11 concern for homeland security interfere with the continued flow of foreign students to our colleges and universities.

Public diplomacy is not just a question of "spin," however; it also requires a good product to sell. If U.S. foreign policy makes global problems worse while U.S. personnel trample on human rights, and if no senior officials are held accountable, then no amount of adroit public diplomacy is going to restore the nation's image.[141] Americans may dismiss these accusations as false or exaggerated, but the real issue is not what *we* think, it is what others think. An insensitive and overly aggressive foreign policy has drained the reservoir of goodwill that makes U.S. primacy acceptable, and it will require a sustained and serious effort to restore it. Returning to an offshore balancing strategy will help, but it must be accompanied by a sustained effort to explain our policies to others.

A New Approach in the Middle East

An important part of any effort to rebuild America's global image would be a new approach to the Middle East itself. The combination of Israel's oppression of the Palestinians and America's one-sided support for Israel is not the only reason why "the bottom has fallen out of support for America in most of the Muslim world," but it is a key part of the explanation. U.S. Middle East policy is also widely condemned in many other countries, including close U.S. allies such as Great Britain. And it is one of the main reasons why terrorists want to attack the United States, and it helps makes criminals like bin Laden look like prophets and heroes.

Reversing this situation requires two steps.

First, the United States should use its considerable leverage to bring the Israeli-Palestinian conflict to an end. While reaffirming its commitment to Israel's security within its pre-1967 borders, the United States should make it clear that it is dead-set against Israel's expansionist settlements policy (including the land-grabbing 'security fence') and

[138] According to the State Department's Advisory Group on Public Diplomacy for the Arab and Muslim World: "Transformed public diplomacy can make America safer, but it must be sustained for decades, not stopped and started as moods change in the world." The Advisory Group also noted that only 54 State Department employees were fully fluent in Arabic, and that "only a handful can hold their own on television." See *Changing Minds, Winning Peace*, pp. 17, 27.
[139] There were nearly 600,000 foreign students studying in the United States in 2002, roughly double the number from two decades previously. See Institute of International Education, *Open Doors 2003,* summarized at www.opendoors.iienetwork.org.
[140] This tendency is especially pronounced in U.S. law, business and public policy schools, which emphasize the U.S. commitment to competitive markets, democratic institutions, and the rule of law.
[141] As the State Department's Advisory Commission on U.S. Public Diplomacy put it, "'Spin' and manipulative public relations and propaganda are not the answer. Foreign policy counts. . . .[W]e were struck by the depth of opposition to many of our policies. Citizens in these countries are genuinely distressed at the plight of Palestinians and at the role they perceive the United States to be playing, and they are genuinely distressed by the situation in Iraq. Sugar-coating and fast-talking are no solutions, nor is absenting ourselves." See *Changing Minds, Winning Peace*, p. 18.

that it believes this policy is not in America or Israel's long-term interest.[142] This approach means going beyond the moribund "road map" and laying out America's own vision for what a just peace would entail, probably along the lines of the "Clinton Parameters" of December 2000.[143] If Israel rejects this solution, then the United States should terminate its economic and military support. This policy also means challenging the stranglehold that the Israel Lobby currently maintains over U.S. Middle East policy, largely by pointing out that current U.S. policy is neither morally defensible nor in America's strategic interest.[144]

Second, the United States should reject the quasi-imperial role that the Bush administration has tried to play in the Middle East and Persian Gulf. The United States does have important interests in the Middle East—including access to oil and the need to combat terrorism—but neither objective is well-served by occupying the region with American troops. To repeat: because U.S. interests are served as long as no single state controls all (or even most) Persian Gulf oil, the United States shift its weight as needed to make sure that no one state is able to dominate the others. The United States pursued this policy successfully from 1945 to 1990, and it is still the correct approach today.

Taken together, these two steps would also facilitate the long-range goal of helping various Arab and Islamic states move toward more pluralist forms of government. At present, U.S. efforts to encourage democratic change in the Arab and Islamic world are undermined by America's one-sided support for Israel and its occupation of Iraq. Why should Arabs believe the United States is committed to freedom when its money and its power are used to deny these rights to millions of Palestinians and when its policies in Iraq have led to thousand of civilian deaths, a simmering civil war, and prolonged economic hardship? History also warns that trying to run the entire Middle East is a fool's errand: a large U.S. military presence will merely fuel anti-Americanism and make our terrorism problem worse. By adopting a balance-of-power strategy and a more evenhanded position vis-à-vis Israel and Palestine, the United States will eliminate the most potent justifications for *jihadi* violence and make it easier for governments in the region to embrace our counter-terrorism efforts.

A "Grand Bargain" on Nuclear Terrorism

Nuclear terrorism is the most serious near-term threat to U.S. national security. Recognizing this, a number of experts have called for: 1) redoubled efforts to secure loose nuclear materials in the former Soviet Union and elsewhere, 2) a global "clean-out"

[142] Israel is far more secure now than it was when it first occupied the West Bank and Gaza Strip in June 1967. In 1967 Israel's defense spending was less than half the combined defense expenditures of Egypt, Iraq, Jordan, and Syria; today, Israel spends roughly 30 percent more than these four states combined (and Iraq is occupied by Israel's main ally). Israel's adversaries used to get substantial military aid from the Soviet Union; today, the Soviet Union is gone and Israel's ties to the United States have grown. Israel had no nuclear weapons back in 1967; today it was dozens. Iit is only the continued occupation of the West Bank and Gaza that creates a serious security problem for Israel, in the form of terrorist violence.

[143] Israel and the Palestinians will also have to agree on the rights of displaced Palestinians to return to their homes. Allowing this "right" to be exercised in full would threaten Israel's identity and is clearly infeasible, but the principle is a matter of justice and one the Palestinians will not compromise except as part of a final settlement. To resolve this dilemma, Israel must acknowledge a "right" of return and the Palestinians must agree to give up this right in exchange for compensation. The United States and the European Union could organize and finance a generous aid program to compensate the Palestinians, which would be formally acknowledged to end all claims for the physical return of Palestinians into Israeli territory.

[144] The American people would be amenable to this shift: a 2003 survey by the University of Maryland found that over 60 percent of Americans would be willing to withhold aid to Israel if it resisted U.S. pressure to settle the conflict, and the number rose to 70 percent among "politically active" Americans.

of nuclear research reactors and other unsecured materials; and 3) enhanced measures to block nuclear smuggling. Such measures are certainly worthwhile, and if implemented quickly and effectively, they could substantially reduce the risk that nuclear weapons or the materials to make them could fall into hostile hands.[145]

The risk of nuclear terrorism will also increase as more countries acquire nuclear weapons of their own. Accordingly, the United States should give states such as North Korea and Iran strong incentives to give up their nuclear weapons programs, work to shut down black-market nuclear technology networks, and take concrete steps to improve the global regime against the spread of nuclear arms is also necessary. In particular, the United States should 1) press for the revision of Article IV of the Non-Proliferation Treaty, which currently gives all signatories access to the full nuclear fuel cycle, 2) support an even more ambitious "Proliferation Security Initiative" to intercept illegal shipments of nuclear materials and missile technology, and 3) make a coordinated, multilateral effort—using both carrots and sticks but mostly the former—to persuade Iran, North Korea, and other likely proliferators to abandon their nuclear ambitions.[146]

Unfortunately, although the United States wants to discourage other states from acquiring nuclear weapons and enlist other nations in a broad set of anti-nuclear initiatives, it still insists on having a nuclear arsenal that is far larger than it needs to deter any possible adversary.[147] Thus, Mohamed El Baradei, head of the International Atomic Energy Agency, likens the United States to "some who have continued to dangle a cigarette from their mouth and tell everybody else not to smoke."[148] These policies send the clear message that whatever U.S. leaders say, they really think that having lots of nuclear weapons is *very* desirable. If the world's strongest conventional power thinks nuclear weapons are essential for *its* security, why is it surprising that weaker and more vulnerable states have reached the same conclusion? For that matter, why are we surprised that other states do not want to embrace a global nuclear regime that "locks in" U.S. conventional *and* nuclear superiority?

If the United States is serious about reducing the dangers of nuclear terrorism (and it should be), then it must offer the rest of the world a "grand bargain." In exchange for a more reliable non-proliferation regime (accompanied by an aggressive effort to secure existing stockpiles of loose nuclear materials) and the verifiable abandonment of nuclear ambitions by countries like Iran and North Korea, the United States would simultaneously agree to: 1) abandon current plans to build a new generation of nuclear weapons; 2) significantly reduce its own nuclear arsenal (while retaining a few hundred warheads as

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[145] See in particular Matthew Bunn, Anthony Weir and John Holdren, *Controlling Nuclear Warheads and Materials: A Report Card and Action Plan* (Cambridge: Managing the Atom Project, Belfer Center for Science and International Affairs, 2004); Matthew Bunn, *The Next Wave: Urgently Needed New Steps to Control Warheads and Fissile Material* (Cambridge: Managing the Atom Project. Belfer Center for Science and International Affairs, 2000); and Allison, *Nuclear Terrorism.*

[146] For a good summary of possible steps, see George Percovich et al, *Universal Compliance: A Strategy for Nuclear Security* (Washington, D.C.: Carnegie Endowment for International Peace, 2004) at http://wmd.ceip.matrixgroup.net/UniversalCompliance.pdf

[147] On the Bush administration's nuclear weapons proposals, see "The Nuclear Posture Review, IISS *Strategic Comments* 8, no. 3 (April 2002); Walter Pincus, "Nuclear Plans Go Beyond Cuts, Bush Seeks a New Generation Of Weapons, Delivery Systems" *Washington Post*, 19 February 2002 ; "Faking Nuclear Restraint: The Bush Administration's Secret Plan For Strengthening U.S. Nuclear Forces," Washington, D.C.: National Resources Defense Council, at http://www.nrdc.org/media/pressreleases/020213a.asp. Excerpts from the 2002 Nuclear Posture Review can be found at www.globalsecurity.org/wmd/library/policy/dod/npr.htm.

[148] El-Baradei's full statement is worth quoting at length: "Unless [the eight nuclear weapons states] send a strong message that they are really committed to move to a nuclear disarmament. . . nuclear weapons will continue to be very attractive for others, you know, as a sense of deterrent, as a sense of power, as a sense of prestige. See Mohamed El-Baradei, "Transcript of Remarks at the Council on Foreign Relations," May 14, 2004, downloaded from www.cfr.org on September 21, 2004.

a deterrent against direct attacks on the United States itself), and 3) take concrete steps to reduce the threat that it presents to so-called rogue states, including a willingness to sign some sort of non-aggression agreement with them.[149]

Critics may see this proposal as a form of appeasement that would undermine U.S. advantages and threaten its long-term national security. This view is short-sighted. The United States will be the strongest country on the planet for the next several decades, and its primacy will not be altered whether it has 5000 nuclear warheads or only a few hundred. Nor does this approach entail giving into threats; it is simply the most obvious way to reduce other states' own incentive to take measures that are not in the U.S. national interest.

De-emphasizing U.S. nuclear weapons programs may not alter the calculations of a North Korea or Iran, whose nuclear ambitions are well-advanced, but it would strengthen anti-nuclear advocates in countries where the nuclear option is still being debated. Equally important, other states are also reluctant to embrace a more stringent non-proliferation regime, because the United States has yet to fulfill its own obligations to the existing Non-Proliferation Treaty.[150] As the abortive NPT Review Conference in May 2005 demonstrated, trying to get other states to accept new constraints on their conduct without offering parallel concessions in return is simply not going to work. The grand bargain sketched here would also make the United States look less hypocritical—thereby facilitating its efforts to make U.S. primacy more legitimate in the eyes of others—and help persuade other states to implement a more robust and reliable non-proliferation regime.

This policy is also entirely consistent with a grand strategy of offshore balancing and a less threatening U.S. military posture. Once the United States stops trying to run the world and abandons the preventive war doctrine contained in the 2002 *National Security Strategy,* other states will have less reason to want to deter us and be less inclined to seek WMD of their own. Instead, they will be more likely to support our shared interest in halting or slowing the spread of these technologies, thereby reducing the risk that the most dangerous extremists will acquire them.

The grand bargain does involve making certain compromises, but it does so from a clear sense of strategic priorities. Nuclear terrorism is the most worrisome danger that the world's only superpower now faces, and a grand strategy centered on the U.S. national interest would focus on the biggest problems and subordinate other goals in order to address them.

Conclusion

In the near-to-medium term, counter-terrorism will be the main focus of U.S. grand strategy, with nuclear terrorism receiving particular attention. In the immediate aftermath of 9/11, an aggressive "forward strategy" against *Al Qaeda* and the Taliban

[149] For an authoritative bipartisan statement on the feasibility of deep reductions, see Committee on International Security and Arms Control, National Academy of Sciences *The Future of U.S. Nuclear Weapons Policy* (Washington, D.C.: National Academy Press, 1997). See also John Deutch, "A Nuclear Posture for Today," *Foreign Affairs,* 84, no. 1 (January/February 2005).

[150] In Article VI of the 1967 Non-Proliferation Treaty, the signatories agreed "to pursue negotiations in good faith on effective measures relating to cessation of the nuclear arms race at an early date and to nuclear disarmament, and on a Treaty on general and complete disarmament under strict and effective international control." Although strategic nuclear arsenals have been reduced, a remaining arsenal of over 7000 weapons and plans for a new generation of weapons hardly constitutes "cessation of the arms race at an early date" or "general and complete disarmament."

made sense, along with an energetic policy to enlist support from many other countries. Over time, however, the United States has relied too heavily on aggressive counter-terrorist operations—most notably by waging preventive war in Iraq—and placed too little emphasis on broader political efforts designed to marginalize terrorist organizations and reduce their sources of future manpower. Excessive reliance on the unilateral use of force has also undermined America's standing with a number of valuable allies. Not only does America's declining global image undermine the war on terrorism, but it may also hinder subsequent efforts to recruit allies for other purposes. There is little to be gained from policies that alienate others, and much to be lost.

Accordingly, a better strategy for dealing with terrorism would follow the broad outlines sketched here. A strategy of offshore balancing will encourage other states to welcome the use of American power, rather than encouraging them to look for ways to tame it. These policies will not win over Bin Laden, his followers, or his imitators, but they will help make "Bin Ladenism" a fading phenomenon, dampen the rising tide of anti-Americanism, and ensure that global terrorism remains a regrettable but manageable problem.

September 11th, Unipolarity, and American Grand Strategy

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Introduction

To ask what America's grand strategy should be today is – in my view – a little bit like asking how someone who has recently won the national lottery should spend his new fortune. The United States after the Cold War essentially won the global "national power" sweepstakes. As other great powers collapsed or sputtered, the U.S. emerged as the uncontested global superpower. It has no serious great power competitors. Nor do distantly rising great powers – such as India and China – wield rival universalistic ideologies of world order. In traditional security terms, the United States faces the most benign security environment it has seen in the last one hundred years. Most of the other great powers are democracies and/or alliance partners. Aside from Taiwan, war among the major powers is not a serious worry today. We live in the longest era of "great power peace" since the rise of the state system.[151] For the first time in modern history the leading state in the international system can operate without facing counter-balancing states – we call this "unipolarity." Preeminent and secure, the United States is in an unprecedented world-historical position: it alone is situated to shape decisively the rules and organization of world politics for the next generation.

So when we look out twenty years, it is not fanciful to think that the United States can be at the center of a "one world" system defined in terms of open markets, democratic community, and cooperative security. This is a future world that can be contrasted with less desirable alternatives that echo through the past – great power balancing orders, regional blocs, or bipolar rivalries. If the United States is smart and plays in foreign policy "cards" well, it can consolidate a global order where other countries bandwagon rather than balance against it – and where it remains at the center of a prosperous and secure democratic-capitalist order which in turn provides the architecture and axis points around which the wider global system turns.

Grand strategy, according to Barry Posen, is "a state's theory about how it can best cause security for itself."[152] The grand strategy I am proposing is essentially liberal internationalist. The United States should continue to do what it has been doing for sixty years – building and operating an essentially liberal hegemonic order. If the U.S. engages in the right amount of commitment and restraint – anchoring its power in partnerships, alliances, multilateral institutions, "special relationships," and governance regimes – the overall international system will tend to remain stable, open, and integrated. In this view, the world – in effect – "contracts out" to the U.S. to provide global governance. The U.S. provides public goods, frameworks for cooperation, "good offices," and an enlightened but U.S.-centered system of rules and modes of doing geopolitical business. In return, the world bandwagons with the U.S. rather than resists or balances against it. This special type of open or liberal U.S. hegemony trumps any other type of rival global order – and all the key players in world politics know this to be true. So no great power or regional grouping has an incentive to challenge or overturn the current order. Again, if the U.S. understands the logic of its own system and runs it correctly, this American-style liberal hegemonic order can last indefinitely.[153]

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[151] Robert Jervis, "Theories of War in an Era of Leading-Power Peace," American Political Science Review, Vol. 96, No. 1 (March 2002), pp. 1-14.

[152] Barry Posen, Sources of Military Doctrine (Ithaca: Cornell University Press, 1983), p. 13.

[153] This argument is developed in G. John Ikenberry, After Victory: Institutions, Strategic Restraint, and the Rebuilding of Order after Major War (Princeton: Princeton University Press, 2001). See also Ikenberry, "Getting Hegemony Right," The National Interest.

Implicit in this view is an argument about how to think about terrorism and other new security threats – namely, that they are challenges that are best tackled within this American-centered system of rules and partnerships.

The Bush administration offers an alternative theory about American security imperatives – with fundamentally different implications for grand strategy and international order. The Bush view is that global terrorism is: (1) new and revolutionary and requires that the U.S. rethink the basic way in which it has pursued security over the last half-century; (2) the "war on terrorism" should be the defining goal of American grand strategy around which other goals, relationships, assets, etc. should be subordinated; and (3) the postwar liberal hegemonic system – multilateral commitments, alliance partnership, international law, etc. – is actually a drag or constraint on the ability of the U.S. to aggressively pursue terrorism.

This paper will argue that a liberal internationalist theory of how the United States can best cause security for itself is more promising than the Bush alternative. I will make four arguments. First, "terrorism" is in itself not a first tier security threat around which American grand strategy should be organized. As many people note, terrorism is a technique. Nor do the political movements behind global terrorism – "Islamic fascism," jihadism, etc. – lend themselves to a war on terrorism. Second, and as a result, the United States does not face a first-order security threat – the threats it faces are more diffuse, long-term, and uncertain. So the United States needs to "keep its power dry" – protecting its prestige, authority, credibility, hard and soft power capabilities, norms and institutions of cooperation, and security partnerships to deal with "come what may." Third, the one area where there is a potentially new security challenge is what might be called the "privatization of war" – small gangs of criminals or extremists could gain access to violence capability that previously only some states could muster. But this threat leads us not to a "war on terrorism" but to long-term tasks of promoting viable states, the rule of law, and an expanding array of international cooperative monitoring, inspection, intelligence, and enforcement regimes. Fourth, the rise of China and India are likely to be more consequential over the long-term than jihadist terrorism. Building institutional frameworks to facilitate the stable and cooperative integration of these states into the Western international system is perhaps America's most pressing challenge. Finally, American power itself – unipolarity in an era of eroded state sovereignty – is unsettling much of the world, and it is creating anger, resistance, and conflict that could potentially impinge on America's security and its ability to pursue its foreign policy objectives. American grand strategy needs to rediscover the ways in which American power acceptable to the rest of the world.

It might be useful to distinguish between two types of grand strategies – positional and milieu-oriented. A "positional" grand strategy is where a great power seeks to counter, undercut, contain, and limit the power and threats of a specific challenger state or group of states. Nazi Germany, Imperial Japan, the Soviet bloc, and perhaps – in the future – Greater China. A "milieu" grand strategy is where a great power does not target a specific state but seeks to structure its general international environment in ways that are congenial with its long-term security. This might entail building the infrastructure of international cooperation, promoting trade and democracy in various regions of the world, establishing partnerships that might be useful for various contingencies. The point I want to make is that under conditions of unipolarity, in a world of diffuse threats, and with pervasive uncertainty over what the specific security challenges will be in the future – this milieu-basic approach to grand strategy is needed.

I first look at the Bush "war on terror" approach to American grand strategy. After this, I step back and look at the more general challenges that are emerging in America's national security environment. I single out three: the rise of China and Greater Asia; the dilemmas of American unipolarity; and the "privatization of war." I argue that each of these disparate challenges calls for a grand strategy that takes us back to an American-centered liberal internationalist project.

Bush's War on Terrorism

In the aftermath of September 11th the Bush administration presided over the most sweeping reappraisal of American national security since the early Cold War. Remarkably, the "intellectual debate" over post-911 security threats and the proper response to them was as brief as it was one-sided. The Bush administration quickly announced a "war on terrorism" that entailed radical shifts in the way America would relate to the outside world – unilateral, interventionist, use-of-force-oriented, unencumbered by old norms and rules. President Bush told us that we had entered a new era of global struggle between the United States and forces of evil who "hate us for who we are." Rogue states, terrorist groups, and WMD were all bundled together into a single looming existential threat – call it the "great conflation." Democratic leaders such as Joe Biden and John Kerry quickly accepted President Bush's articulation of the war on terrorism – and they ultimately supported the Iraq war as part of this new global war. Pundits and scholars who sought to frame the terrorist threat in terms of criminality, law enforcement, or multilateral alliance action were ridiculed.[154] The war on terrorism was not just a metaphor for a national struggle – it was a real war. In this brave new world, the Pentagon had operational responsibility and the use of force was the leading edge of America's policy response.

Specifically, the essence of Bush's post-911 war on terrorism entailed two propositions: we need to kill the terrorists before they kill us, and you are either with us or against us ("Every nation, in every region, now has a decision to make. Either you are with us, or you are with the terrorists" – speech to joint session of Congress, 20 September 2001). Behind the Bush doctrine were a series of inter-related strategic arguments: (1) the threat of terrorism was new and revolutionary; (2) it entailed a new and dangerous confluence of terrorist groups, rogue states, and weapons of mass destruction; (3) old ideas of deterrence, alliance, and use of force must be fundamentally rethought; (4) the war on terrorism would be America's new grand strategy around which other foreign policy and security challenges would be subordinated; and (5) the postwar liberal multilateral system hindered and constrained the vigorous pursuit of terrorism more than it helped.[155]

In making the "war on terrorism" America's overriding security goal, the Bush administration was telling other countries – large and small, allies and otherwise – that their relationship with America would hinge on their fidelity to Washington's campaign against terrorism. The Bush administration's more general impulse toward unilateralism

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[154] Yale military historian, Michael Howard, was particularly articulate in framing the terrorist threat in this alternative way. See Howard, "What's In a Name? How to Fight Terrorism," Foreign Affairs (January/February 2002).

[155] The extreme version of this view of America's security challenge was articulated by pundits such as Charles Krauthammer and Norman Podhoretz. Podhoretz dubbed Bush's war on terrorism "World War IV." In his polemical rendering, the threat of Islamic fascism is as great as its Nazi and Communist precursors and requires a massive strategic struggle in which all other security threats are subordinated. Podhoretz, "World War IV: How It Started, What it Means, and Why We Have to Win," Commentary (September 2004).

and resistance to international rules and institutions, treaties, and commitments raised the stakes of America's new grand strategy. In effect, Bush's war on terrorism released the United States from the discipline of international law and obligations but simultaneously put other countries under Washington's thumb, to be held to standards imposed by America.

But should American grand strategy be focused on a "war on terrorism?" To start, three questions seem particularly important in the debate on terrorism and American grand strategy – diagnosis, strategy/tactics, and priorities. First, how new, revolutionary, and threatening is radical Islamist terrorism – and what is our diagnosis on why it manifests? The further one moves from the abstract rhetoric of global terrorism to the political complexities and motivations of Al Qaeda, the less persuasive the "war on terrorism" construct is. In only an immediate and limited way is Al Qaeda a military threat as such where deploying forces and occupying territory is essential to reducing the threat. The terrorist threat looks much more like criminal gangs who operate beyond the reach of states. In this sense, they resemble the problems of piracy on the high seas or transnational organized crime. What is new is their potential lethality. The stakes are higher than for piracy or organized crime – they can potentially kill more people. But the problem they represent is not unlike other gangs that operate outside the operation control of states.

Second, how precisely should the United States respond to the threat of terrorism? Again, it depends on our diagnosis of what the threat is. If Al Qaeda is actually a small and failing political movement that "got lucky" on September 11th, the Podhoretz "World War IV" framing of the threat seems utterly hysterical (in both senses of the word). It certainly is the case that there are very few hard-core Al Qaeda extremists who are willing and able to use violence against civilians. It is the wider circle of potential sympathizers who will either protect the jihadists or expose/undermine them that is critical – and to reach and influence this wider circle within Islamic society it is necessary to go beyond the "war on terrorism." In fact, as many people observe, the "war on terrorism" – manifest in particular in the Iraq war – appears to have actually increased support for the jihadists. Essentially, at this level the struggle is a classic counter-insurgency struggle requiring political tools and initiatives aims at the hearts and minds of Islamic society.[156]

If we dig deeper into the problem of Islamic radicalism, Bush's "war on terrorism" becomes even less tenable. One view of the sources of Islamic radicalism leads us to the problem of failed, illiberal and illegitimate states in troubled parts of the world, particularly the Middle East. Here there are ongoing debates about: (1) how much this is indeed an underlying source of jihadist terrorism, and (2) even if it is, how much the outside world can really do to fix these problem states.[157] Another view of the sources of jihadist terrorism brings us back to the West itself – where many of the terrorists in the September 11th, Madrid, and London attacks actually resided. Here too, difficult questions remain about what motivates these Muslim men who were part of Western society to engage in suicide violence. But – and this is the general point – if the sources of jihadist terrorism come from alienated Muslims within the West itself or failed and dysfunctional states in the Middle East, we are suddenly confronted with a very different set of security challenges than those pursued by President Bush's war on terrorism.

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156 See Kurt Campbell, "Counter-insurgency Lessons," Princeton Project on National Security, working paper.

157 See Francis Fukuyama, State Building: Governance and World Order in the 21st Century (Ithaca: Cornell University Press, 2004). For a thoughtful reflect on this problem, see F. Gregory Gause, "Democracy alone cannot defeat terrorism," International Herald Tribune, 13 August 2005.

This observation also allows us to answer the next question: does the struggle against terrorism really require a fundamental revision of America's postwar approach to foreign policy and international order? The Bush administration argues that it – global terrorism – is a fundamentally new sort of threat that requires a basic reorientation of America's foreign policy. But if the complex diagnoses of the problem identified here are correct, the old American liberal internationalist orientation is not only not an impediment to combating terrorism but is an essential part of the solution.

Third, should combating terrorism be the defining feature of American grand strategy? Again, the answer appears to be no. I am not arguing that actual terrorists engaged in violent acts should not be put under the sword. But if grand strategy is defined as counter-terrorism in the way Bush has defined it in the years since September 11th, we are using the wrong strategy against the wrong target, and we are possibly making the problem of jihadist terrorism worse. Arguably, by defining America's preeminent global goal as the military pursuit of terrorist groups we are empowering rather than undercutting the political appeal of these groups and we are setting ourselves up for failure. In the meantime, we are also neglecting the more slowly emerging – and perhaps less dramatic – security challenges that loom on the horizon, particularly the rise of China.

Some have noted that the Bush administration has at least partially recognized this problem and adjusted its grand strategy.[158] In Bush's second inaugural address, President Bush seemed to slightly recast his view of the terrorist threat ("In the long term, the peace we seek will only be achieved by eliminating the conditions that feed radicalism and ideologies of murder. If whole regions of the world remain in despair and grow in hatred, they will be the recruiting grounds for terror, and that terror will stalk America. . . "). Now is it the promotion of freedom and democracy that will stamp out the conditions in which terrorism breeds. Likewise, the challenge now is not just to wage a "war on terrorism" but to embark on a more long-term campaign to promote democracy. In the meantime, the Pentagon itself in the summer of 2005 seems to pull back from the original formulation of the war on terrorism (GWOT or Global War on Terrorism) to something it dubbed the "Global Struggle Against Violent Extremism. (GWOT)." Bush, however, has decided to stick with the original formulation.[159] There is an important insight here about the relationship between the quality of governments and the quality of security that I will return to later.

Regardless of whether the Bush administration is making some moves away from its original grand strategy, the strategy itself has failed – and Bush is not offering a coherent alternative. What we do know is that the Bush grand strategy has encountered basic problems of effectiveness and sustainability. Part of the crisis is simply related to Iraq. The Bush administration hoped that its original justification for going to war against Iraq – disarmament and liberation – would vindicate its risky and controversial decision. The facts on the ground in Iraq – i.e. the ends – would justify the ends. Instead, the failure to find WMD or a grateful people in the streets only intensified the domestic and global opposition to Bush's essentially unilateral and preventative use of force. The shocking

158 Two insightful pieces on this shift are Michael Kinsley, "The Thinker," Washington Post, 26 February 2005; and Robert Kagan, "A Higher Realism," Washington Post, 23 January 2005. See also, Doyle McManus, "Bush's Goal: To Spread Democracy," Los Angeles Times, 23 January 2005.

159 President Bush said: "Make no mistake about it, we are at war. We're at war with an enemy that attacked us on September 11th, 2001. We're at war against an enemy that, since that day, has continued to kill." White House, "President Discusses Second Term Accomplishments and Priorities," Grapevine, Texas, 3 August 2005. See discussion of this issue by Anne-Marie Slaughter and Ivo Daalder at TPMCafe.com (America Abroad).

absence of planning for postwar Iraq and the manipulation of prewar intelligence also revealed Bush failings. The escalating violence in Iraq, mounting American casualties, the extraordinary fiscal costs, and the horror of Abu Ghraib prison abuses have turned Bush's "war on terrorism" into a potential long-term strategic disaster.

Four years after September 11th, Bush's war on terrorism – linked as it is to the Iraq and a more general American unilateral exercise of power – has fallen on hard times. Intellectually, politically, militarily – the Bush approach rests on shaky ground. It is necessary to step back from the administration's focus on terrorism to look more broadly at American security challenges – the rise of China, dilemmas of American unipolarity, and the "privatization of war."

Rise of New Powerful States

The rise of China will be one of the great dramas of the 21st century. Combined with the emergence of India, Greater Asia promises to be one of the fastest growing and most dynamic regions in the world – indeed it already is. China is now seen by many as the one state that could eventually challenge the United States as a peer competitor. Even today the balance of political influence in East Asia is slowly shifting in China's favor. The United States will need to work hard and play its cards effectively in order to remain the leading great power in the region. One of the great questions of world politics in the next twenty years is how America's relationship with China and East Asia unfolds. Will the United States be a superpower on the "outside looking in" – i.e. effectively pushed out of East Asia by China and a growing group of states friendly to Beijing? Or will the United States remain the central player in a hegemonic regional system built around its "hub and spoke" bilateral security ties to countries arcing across North East and South East Asia? Or will the region go in a third direction – toward either a quasi-bipolar system where China and the United States engage in pitched security competition, or some sort of negotiated shared and co-managed Sino-American order, or something else?

It is hard to believe that the threat of Islamic terrorism is a more serious long-term challenge to American security than how a rising China makes its peace with the West. Quite the contrary, how the growing power of China manifests itself is much more consequential for America's security and well being – and more critical to how the U.S. is positioned decades from now to confront security challenges yet unimagined.

Not surprisingly, therefore, the United States is now in the midst of a debate about how to deal with China. Two sorts of questions are most important. One is a question about China itself: what precisely will be the impacts of a rising China on the outside world? The other question is about what the United States can do about it: what sort of options and strategies exist?

Realists remind us that rising states can be dangerous and destabilizing. Two particular things tend to happen. One is that rising states seek to use their growing power to reorganize the regional or global order to better reflect their interests – they have revisionist aspirations based on calculations of their shifting power and interests. Another is that status quo powers tend to see these rising states as threats. Security dilemmas and power transition conflicts follow. But we also know that conflict is not inevitable. Germany's rise in the late 19th century upended British hegemony and created the conditions for a half century of great power rivalry and war. On the other hand, the rise of the United States in the early 20th century did not generate the same

sort of instability and conflict. So there seem to be various geopolitical pathways for the "rising state versus the old regime" dynamic to follow.

There is another general observation to make about the impact of a rising China. This is that there are likely to be important impacts outside the military-strategic realm – and indeed they may be impacts as profound and far reaching as the danger of security competition. For example, these questions come to mind: If China eventually becomes the largest national economy in the world system, how will this impact Western ideas and institutions of market society, multilateral economic governance, and liberal logics of globalization? To what extent will China seek to alter the rules and principles of Western or Westphalian order? Will China seek to build relationships inside of Asia – and beyond – around old Chinese notions of hierarchical and tribute-based order? It is not hard to imagine growing competition between the United States and China over "organizational principles" on international relations. China is also going to put greater pressure on the postwar American-led oil-security umbrella system that is anchored in Washington's special relationship with Saudi Arabia and other oil kingdoms. Finally, China will impact the international system simply because its huge economy with make it a world-class polluter and consumer of resources.

The larger point of this discussion is simply that China is coming and we need to plan and prepare. Timothy Garton Ash argues that the United States and Europe have about twenty years to keep their hands on the international rules and institutions before they will need to move over and share control with Asia.[160] He argues that the Western states should take advantage of the moment to invest in these rules and institutions – that is, strengthen and embed the current order so that to that it can last well after the Age of America gives way to the Age of Asia. If this argument has merit, it takes us back again to American's postwar liberal internationalist grand strategy of building and operating within a consensual, loosely rules-based global system. The more deeply rooted the Western liberal multilateral order is, the harder it will be for China to undermine it or foist some alternative order on the world. If, on the other hand, the U.S. simply runs an "informal empire" kept together by twisting arms and bullying subordinate states, this order will blow away like sand in the wind when the distribution of power shifts.

Finally, there is the debate about whether to contain or engage China. Interesting, a liberal internationalist grand strategy does both. On the one hand, the goal is to preserve and reinforce the existing American presence in East Asia – built around bilateral alliances and soft multilateral dialogues. We should remember that stability and progress in East Asia had a good fifty year run because of the American hegemonic presence. The U.S.-led "hub and spoke" alliance system has helped dampen security dilemmas and create a framework for trade-led development, regional economic integration, and democratic transitions. The U.S. exports security and imports consumer goods and (more recently) Japanese and Chinese capital. The U.S.-Japan alliance is the cornerstone of this regional set up. In postwar Europe, France and Germany tied themselves to each other within the framework of the EC and NATO and created a structure for regional stability. In East Asia, the U.S. has played the role of France for Japan. The U.S.-Japan alliance gives Japan security while allowing it to forgo a military buildup that would trigger regional insecurity. The alliance also makes U.S. power more predictable and – together with other bilateral alliances – creates "political architecture" for consultations and the diffuse reciprocity around which stable political order depends. Importantly, if the U.S.-Japan alliance is seen in the region as defensive –

[160] Timothy Garten Ash, Free World (2004).

circumscribing Japanese military power rather than facilitating it – even China has an unspoken interest in its existence. Holding on to this American-led East Asian security order would seem to be a top priority for Washington. It promotes stability and economic openness – and if China turns into a unmanageable security threat, America's East Asian alliance system is in place ready to hold the line.

On the other hand, at least some of the institutions that the U.S. might support in East Asia could be devised to integrate China into the regional order. Embedding China into regional institutions can help make its growing power more predictable and constrained. This is the basic insight that informed the way the United States, France and the rest of Western Europe dealt with the prospect of resurgent German power after World War II – the Federal Republic was embedded in the European Community and NATO. [161] Enmeshing China in regional institutions can play a similar role in creating rules and organizational sinews within which it exercises power. [162] The more general point is that the grand strategic logic that America has pursued over the last sixty years is still relevant for dealing with new power realities in East Asia.

Dilemmas of Unipolarity

As noted at the outset, American global power – military, economic, technological, cultural, political -- is one of the great realities of our age. Never before has one country been so powerful and unrivaled. Unipolarity presents the United States with many advantages and opportunities. But it also creates dangers – resentment, backlash, free riding, and so forth. The U.S. can manage unipolarity more or less effectively – and trying to do so effectively should be an essential part of U.S. grand strategy. Again, in doing so, the U.S. would do well to recall its liberal internationalist strategies of the past. Let me make four points.

First, the United States and the rest of the world are trying to figure out how to navigate in a unipolar world. A world with a single superpower is new. We do not have a load of historical experience and policy relevant theories that states can use in making strategic decisions in how to deal with the United States. Governments everywhere are worried about the uncertainties and insecurities that appear to flow from such extreme and unprecedented disparities of power. The shifting global security environment – triggered by the terrorist attacks of September 11th – has also conspired to upset old relationships and expectations. The American invasions of Afghanistan and Iraq have put American power on display and raised far-reaching questions about the use of force, alliances, weapons of mass destruction, sovereignty and interventionism. The world s in the midst of a great geopolitical adjustment process. Governments are trying to figure out how an American-centered unipolar order will operate. How will the United States use its power? Will a unipolar world be built around rules and institutions or the unilateral exercise of American power? This global worry about how a unipolar world will operate – in which the most basic questions about the character of world politics are at stake, namely, who benefits and who commands – is the not-so-hidden subtext of all the recent controversies in America's relations with the rest of the world.

161 Ikenberry, After Victory.

162 See recent essays by Frank Fukuyama on institutional strategies for American foreign policy in East Asia.

Second, the big question that unipolar American power triggers can be put this way: is unipolarity consistent or inconsistent with a loosely rule-based international order? Some French and other European foreign policy officials, for example, believe that the rise of American unipolarity has triggered a radical break in America's global leadership approach. The United States will increasingly resist entanglements in formal rule-based institutions and move instead toward a freer and more imperial grand strategic orientation. Others – such as the Japanese – think that there is more continuity in the American global posture. The big question in all the major capitals is: is unilateral, neo-imperial turn taking place in American foreign policy, and if son, is it rooted in deep forces of power or the result of more circumstantial and passing factors? Overall, the judgements by foreign officials about how the rise of American unipolarity does or does not alter America's grand strategic orientation are critical for how major states think about their strategies of response.

Third, American power is unlikely to trigger a full-scale traditional balance of power response. The major powers – Russia, China, Germany, France, Britain and Japan – will attempt to resist, work around, and counter American power -- even as they also engage and work with American power. But they are not likely to join in an anti-American countervailing coalition that will break the world up into hostile, competing camps. The balance of power is the most time-honored way of thinking about politics among the great powers. In this classical view, when confronted with a rising and dominant state, weaker states flock together and build an alternative power bloc. The circumstances for this type of dramatic, order-transforming move do not exist -- and they are not likely to exist even if American power continues to rise relative to other major states and even if American policy antagonizes other states in the way that is has recently over the Iraq war.

There are a variety of reasons why balancing is unlikely. One is simply that a bloc of major states with sufficient power capabilities to challenge the United States is not possible to assemble. Another is that American power itself is not sufficiently threatening to provoke a counter-balancing response. To be sure, American power – and the policies and roles that this power enables – <u>does</u> worry other major states. Responding to it is their major geopolitical challenge. But counter-balancing responses – manifest in separate and competing security alliances and systematic policies of opposition – are both not feasible and not responsive to the distinctive challenges posed by unipolarity. What troubles the other major countries about American power cannot be remedied by the classic geopolitical tool of the balance of power.

Finally, the United States has a great capacity to influence how other states respond to its unipolar power. In particular, the more that the U.S. signals that it intends to operate through mutually-agreed rules and institutions, the more other countries will choose to engage rather than resist the United States. The more the United States signals that it will disentangle itself from rule-based order and act unilaterally on a global scale, the more other countries will choose to resist rather than engage the United States. That is, the United States has two basic approaches to international order today. One might be called hegemony with "liberal characteristics." This is international order built around multilateralism, tight alliance partnership, strategic restraint, cooperative security, and agreed upon institutions. The other might be called hegemony with "imperial characteristics." This is international order built around unilateralism, coercive domination, and a reduced commitment to shared commitment to mutually agreeable rules of the

game. How the outside world responds to American power will depend on which of these two alternatives the United States tends to emphasize.[163]

Privatization of Violence

Even if one is skeptical of the Bush "war on terror," there is a serious political-intellectual problem in figuring out how to cope with the threat of extremist violence itself. To its credit, the Bush administration has dramatizing the threats which might emerge from the dangerous nexus of WMD, tyrannical states, and terrorist groups. Looking into the future, it seems all too clear that small groups of angry and determined extremists will find it increasingly easy to obtain chemical, biological or nuclear capabilities and unleash them upon the civilized world. Robert Wright calls it the increasing "lethality of hatred." "In the modern world," Wright argues, "intense hatred is self-organizing and self empowering. Information technologies make it easy for hateful people to coalesce and execute attacks -- and these same technologies can also help spread hatred." This is the dark side of globalization and technological advancement. This confluence of globalization, technologies of mass destruction, and extremism amounts to what might be called the "privatization of war." Violence capability that once only a few great powers could muster will someday fall into the hands of transnational groups with apocalyptic agendas.

What this means is that troubled and undeveloped parts of the world that previously could be ignored or engaged for humanitarian purposes are now potential havens, catalysts, or launching sites for transnational violence. National security increasingly requires a "one world" vision in which the slogan must be: No country or region left behind. All of the world's real estate must be well governed or at least effectively supervised. Failed states, illegitimate states, and despotic states -- they all pose security risks to the outside world. The promotion of accountable government and the rule of law are more profoundly tied to national and international security than ever before and with each passing decade of technological advancement and knowledge diffusion it will be even more so.

There are several interrelated long-term national security challenges that follow from this troubling view of the new threats. First, WMD technologies themselves -- and supporting laboratories, research sites, scientists and technicians, tools and materiel -- around the world will need to be secured and supervised. Countries will all need to be open to increasingly intrusive inspections and monitoring. The future will need to entail less trust and more verification. Second, governments themselves will need to be transparent, open, accountable, and dedicated to the rule of law. This reduces the ability of transnational groups to operate in the shadows and gain access to the new violence technologies. Accountable governments that operate according to the rule of law are also more able and willing to adopt and comply with international standards of conduct. These are the sorts of states that can build and operate international inspection regimes and cooperate together to deal with laggard states. Finally, laggard states -- that is, closed, unruly, and despotic states -- cannot be trusted with WMD technologies and capacities. The international community must find ways to contain, sanction, and transform them.

[163] This argument is developed in Ikenberry, After Victory.

If this logic is correct, President Bush's claim is true that America is less secure when freedom and democracy are in retreat -- and more secure when freedom and democracy are on the march. The essential insight is this: the 'quality' of the governments around the world bears directly on the 'quality' of international security. This is a sort of a rump liberal internationalist insight -- even though it is being articulated by a conservative nationalist. If the Bush administration has turned from a focus on the "war on terrorism" to the promotion of open and accountable government is a step forward. It is a rhetorical shift that seems to also entail a shift in the diagnosis of the terrorist threat. The threat is not simply terrorists who are evil and hate us for who we are. Tyranny and bad government are now seen as integral to the problem. This is a core liberal internationalist belief.

But the diffusion and "privatization" of violence technologies requires more than simply a program to spread democracy and freedom – indeed, a focus on democracy and freedom promotion can be an excuse for not doing other things. What it ultimately needed is a building up of credible and authoritative international capacities to monitor and safeguard nuclear and other WMD materials around the world. The United States cannot run a counter-proliferation regime by itself. Nor will democracy promotion solve the problem. The world will need multilateral capacities to inspect and verify – and even to enforce. If the world does not have more of this sort of international capacity at the end of the 21st century than it does now – America will almost certainly be much less secure.

Conclusion

The main argument of this paper is that the United States needs to pursue a "milieu" based grand strategy – informed by liberal internationalist insights. The U.S. does not face a traditional great power threat. It faces more diffuse and uncertain threats. If you are not sure what the specific threats will be in the coming decades, it behooves you to "keep your power dry" and build the sort of global infrastructure that will maximize our options and capacities across a range of scenarios.

The United States is not ignorant of milieu-oriented grand strategy. In fact, the United States is the master of it. In the half century after World War II, the U.S. pursued both a positional and a milieu strategy. If pursued a containment grand strategy aimed at the Soviet Union and it also built up Western liberal internationalist order that both allowed it to compete more effectively against the Communist bloc and allowed for the West itself to be turned into a vast zone of peace and prosperity. So one thing is certain – the U.S. "does milieu" and does it well.

The three challenges to American security that I raise in this paper – a rising China, the dilemmas of unipolarity, and the diffusion and privatization of violence technologies – all point in the same direction. The United States needs to go back to what it does well – pursuing a liberal international grand strategy in which it grounds its power and interests in an array of rules and institutions that draw states together into an open, integrated, and consensual order.

Grand Strategy and the War on Terror

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Introduction

The most notable fact about the years that followed the attacks on the United States in September, 2001 is how little violence and death then ensued. Despite the invasions of Afghanistan and Iraq there were fewer deaths in warfare in those years than at any time during the wars of the 20th century. Furthermore, despite a murderous campaign against Americans that began well before September 11th, the number of Americans killed by international terrorists since the late 1960s until December 2005 is about the same as the number killed during the same period by lightning or by allergic reactions to peanuts. Indeed despite a series of terrorist attacks on London, Madrid, Casablanca, New York, and many other cities, since 9/11 the total number of persons worldwide who have been killed by terrorists is about the same number as those who drowned in bathtubs in the US. One could rationally conclude that it is little short of neurotic to worry about terrorism as a threat to the safety of the State.

Similarly with respect to the proliferation of WMD, it seems highly implausible that the nuclear armed states of the West could face threats from North Korea, Iran or frankly from any state. It is now possible for the US to determine within seconds the origin of any ballistic missile launch within a distance of ten meters. The leadership of a state that ordered such an attack would face the certainty of an immediate and devastating retaliatory response. It would require of that leadership not mere irrationality, but something approaching a mass suicide pact to account for such an order. As the stocks of nuclear weapons and large quantities of biological weapons are held only by states, it is for this reason highly implausible that the citizens of the West will die from WMD attacks. The dispersal of chemical and biological weapons is difficult to control; perhaps for this reason there has never been a WMD attack on Israel (where four times as many persons die in automobile accidents as do from terrorist violence.) Indeed highway deaths in America since the first nuclear weapons were developed have taken ten times the number of persons that died at Hiroshima and Nagasaki, and American life has not been unutterably changed.

Finally, there can be no reason why citizens in the developed world need fear any truly significant curtailment of their human rights, much less mass violations of those rights inherent in campaigns of ethnic cleansing and genocide. Whatever the intrusive and annoying nature of anti-terrorist measures such as weapons screening at airports, carrying identity cards, data mining, closed circuit television monitoring of public spaces, intelligence warrants, and even military tribunals it is simply absurd to conclude that our civil liberties and civil rights are likely to be grossly compromised by these measures, all of which are subject to judicial review. Where gross human rights violations have occurred---in Bosnia and Kosovo, in Chechnya, in Sudan, Rwanda and Burundi to take the most recent---the involvement of OECD states has been confined to discussions of how to ameliorate these catastrophes, not how to prevent them from coming home.

The difficulties for OECD states, and especially as we will see for the US, arise, however, when these three phenomena begin to interact. When states that are engaged in mass violations of human rights fear they will be the subject of humanitarian intervention and a change in regime, they attempt to arm themselves with WMD. It is when terrorists get WMD (perhaps by stealth from states that dare not attack the US and its allies directly) that they suddenly become really threatening. It is when mass violations of human rights occur that terrorists find a supportive social structure for their conspiracies. It is when the human rights regimes of the West, including especially religious freedom, women's rights, and representative government, impinge on societies

unaccustomed to these practices that millennial terrorists feel the need not simply to take over the governance of their own societies but to destroy the West that threatens them.

But these problems don't seem insurmountable. Why not simply reassure states that if they don't subject their own peoples or their neighbors to threats and atrocities, they are entitled to be free of intervention? Or, if this bargain is inconsistent with the regime's internal ethos, why not be a little more tolerant of the cruelties visited on other peoples? Yes, North Korea is a living hell for its people but is it really a threat to anyone else so long as it, itself, is not threatened? Why not leave traditional states in peace to work out their own relationships with groups threatened by modernity? Egypt and Saudi Arabia are friends and trading partners of the West; why complicate their lives by insisting on revolutionary changes in how they are governed, what family structures they recognize, what role religion should play in governance?

In other words, by any reasonable standard the states of the West are remarkably safe from international violence, and ought to remain so if we can reassure others we will stay out of their affairs. "Peaceful coexistence," I think it was once called.

THE CHANGE IN THE CONSTITUTIONAL ORDER

The *constitutional order* of the State may be described by the unique grounds on which the State claims legitimate power.[1] Thus the order of *princely states*, which flourished in the 16th century, legitimated its power by associating the prince with the structure of the modern state. Give us power, the state said, and we will better protect the person and the possessions of the prince.[1]

The order within which most of the developed societies of the world live today is the nation state, a structure that dates not from 1648, when princely states were superseded by *kingly states*, but from the second half of the 19th century when the first mass voting franchise acts, large-scale free public education, social security programs and anti-civilian wars appeared and the imperial *state nations* of the 19th century began to wane. It, too, can be described in a unique way. *Nation states* asserted their legitimacy on the basis of a characteristic claim: give us power, the nation state said, and we will improve the material well-being of the national people. The record of economic and material progress during the 20th century amply justified this claim. Nevertheless, in the past decade, there has been an increasing recognition that we are entering the transition from one constitutional order to another---from the nation state to what I have called the *market state*.[1]

For the decay of the mass-oriented nation state as a constitutional order does not mean the withering away of the State itself. The nation state is supposed to be doing something unique in the history of the modern State: maintaining, nurturing, and improving the material conditions of its citizens whose equal rights to well-being derive solely from their membership in the nation itself. New *strategic threats* owing to WMD and long-range delivery systems make every state, whether it has nearby enemies or not, and whether or not its borders are otherwise secure, vulnerable to terrible attacks against which there can be little effective defense. The globalization of *markets*, owing to advances in computation, which permit the rapid transience of capital, removes from any state the ability to manage effectively its own currency and economy while

encouraging economic growth that has transnational consequences like climate change. The universalization of *culture* (including universal human rights guarantees), which is the result of a global system of information that depends on recent developments in communications and transport, threatens the power of the State to preserve the culture of the nation through law, and links once remote sources of infection and epidemics. These developments challenge the legitimacy of the nation state by rendering impossible its promise to improve continually the equal material well-being of all its citizens. These developments occurred, ironically, as a consequence of the greatest success of the society of nation states—the end of the Long War of the 20th century and the triumph of parliamentary market-based democracies over competing ideological forms of this constitutional order, communism and fascism. It was our success in building an international system of trade and finance, winning acknowledgement for norms of human rights, bringing rapid industrial development to virtually every northern tier and many southern tier states, achieving higher living standards and human reproductive control, creating international communications, and inventing and deploying WMD that defeated our competitors and discredited their systems. The very tactics, technologies and strategies that brought us success in war between nation states have now brought us new challenges that cannot be met by the currently prevailing constitutional order.

Thus at the moment of its greatest triumph, the parliamentary nation state is increasingly unable to fulfil its legitimating premise. States are finding it more and more difficult to assure their publics, that is their *nations*,[1] of increasing equality, security and community.

A new constitutional order that reflects these developments will eventually replace the nation state. In part this is a matter of shifting the basis for the state's legitimacy away from assuring mass welfare and towards maximizing individual opportunity. Indeed this is already happening. Some have speculated[1] that the new constitutional order will resemble that of the 21st century multinational corporation rather than the 20th century state in that it will out-source many functions to the private sector, rely less on law and regulation and more on market incentives, and respond to ever-changing and constantly monitored consumer demand rather than to voter preferences expressed in relatively rare elections. Rather than attempting to control the economy, the State will devise incentives for individual choices that generate positive spillovers and externalities.[1]

In exchange for power, such market states will covenant to maximize the opportunity of the individual. In contrast to the nation state, the market state assesses its economic success or failure by its society's ability to secure better goods and services (not simply more goods and services), and does not see itself as more than a minimal provider or redistributor of goods and services. For example, poverty is to be alleviated by providing the poor with education and job-retraining sufficient to permit them to participate fully in the labor market rather than by giving them welfare payments. Armies are to be raised from volunteers, compensated on a basis competitive with non-military employment, rather than by mass conscription. The total wealth of the society is to be maximized, which will enrich everyone to some degree, rather than enlarging the wealth of any particular group (like the poorest) through interventions in the market that tend to depress total economic performance and can ultimately bring impoverishment for all. Indeed, given the demographics of the developed world—its rapidly aging societies—and the competition for service sector jobs from less developed societies, only such a change can possibly fund even the more modest social programs of the future.

This new constitutional order, the "market state," has not yet fully arrived, but one can already see evidence of its approach including in the waning of mass warfare.

States will not only de-regulate vast areas of enterprise by repealing industrial statutes but will also de-regulate the reproduction of our species by striking down anti-abortion and anti-contraception laws and by permitting new reproductive technologies like *in vitro* fertilization. States will make use of non-governmental organizations (NGOs) and private companies as outsourced adjuncts to traditional government operations. States will permit their officials to be removed through *ad hoc* recall votes, and their laws to be amended or repealed by voter initiatives and referenda. When these developments occur, we are witnessing the emergence of the market state.

States of Consent, States of Terror

Ever since the emergence of modern states at the time of the Renaissance, there have been *states of consent* and *states of terror*. Indeed Thucydides characterized the ancient city-states of Athens and Sparta in something like this way. Each category must of course be applied relative to the prevailing constitutional order of the day. A princely state of consent, like Florence, would appear pretty oligarchic to parliamentarians today; a kingly state of terror, like Henry VIII's England, nevertheless was rather mild compared to the totalitarian nation-states of the 20th century.

In the vanguard of the transition from nation state to market state two states of consent, the United States and the European Union, are emerging as market states along somewhat different lines. States of terror will also come in several forms: some will be market states like the virtual caliphate of al Qaeda, but there will be others, including nation states like Saddam Hussein's Iraq (which sponsored terrorists), or the Taleban's Afghanistan (which was sponsored by terrorists) or Kim Jong Il's North Korea (which embodies the three elements of terror---terrorism, crimes against humanity and WMD proliferation---to a degree that is, at present, unique). The United States and the European Union, if they lose this war, might also become states of terror for that is how wars of this kind are lost—not by conquest and surrender but by the compromise of the fundamental conditions for consent in the face of awful civilian suffering.

It will be crucial in such a struggle to develop legal standards that allow one to determine when a state---even one's own state---threatens to become a state of terror. We must be able to say when an act of violence represents a legitimate effort to preclude terror and when it is itself an act of terrorism.

A state of consent is not merely one whose elections reflect democratic practices but one which rests on the protection of certain fundamental rights—*inalienable* rights, a legal term that means rights that cannot be ceded, or bartered, or sold. These rights inhere in the individual and are not granted by the State that is created to protect those rights. Because consent is not merely a matter of saying Yes, but also of having the option to say No, consent depends upon the possibility of alternatives. Inalienability is one way—the law's way---of creating the necessity of choosing among them.

One cannot freely choose, however, in an atmosphere of terror. It is the objective of the 21st century state of terror to bring about just such an environment of

terror because such states will not be able to coexist with systems of consent whether within their own societies or within others.

This is perhaps best understood by those who would impose a state of terror. Abu Musab al-Zarqawi, the head of the al Qaeda franchise in Iraq, has claimed responsibility for numerous car bombings and the beheadings of foreign and Iraqi hostages in 2004 and 2005. A videotape of Usama bin Laden in December 2004 proclaimed al-Zarqawi to be al Qaeda's emir for Iraq. Drawing on an informal network of foreign al Qaeda fighters, former Baathist party members, and local criminals who are paid for kidnappings, al-Zarqawi has assumed the principal leadership of the most lethal elements in the anti-Coalition insurgency in Iraq. A $25 million bounty (the same amount as that marked for bin Laden) has been put on his head.

On the eve of the historic Iraqi elections in 2005, al Zarqawi released an audiotape threatening those who might attempt to vote and explaining the reason for his opposition to those elections. "We have declared a bitter war against democracy and all those who seek to enact it." Islam, he said, requires the rule of God and not the rule of "the majority of the people." He explained furthermore that democracy was based on beliefs beyond simply "majority rule, such as freedom of religion, rule of the people, freedom of expression, separation of religion and state, forming political parties." In the statement he declared that democracy's principles of majority rule and respect for individual rights, "allow infidelity and wrong practices to spread...." "Anyone who tries to help set up this system is part of it." Freedom of expression is allowed in such states, "even cursing God. This means there is nothing sacred in democracy."

Al Zarqawi saw clearly that the war against al Qaeda, against the insurgency in Iraq, and the heroic efforts there to prevent the murder of innocent Iraqi civilians and officials are ultimately about trying to create a state of consent, replacing the former state of terror and warding off the imposition of a new one. Elections are only a part of this, as he observed. Fundamentally it is a matter of recognizing certain human rights of conscience, the inalienable rights that so disgust al Zarqawi and without which, as we shall see, neither national nor international systems of law based on consent can prevail. But the reverse is also true: in the current global environment, examples of consent are highly threatening to regimes of terror.

This is what Mario Vargas Llosa has in mind when he writes of "the various sects and movements bent on provoking the Apocalypse in order to prevent Iraq from soon becoming a free and modern country...a perspective that rightfully terrifies and drives insane the gangs of murderers and torturers [of Saddam Hussein's regime] along with fundamentalist commandoes from al Qaeda....All of them, totaling only a few thousand armed fanatics, but with extraordinary tools for destruction, know that if Iraq becomes a modern democracy, their days are numbered."

Plagues in the Time of Feast

Terrorism is an epiphenomenon of the State. Although we are inclined to believe that terrorism has always been the same, each constitutional order evokes its own form of terrorism and this form imitates, or mimics the constitutional order against which it struggles. Thus the religious mercenaries of the princely states, the pirates of kingly states,

the colonial merchant terrorists of territorial states, the anarchists of imperial states and—the ones we know—the national liberation terrorists of 20th century nation-states each succeeded one another. Market states will bring forth their own unique form of terrorists and these will be as global, networked, outsourcing and devolved as the market state itself. Thus the crucial turning point for US security was not September 11th, 2001 but rather the events of 1990 that ended the Long War of the 20th century nation-state and created the conditions for the emergence of a new constitutional order.

The hastening trend toward individual empowerment that has greatly increased the wealth of nations, and that is further accelerated by that wealth, also empowers the enemies of individual rights. By assembling vast, lucrative targets---like skyscrapers or global information networks---for ever smaller and less discoverable groups of attackers who will be ever more lethally armed at less expense, this trend could put at risk the accompanying trend towards greater democracy and more abundant human rights. And yet democracy and human rights also depend on increasing and maintaining ever improving economies. We face this paradox: that the Information Revolution may both make a better life more possible than ever before, and at the same time render it more insecure, perhaps even perilously so.

In the past three decades, the world has experienced a dizzying increase in wealth. These vertiginous increases are linked to equally vertiginous increases in vulnerability for at the same time, the world has seen the emergence of a global terrorist network that while threatening many states, targets the US most vehemently, and has already caused the most murderous terrorist attack in Europe ever recorded.

As Robert Wright observed,

> in the Middle Ages, the bubonic plague moved from city to city along avenues of commerce….[S]upport for terrorism proliferates via the very satellites that convey stock prices, as appeals from Usama bin Laden, or images of civilian casualties in Iraq or Gaza , are beamed around the world…..[On September 11th] the terrorists had turned the tools of globalization---cell phones, e-mail, international banking—against the system.

The reason why states of terror can no longer coexist with states of consent is also linked to this increase in proximity, which is to say vulnerability. As Wright continues in the same passage,

What's more, their grievances had grown partly out of globalization, with its jarringly modern values. It started to seem as if globalization, far from being a benign culmination of history, had carried the seeds of its own destruction all along.

These two phenomena— the feast of sustained and unprecedented economic riches, and the plague of terrorism that has in common with the great plagues of the middle ages a potential for catastrophic change in societies---share the same table. It's not that increased global integration caused the development of a global terror network, anymore than trade with Asia caused the plague in Europe, but the plagues in both cases were facilitated, and indeed could not have occurred without, the changes in the conditions of travel, trade, education, and investment that brought greater opportunities for creating wealth.

The War on Terror

The states of consent---"the West," broadly defined to include Asian states like Japan, Indonesia, Singapore, South Korea and others---are not winning the war against terror though we have made considerable progress against al-Qaeda, just as we have also made gains against the proliferation of weapons of mass destruction and in halting genocide. I say we are not winning because the conditions that make catastrophic attacks on these states possible are not being addressed as quickly as the acquisition of the weapons and tactics that make these attacks inevitable. This will become evident when al-Qaeda is defeated and its place is taken by numberless, nameless networked groups that mount attacks whose origins we will be unable to determine.

Since September 11th, the United States has declared war, and has received the unprecedented invocation on its behalf by its allies of Article 5 of the North Atlantic Treaty, which holds that an attack on one member shall be treated as an attack on all. The US Congress and the British Parliament have passed various statutes aimed at making the prosecution and detection of terrorists easier. The United States has reorganized its bureaucracy and authorized vast new funding for fighting terrorism. US/UK-led coalitions have invaded and conquered Iraq in a lightning campaign to prevent the proliferation of WMD, and the UN has sanctioned, for the first time, the invasion of a member state, Afghanistan, in order to suppress terrorism. Much of the senior leadership of al Qaeda has been killed or detained. Nearly 3,400 of its fighters are either dead or in prison. Two-thirds of the persons known to intelligence agencies at the outset of this war have been neutralized. The planners behind the al Qaeda attacks on American embassies in 1998, the USS Cole in 2000, and the September 11th atrocities have been killed or arrested, along with bin Laden's regional coordinators in Southeast Asia, Europe and the Middle East. What remains of al Qaeda's leaders—the senior figures of bin Laden and his deputy Zawahiri—is in hiding. State practices of ethnic cleansing in Bosnia, in Kosovo, in Indonesia and in Iraq as well as religious repression in Afghanistan have been halted through concerted multilateral action.

Yet at the same time, terrorists have continued to strike; indeed there has been a drumbeat of violence, and – far from abating since the invasion of Iraq – it has picked up momentum. The deadliest year of terrorist violence in twenty years occurred in 2003. It was succeeded by an even deadlier year in 2004, and if we exclude terrorism waged by states, this was the deadliest year on record to date. In Bali, Kenya, Pakistan, Tunisia, Afghanistan, Iraq, Israel, and Morocco, as many people have been killed and wounded in terrorist attacks since September 11th as died on that day, itself the single most deadly terrorist attack in history. In the period from the defeat of the Taleban to mid-2004, more than 1200 persons died in attacks from global jihadists outside Palestine, Kashmir and Iraq. Virtually every week, U.S. and UK soldiers and Western civilians generally are killed in terrorist attacks. Arab television networks and al Qaeda websites show the beheading of innocent persons, a grotesque *coup d'theatre* never before depicted on television. US and British citizens, and non-citizens who are in US or British custody, have seen their rights diminish, some markedly. As Americans experience countless alerts, color-coded to indicate threat levels, they can reasonably conclude that they are less safe than before---if only somewhat so---and there are some who believe, less reasonably perhaps, that they are less safe than ever.

North Korea has announced that, despite six-power talks aimed at forestalling such an event, it has developed nuclear warheads. Iran is widely believed to be on the verge of a similar accomplishment. A commercial network has been exposed, though

not necessarily eliminated, that trades in Pakistani nuclear technology, Chinese warhead design, North Korean fissile materials, and Ukranian missiles. Genocide on a scale not seen since Rwanda is, as of this writing, underway in Sudan while ethnic cleansing continues on a horrific scale in Central Africa.

We are not winning the war against terror because the forces that empower terror are gaining—as markets increase, as weapons technologies diffuse, as clandestine communications become more effective---at a faster pace than our defenses and our pre-emptive strategies are strengthening. There is a widespread sense in the West of the inevitability of further major terrorist attacks on the scale of the 9/11 atrocity, and many professional analysts expect that terrorists will acquire and use weapons of mass destruction, indeed that it is inevitable that they will do so

Our current strategy is to kill or capture the terrorists before this happens. Yet Secretary of Defense Donald Rumsfeld questioned this approach as well as anyone in a memorandum of October 2003 that asked, "Does the US need to fashion a broad, integrated plan to stop the next generation of terrorists? The US is putting relatively little effort into a long-range plan, but we are putting a great deal of effort into trying to stop terrorists."

Chief among our defenses is our ingenuity, and yet it is here that we are most bereft. This is not a comment on the difficulties of formulating public policy or collecting intelligence. Rather we do not sufficiently understand the symbiotic relationship between strategy and law—between what we do to protect ourselves from others, and what we do to protect ourselves from each other—and how that relationship is changing.

Grand Strategy and the War on Terror

'Strategy' concerns the role of the State in defending itself from violence from other states, while 'law' refers to the role of the State in monopolizing legitimate violence within its own borders. In the 20th century it made sense to separate law and strategy; indeed I have argued that this separation was a key to our successes in the fields of both national and international security during that century. Quite naturally, we rely on habits of mind that are associated with the strategies by which nations in the past century successfully protected themselves from each other. Nevertheless, it is a habit of mind that may defeat us in the century we have just entered because the threat posed by 21st century terrorists does not arise from the politics of a hostile nation state, which threats were the domain of strategy, not law.

We tend to associate terrorism with institutions that command power within but not among states, that is, in the domain of law, not strategy. And yet 21st century terrorism is unlike that of the preceding century in its significant strategic dimension. To combat 21st century terrorism, we have to think in terms of strategies that reinforced the legal institutions that command power among states—that is, we have to think in terms of the confluence of strategy and law---as well as anticipatory legal institutions that operate strategically within our borders.

To wage a war against 21st terrorism successfully we must re-conceive the interdependent relation between strategy and law---between the role of the State in protecting its citizens from other states and its role in protecting citizens from other

citizens---a relationship that is manifesting itself in new ways for while in the past century strategy and law were separated now they are becoming linked.

It is owing to the link between strategy and law—and owing to our refusal to appreciate this link—that we are not winning the war against terror. Having detached strategy from law, every strategic success by the West brings a loss of legitimacy – at Abu Graib, in Basra, at Guantanamo – while every effort to shore up the architecture of constitutional and international legal institutions weakens our strategic efforts---as we saw in Madrid in the spring of 2004 and repeatedly at the UN with regard to Iraq, Rwanda, Sudan, Iran and North Korea. Nor has law kept pace with strategy. Whereas in the 19th century the victims of war were roughly 80% military and 20% civilian, this was reversed in the 20th century. Where the objective of war in the 20th century was to protect the material well-being of the nation, in the 21st century this objective will be to protect the civilians (of both sides). Overwhelmingly this responsibility will fall on the US, and international law must be reformed to recognize this. Moreover, doctrines of active counter-proliferation, the preemption of terrorist attacks, and an agreed upon basis for humanitarian intervention all await international legal recognition. Without both legal reform to bring international and domestic law into accord with the strategic context, and a thorough re-thinking of doctrines of warfare to integrate regard for law into our strategic missions, the war against terror cannot be won.

Whereas the effects of nation state terrorism were regional, market state terrorism has global consequences. One inference from this is that regional security systems, like NATO, must give way to global systems. There is currently emerging a threat by terrorists to the democratic stability of the most powerful parliamentary states, as terrorism never really posed during the era of the order of nation states. We saw this first not on September 11th in New York but on March 11th in Madrid, when terrorist attacks changed the outcome of a national election. Perhaps the most striking feature of this phenomenon is that it is vehemently denied by those whose reaction to the attacks brought this change about.

We must step back and ask the most basic questions about the War against Terror. Do we know how to win such a war, in the way that we knew what we had to do to defeat the Axis powers in the Second World War? Are we developing new strategic doctrines of the kind we had to develop to contain the Soviet Union in the context of mutual deterrence in the Cold War? Are we writing new international law and creating new institutions to cope with global problems in the 21st century, in the way we did when we faced similar global challenges in the early 20th after the First World War? I think the answers to all these questions are evident.

September 11 and the Ramifications of its Impact on Public Attitudes Toward the United States

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In the immediate aftermath of the 9/11 terrorist attacks on the World Trade Center and the Pentagon, there was an up welling of sympathy for the United States around the world. The Paris daily *Le Monde*, long a critic of all things American, editorialized: "In this tragic moment...We are all Americans." And, in an unprecedented gesture, the members of the North Atlantic Treaty Organization offered the United States their full support in responding to the attacks.

But this empathy proved remarkably short-lived. And, in the years following 9/11, support for the United States has plummeted, resentment toward U.S. unilateral foreign policy has intensified, approval of the U.S.-led war on terrorism has been undermined and, for the first time since widespread polling began, foreigners' affection for the American people has declined.

Judging by recent trends, America's negative image and international support for U.S. foreign policy initiatives seem unlikely to improve anytime soon. This erosion of credibility is another legacy of 9/11 and the policies the United States chose to pursue in the wake of that attack. The resultant adverse climate of public opinion will complicate future American efforts to deal with new terrorist threats and to build international coalitions to address a range of issues from climate change to trade. It is a legacy that will haunt future U.S. administrations.

The first sign that 9/11 had altered the public opinion landscape came just a few months after the attacks, when a Pew Global Attitudes survey of opinion leaders around the world found that, outside of Western Europe, there was a widespread sense that U.S. policies were a major cause of America's misfortune. Moreover, solid majorities of elites in every region said that most people in their societies believed it was good for Americans to know what it feels like to be vulnerable.

That this rapid loss of empathy for the United States had long-run implications for Washington was apparent in mid-2002, in the first comprehensive global public opinion survey done in the wake of the 9/11 attacks. This Pew Global Attitudes poll of 38,000 people in 44 countries found that the U.S. global image had slipped since polls done in 1999/2000. By the spring of 2003, after the war in Iraq, a follow-up Pew survey of 16,000 people in 20 countries found that favorable opinions had more than slipped, they had plummeted.

The most striking finding was how broadly anti-Americanism had spread geographically by 2003. It was not simply in Western Europe or the Muslim world. In Brazil, for example, where 52% of the public expressed a favorable opinion of the United States in 2002, the pro-American portion of the population had dropped to 34% by 2003. In Russia, there was a 25 percentage-point decline in the U.S. favorability rating, from 61% to 36%, in the course of less than a year.

In the Middle East, the decline in the image of America was even more striking. In 2002, in Jordan, 25% of the public was favorably disposed toward the United States. In 2003, 1% saw America favorably. Moreover, after the invasion of Iraq, antipathy toward the United States spread to predominantly Muslim countries far outside of the region. For example, only 15% of Indonesian Muslims looked favorably at the United States in 2003, a mere quarter of the 61% who had expressed positive sentiments a year earlier.

Moreover, there was considerable evidence that Muslim loathing of the United States was rooted in fear. In the wake of the Iraq invasion, majorities in seven of eight predominantly Muslims nations were afraid that the United States might one day militarily threaten their country, including 71% of the people in Turkey, a U.S. NATO ally.

Such distrust of America was shared in Europe. A Eurobarometer survey conducted in 15 European Union countries in October 2003 found that people saw the United States and Iran to be equal threats to world peace. And in four countries – Greece, Spain, Finland and Sweden – the United States was viewed as the greatest threat to stability, more menacing than either Iran or North Korea. Even in the United Kingdom, America's most trusted ally, a majority of 55% considered the United States to be a danger.

A Pew survey in 2004, one year after the start of the Iraq war, echoed these findings. It found no improvement in the image of the United States. The French and the Germans were at least as negative in their opinion of America after the successful invasion as before, and the British were decidedly more critical.

Polling in 2005 found some easing of anti-Americanism compared to the nadir of a year earlier. But the United States remained broadly disliked. In Europe, more than half the French, Germans and Dutch and half the Spanish maintained an unfavorable view of the United States. And even in Great Britain, where a majority of the population still liked the United States, that support had eroded considerably since 2002.

The rise in anti-Americanism has been particularly strong among young Europeans. In 2002, prior to the war in Iraq, 38 per cent of the French aged 18-29 had an unfavorable opinion of the United States. By 2005, 64 per cent of young French men and women disliked the United States. There was a similar rise in animosity among the young in Germany. Even in Great Britain, a U.S. ally in the war, anti-Americanism had doubled--from one-in-six to one-in-three young men and women.

Favorable Opinion of the U.S.

	'99/'00	2002	2003	2004	2005
	%	%	%	%	%
Canada	71	72	63	--	59
Britain	83	75	70	58	55
Netherlands	--	--	--	--	45
France	62	63	43	37	43
Germany	78	61	45	38	41
Spain	50	--	38	--	41
Poland	--	79	--	--	62
Russia	37	61	36	47	52
Indonesia	75	61	15	--	38
Turkey	52	30	15	30	23
Pakistan	23	10	13	21	23
Lebanon	--	35	27	--	42
Jordan	--	25	1	5	21
Morocco	77	--	27	27	N/A[1]
India	--	54	--	--	71
China	--	N/A	--	--	42

1999/2000 trends from Office of Research, U.S. Dept. of State: Canada from Environics.

Perception of U.S. unilateralism in international affairs is at the root of much of this anti-Americanism. The global public is too diverse to agree on many things, but it is fairly united in its sense that America shows little regard for the interests of other countries in making international decisions. In 2005, more than eight-in-ten Frenchmen said Washington did not take their interests into account in making policy, and substantial majorities in Britain, Germany, Spain and Russia felt similarly that America ignored their concerns.

This complaint about American unilateralism has been a consistent finding of Pew's Global Attitude Project polls. In 2003, for example, majorities in 16 of 20 nations surveyed said the United States paid little or no attention to the interests of their countries. In 2005, majorities in 11 of 16 countries Pew polled objected to American unilateralism. Even in Great Britain, 66% of the public felt British interests were of no great concern to Americans.

Does U.S. Foreign Policy Consider Others' Interests?

	----- *Yes* -----			*03-05*
	2003	2004	2005	*change*
	%	%	%	
United States	73	70	67	*-6*
Canada	28	--	19	*-9*
Great Britain	44	36	32	*-12*
France	14	14	18	*+4*
Germany	32	29	38	*+6*
Spain	22	--	19	*-3*
Netherlands	--	--	20	*n/a*
Russia	22	20	21	*-1*
Poland	--	--	13	*n/a*
Turkey	9	14	14	*+5*
Pakistan	23	18	39	*+16*
Indonesia	25	--	59	*+34*
Lebanon	18	--	35	*+17*
Jordan	19	16	17	*-2*
India	--	--	63	*n/a*
China	--	--	53	*n/a*

Percent saying U.S. takes into account the interests of countries like yours a great deal or a fair amount. U.S. respondents asked if America takes into account the interest of other countries.

For many people around the world, the U.S.-led invasion of Iraq has become the symbol of the American unilateralism that they find so objectionable. One year after the fall of Baghdad, according to surveys by Pew, the German Marshall Fund, and Gallup, huge majorities in France, Germany, Italy and Russia thought that the invasion was a mistake. Of the 38 countries polled by Gallup International after the invasion (20 of them in Europe), not a single one showed majority support for the war. By July, 2005, overwhelming majorities in France, Germany and Russia thought the war was a mistake, along with two-thirds of the Poles and the Spanish, and half the British, the latter three American allies in the war, according to a Pew survey. Only the Dutch and the Americans thought they made the right decision to invade, and such support in the United States was falling fast.

Among any country's greatest assets on the world stage are its good name and the public's faith in its motivations. America's reputation was badly soiled by the Iraq war. At least half the respondents in eight countries Pew surveyed in March, 2004, said the United States was less trustworthy as a consequence of the war. Moreover, large majorities in almost every one of those societies thought that American and British leaders lied when they claimed, before the Iraq war began, that Saddam Hussein's regime had weapons of mass destruction. Washington's admission that such weapons never existed can only have heightened foreign distrust of American motives.

The U.S.-led war on terrorism has added fuel to the anti-American fire. Since the invasion of Iraq, even though majorities in most countries still support the fight against terror, the conduct of the campaign has become a complaint about America rather than a rallying cry. In a 2005 Pew survey, support for the anti-terror campaign had collapsed in Spain—down 37 percentage points from May, 2003—and support was down by 24 percentage points in France, 20 points in Germany, 18 points in Great Britain since 2002. (The survey was done prior to the July, 2005 London bombings,

which may have reversed this trend a bit. But given the findings in Spain, where support fell despite the Madrid terrorist bombings, any such uplift may be short lived.)

Opposition to the U.S.-led war on terrorism has also been a driving force behind youthful European anti-Americanism. The young are the most opposed to the crackdown on terrorists in Britain, France, Germany and Spain. And this opposition has grown rapidly. In early 2005, in France youthful opposition was at 68 per cent, up from 60 per cent in 2004. In Germany it was 66 per cent, up from 51 per cent. Since the American struggle against terrorism is likely to persist for many years, whoever is in power in Washington, this loss of the next generation's support for that effort will pose special problems for future U.S. administrations.

Majorities also oppose a U.S.-led crack-down on terrorists in many predominantly Muslim countries surveyed by Pew. More than eight-in-ten Jordanians, seven-in-ten Turks, two-in-three Lebanese, and half the Pakistanis and Moroccans oppose the war on terrorism. Only in Indonesia do half the public support American anti-terror efforts.

By 2004, growing numbers of Europeans believed that the United States overreacted to the threat of terrorism. Only in Great Britain and Russia did large majorities continue to feel that the United States was right to be so concerned about terrorism. Cynical about American motives and concerned about its effects on them, many foreigners have come to see the fight against terrorism as just another exercise of American power in pursuit of U.S. interests. In seven of the nine nations Pew surveyed in 2004, majorities of those who doubted American sincerity in its anti-terrorist campaign also said Washington was using the terrorist threat in an effort to control Middle Eastern oil. Nearly as many respondents believed America's ultimate aim is nothing less than world domination. Somewhat fewer people suspected the United States of deliberately targeting Muslim nations and of using the war on terror to protect Israel. These pejorative motives are accepted by nearly a quarter of the French and nearly a third of the Germans, as well as large segments in Muslim nations.

Much of the antipathy toward the United States can be traced to widespread dislike for President George W. Bush. Bush was personally unpopular internationally from the first days of his first administration. He got off on the wrong foot with his opposition to the Kyoto treaty to curb global warming. And, even then, his posture on most international issues was perceived as a go-it-alone approach. Once he led the world into Iraq, his ratings went from bad to worse.

In 2005, of Europeans who had an unfavorable view of the United States, three-out-of-four Spaniards, two-out-of-three Germans, French and Dutch and half the Britons said their problem was mostly with President Bush. And such antipathy toward the President had a negative influence on attitudes toward the United States among all Europeans. Strong majorities throughout Western Europe said Bush's reelection in 2004 led them to have a less favorable opinion of the United States.

But pervasive anti-Bush sentiment masks a more disturbing trend, a rise in undifferentiated anti-Americanism. In seven of twelve nations for which Pew has multi-year data, there has been an increase in the percentage of those who say its America in general that they dislike, not just the policies of the Bush administration. Again, this data suggests that anti-Americanism is setting down roots, becoming more generalized and may prove harder to eradicate.

So, while President Bush has undoubtedly been the lightning rod for anti-American feelings, anti-Americanism runs deeper. American power itself, as well as U.S. policies, fuel resentment toward the United States throughout the world. The Bush administration brought these anxieties to the surface and intensified distrust of America. Global publics believe the United States does too little to solve world problems and supports, if not advances, policies that increase the gap between rich countries and poor countries. Moreover, among Muslims, it has become an article of faith that the United States unfairly supports Israel in its conflict with the Palestinians. Almost all people in the Muslim world– 99% of Jordanians, 96% of Palestinians and 94% of Moroccans—think Washington sides with Tel Aviv. So too do most Europeans. Even in Israel, as many as a third of those surveyed view U.S. policy as unfair to Palestinians. While these sentiments were evident well before the war in Iraq, they are broad ranging indictments that transcend the current U.S. administration and will likely remain despite short-lived favorability rises produced by transitory events, such as the Israeli pullout from Gaza.

Most disturbingly, recent polls have shown an unprecedented decline in foreign support for the American people. In the past, foreigners' distaste for U.S. policies, be they in Vietnam or in the Middle East, did not lead to antipathy toward Americans. The invasion of Iraq changed all this. In the wake of the U.S.-led war, favorable views of Americans fell all around the world, particularly in the Muslim world. But anger at Americans was more widespread. Between 2002 and 2005, the favorability ratings of the American people declined in nine of the twelve countries for which trend data exists, including Great Britain, Poland, Canada, Germany, France, Russia, Indonesia, Jordan and Turkey. This decline suggests it may prove all the more difficult to rebuild goodwill toward the United States because one pillar that in difficult times in the past has sustained America's image abroad—namely the reputation of the American people—has now eroded.

So what then can be done to reverse this anti-American tide? The first step in solving a problem is acknowledging its existence. And Americans seem well aware of their country's declining reputation. Two-out-of-three people surveyed by Pew in 2004, and slightly more in 2005, recognized that the United States was less respected in the world. Two decades earlier, only a third of the public thought America's image was in trouble. Of those who recognized the diminished regard for America in 2005, 43% believed it was a major problem for the country.

Nevertheless, Americans are still largely oblivious to what it is they do that so antagonizes other people. Contrary to widespread foreign concerns that Washington acts unilaterally, two-thirds of Americans believe their government does take into account the concerns of other nations when making foreign policy. Similarly,

Americans overwhelmingly see the war on terrorism as a sincere effort to respond to a global threat. Merely one-in-eight Americans believe that Washington has been overreacting to that terrorist danger. And while a plurality of Americans believe their country does too much to try to solve world problems, a majority in the Middle East think the United States does too little or nothing.

In the wake of 9/11, many Americans jumped to the conclusion that anti-Americanism reflected a disdain for American values. Nothing could be further from the truth. American values, especially American-style democracy—a fair judiciary, competitive elections, freedom of speech, the press and religion—are widely supported all over the world, including in Muslim societies. It is not American values that foreigners don't like, its American policies. So, if the tide of anti-Americanism is to be reversed, its U.S. behavior that must change.

But even this will prove a long, uphill struggle. To change opinions in much of the world, it will take a series of positive developments from the world's point of view. Recent U.S. policies and actions that might have been expected to counter anti-Americanism have gone only part of the way toward repairing America's image. And much more needs to be done.

For example, the 2005 Pew poll found many Muslims believed that Americans supported democracy in their countries and were optimists about the prospects for democracy in the Middle East as a whole. Moreover, they gave at least some credit to U.S. policies for the change in their societies. Nevertheless, significant improvement in attitudes toward America in these countries remained distant. Similarly, U.S. aid for tsunami victims in South Asia in early 2005 was well-received in many countries. But only in Indonesia, India and Russia have such actions resulted in significant improvement in overall opinions of the United States.

In summary, antipathy toward the United States is shaped by how its international policies are interpreted. That was apparent in a nine-nation Gallup survey that showed large majorities believing that the West doesn't respect Muslim values, nor show concern for the Islamic and Muslim worlds.

Improving America's image will prove a tough charge unless Washington can prove that its critics around the world are wrong about American intentions and the consequences of U.S. policies. Until that happens, American efforts to stem anti-Americanism in wake of 9/11 will be defensive, making the best of a bad situation – correcting misinformation, softening hostility by playing to aspects of America that are still well regarded.

But, in the end, such public relations will only influence opinions on the margins. Actions always speak louder than words, but especially in the post 9/11 world. And until perceptions of America's policies change or policies themselves change, there can be little expectation that anti-Americanism will recede and the difficulties it creates for U.S. foreign policy will continue.

Working Group on Democracy:

Principles and Recommendations – DRAFT

The Strengths and Limitations of Democracy Promotion as a Strategy for Fighting Terrorism

By Michael McFaul
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This paper is drawn from discussion papers authored by Larry Diamond, Amr Hamzawy, Ted Piccone, Joseph Siegle, and the comments provided first on the papers and then on each other's comments provided by the members of the working group. Michael McFaul chaired the working group and compiled this statement.

Executive Summary: Working Group on Spreading Democracy

Analysis

The global promotion of democracy is a compelling imperative:

- It is a national security interest of the United States. Democracies are friends of the United States; their actions are more transparent and predictable than those of non-democracies; and in the long term, democratization may contribute to reducing terrorism and making the world a safer place.

- It is good in and of itself. Like no other system of government, democracy makes it possible for individuals and societies to realize their aspirations; and it is not an impediment to economic growth.

Democratization, however, is not a panacea. And despite its stated intentions, the United States' record in promoting democracy is mixed:

- The United States has the military capacity to force autocrats out of power, but its effectiveness at building democracy remains to be proven.

- Short-term programs and policies must be replaced by sustained efforts.

- There needs to be a recognition that, in many cases, democracy-building must be preceded by the even more fundamental task of state-building.

Recommendations

Generally, democratization efforts should acknowledge that democracy can take many forms depending on the cultural and political context; that local groups must be at the center of any effort to promote democracy; and that it is necessary to establish a sound democratic process with checks and balances rather than rushing into elections. Disseminating knowledge about democratic principles and practices as well as evaluating one's own experiences should be seen as continuous tasks.

The United States in particular must be more consistent in its efforts to spread democracy and lead by example in its behavior at home and abroad; manipulating elections to favor particular candidates, for example, is often counterproductive. It needs to value and reward democratic legitimacy in its relations with other states. Reducing our dependence on oil from the Middle East may facilitate this. Furthermore, there is a need for Americans to learn more about foreign cultures, and intensify collaboration with like-minded states.

Specific recommendations put forward by the working group include the importance of promoting 'pacted transitions'; the need to hold local elections before moving to national contests, especially in post-conflict situations; and the imperative of engaging moderate Islamists in the Muslim world.

The United States in particular should strengthen its participation in the Extractive Industry Transparency Initiative (EITI); increase direct grants to local actors; create Democracy Response Accounts in order to be able to respond to the critical first months of a democratic transition; and create a Department of Democracy Promotion, which would bring together the competencies currently residing with a variety of different government departments.

The Relationship between Democratization and American National Security.

The United States has clear national security interests in promoting democracy around the world. The *consolidation* of democratic regimes in states formerly ruled by autocratic regimes and hostile to American interests has made the United States safer. Democracies do not attack each other. This hope from centuries ago about the relationship between domestic regime type and international behavior received empirical validation in the twentieth century. No country's national security has benefited more from the spread of democracy than the United States's. Today, every democracy in the world has cordial relations with the United States. With very rare exceptions, democracies do no threaten the United States. Not all dictatorships in the world are foes of the United States but nearly all foes of the United States have been and are dictatorships. With few exceptions, the countries that provide safe haven to non-state enemies of the United States are autocratic regimes. With rare exceptions, the median voter in consolidated democracies pushes extreme elements to the sidelines of the political arena. Democracies also are more transparent, which makes them more predictable. Logically, then, the expansion of liberty and democracy around the world is a U.S. national security interest.

In the long run, the consolidation of democratic regimes in the greater Middle East will make the American people more secure. Such a transformation would eliminate safe havens for terrorists, reduce the demand for weapons of mass destruction among regimes in the region, and over time help to reduce the political and socio-economic factors that have contributed indirectly to the inspiration of terrorist groups in the region. In the long run, democratic development in the wider Middle East also will contribute to regional stability and security, which in turn will reduce the American military footprint in this region.

In the long run, then, the relationship between democratic development and American national security interests is clear. In the short run, however, the direct link between democratic development and American security is more difficult to discern, especially in the greater Middle East. Some immediate benefits are obvious. The destruction of Taliban regime and the beginning of the emergence of a new democratic polity in Afghanistanhave made the United States and its allies safer. Neither the Taliban nor Al Qaeda has been destroyed, but both no longer control a nation-state, a valuable asset (even one as weak and dysfunctional as the Afghan state) for plotting, preparing, and launching terrorist attacks. Tracing other direct and immediate casual connections between democratic development in the wider Middle East and American national security, however, is difficult. For instance, the emergence of a democratic state of Palestine should make the United States and its allies more secure, and the Israeli pullout from Gaza *may* be a positive step towards democratization in Palestine. But it is still too early to tell. Likewise, the consolidation of democracy in Iraq will make the United States and its allies safer, but such an outcome is also difficult to predict at this moment. Other recent democratic advances in the region, such as the pullout of Syrian troops from Lebanon and the formation of a new Lebanese government, have a direct impact on the security of American allies in the region, but only an indirect impact on American national security.

We must be honest about what democracy can and cannot do to make the American people more secure. Democracy is not a panacea. Even consolidated democracies are the birthplace and residence of extremists, who resort to terrorism as a

tool of their politics or an expression of their rage. Just as democratic institutions did not stop the Unibomber, Timothy McVeigh, or the recent terrorist attacks in London, the emergence of democratic regimes throughout the wider Middle East -- a development that is decades in the future -- will not eliminate all security threats to the United States from the region. Moreover, we must also be honest in admitting that we do not know precisely if the process of democratization in the wider Middle East will have the same positive benefits for American national security interests that the process of democratization did in other regions of the world. The destruction of fascist and communist regimes and the emergence of more democratic regimes first in Europe and Asia after World War II and then in Eastern Europe and the former Soviet Union more recently has enhanced American national security. It is reasonable to expect a similar outcome in the wider Middle East; that is, the emergence of more democratic regimes in this most autocratic region of the world should also make the United States more secure. It is a hypothesis, though, not a certainty.

Yet even with these more realistic expectations about what democracy can and cannot do in the fight against terrorism, we believe that there are many other reasons to make more effective democracy promotion a central focus of American foreign policy. Democracy is a good in itself. Democracies have many advantages over other systems of government, perhaps best summarized by Robert Dahl in *On Democracy*:

1. Democracy helps to prevent rule by cruel and vicious autocrats.

2. Democracy guarantees its citizens a number of fundamental rights that non-democratic systems do not, and cannot, grant,

3. Democracy insures its citizens a broader range of personal freedom than any feasible alternative to it.

4. Democracy helps people to protect their own fundamental interests.

5. Only a democratic government can provide a maximum opportunity for person to exercise the freedom of self-determination – that ism to live under laws of their own choosing.

6. Only a democratic government can provide a maximum opportunity for exercising moral responsibility.

7. Democracy fosters human development more fully than any feasible alternative.

8. Only a democratic government can foster a relatively high degree of political equality.

9. Modern representative democracies do not fight one another

10. Countries with democratic governments tend to be more prosperous than countries with non-democratic governments.

There was a time when many American policymakers and academics believed that democracy hindered economic development and growth, and likely fatal to growth in poor countries. The reasoning was that because democratic electorates would squander national income on transfer payments and other immediate benefits, investment and needed collective goods would suffer, hindering growth. The evidence

today, highlighted in Joe Siegle's discussion paper for this conference, is that democracies can grow just as fast as autocracies, and outside of East Asia, democracies have outperformed autocracies.

Worldwide, it is not the case that, other things being equal, democracies grow faster than autocracies. At the same time, democracies provide more institutions of accountability, be they institutional checks and balances on executive power, the rule of law, or a free press. Institutions of accountability institutions are strong explanatory factors to growth. Countries with stronger institutions of accountability grow more rapidly. Democracies also do commit genocide, do not generate refugees, and do not permit wide-scale famines. These are the kinds of outcomes that the United States should want to see throughout the world even if the direct impact on American national security is not obvious.

Finally, there is one more compelling reason to support democratic change around the world: the universal demand for democracy. Public opinion surveys of people throughout the world, including the wider Middle East, show that solid majorities in every country support democracy. In no country in the world does a majority support autocratic forms of government.

The Relationship between U.S. Democracy Promotion Efforts and Democratization

If the link short-term link between democratic development and American national security in the greater Middle East is hard to trace, the link between democratic development in the region and American democratic promotion efforts is just as difficult to discern. The American capacity to destroy autocratic regimes is robust and clear, as the successful American military operations in Afghanistan and Iraq once again proved. The American capacity to build democratic regimes after military intervention is less obvious. American non-military tools and policies for fostering democratic development are many. However, the effectiveness of these tools and methods in promoting democracy in the wider Middle East is difficult to measure.

In the broadest terms over the longest expanse of time, the relationship between the rise of American power and the expansion of democracy around the world is easy to recognize and hard to refute. More recently, however, the direct, positive effects of American foreign policy on democratization in the wide Middle East are harder to identify. Most obviously, the *prospects* for democratic development in Afghanistan and Iraq increased initially after American-led military interventions in these two countries. The Bush Administration, in cooperation with American allies, also played a positive role in compelling Syria to withdraw from Lebanon, a development that should help to strengthen Lebanese democracy. American diplomatic pressure on Egyptian President Hosni Mubarak also helped provide more political space for those in Egypt pushing for greater democratic reforms.

And yet, this record of achievement promoting democracy in the region is still short and perhaps ephemeral. Democratic consolidation is far from certain in Afghanistan and seems especially precarious today in Iraq. Lebanese sovereignty has been restored, but the problems of maintaining order and democracy this combustible country still remain. Presidential elections in the Palestinian Authority in January 2005 gave hope for a new more effective and more accountable government, but

momentum for deepening democracy, especially after the postponement of parliamentary elections, has stalled. Mubarak's formal changes in the procedures of electing a president appear unlikely to disrupt his iron grip on political power in Egypt. Democratic reforms in Kuwait and Morocco are encouraging, but only the first steps towards genuine democracy, and these positive steps were more than offset by the consolidation of autocratic rule in Iran over the last three years. After four years of a more concerted American effort to promote democracy in the wider Middle East, the first results of the campaign have been tangible, but limited. The slow start suggests first, that any American strategy for promoting democracy in the wider Middle East must be planned and sustained for decades not four-year terms, and second, that much more needs to be done to make the strategy more effective and sustainable.

Moreover, the task is complicated by the fact that state-building must accompany if not precede democracy promotion in a lot of the places in which the United States seeks to advance democratic development. As Larry Diamond wrote in his discussion paper for this conference, "The daunting reality of the contemporary world is that many of the remaining autocracies and semi-authoritarian states of the world lack this most basic foundation for building democracy. In these countries, the state has either collapsed in civil or international war, or it is weak, fragile, and at risk of collapse."

Improving American Democracy Promotion Efforts

While our working group had a range of views about the promise of democracy promotion for a tool in fighting terrorism, there was wide agreement that the United States government could pursue many new strategies, policies, and approaches to make the effort of democracy promotion more effective, especially in the wider Middle East and in post-conflict situations.

Democracy Is a Home-Grown Affair. The United States has never promoted democracy successfully in country that did not have some local actors who were committed to the project. Advocates of democratic reform must have some significant political influence within a country before American democracy promotion efforts are deployed. This observation means that American democracy promoters must encourage local participation in the development of their programs, and proceed with humility and respect for the opinions of the people in whose interest the intervention is supposedly staged. Ambitious international efforts at promoting democracy cannot succeed, and the institutions such efforts establish cannot be viable, unless there is some sense of participation and ownership on the part of the people in the state undergoing democratization and/or reconstruction.

Democracy Comes in Many Varieties. The United States cannot be in the business of exporting the American model of government. American government and nongovernmental officials must also be tolerant of different ways of building democratic regimes. One size does not fit all.

Be Consistent and Lead by Example. President Bush deserves credit for so boldly laying claim to the cause of democracy promotion as a principal aim of U.S. national security policy. The problem, when grounding the rhetorical appeal in the stark terms the President used in his inaugural address, is the inevitable exposure to cries of hypocrisy about current and past American behavior, which tells another story. In the era of modern telecommunications, the reverberations of a bad decision or action, especially when done by U.S. military forces, are magnified and instantaneous and seriously

undermine our government's efforts to be a vocal champion of democracy and human rights. To make the point, one need go no further than the terrible damage caused by the human rights abuses committed by U.S. forces at the Abu Ghraib prison in Iraq and the Guantanamo Bay base in Cuba.

Valuing Legitimacy. To reinforce norms of democratic governance, industrialized democracies should take advantage of opportunities to showcase legitimacy. Leaders who come to office through competitive elections and respect the rule of law, civil liberties and human rights have earned a distinctive place on the world stage. Upholding the prestige of this distinction is in itself a method of expanding the appeal of democracy. Making democracy a criterion for membership on a reformed UN Human Rights Commission, the Community of Democracies, and the UN Democracy Caucus can reinforce these values while contributing to improved collective action towards global problems.

Provide Incentives for Autocrats and Democrats to Negotiate "Pacted" Transitions. It is false to assume that autocratic regimes in the wider Middle East are providing stability today. Even if unnoticed by outsiders, demographic pressures, economic conditions, and competing societal forces have already launched a process of change throughout the region. The only question is whether these forces for change will produce revolution or evolution, democracy or a new form of dictatorship. Especially in conversation with autocratic rulers with friendly ties to the United States, American policymakers must compel government officials to initiate pacts, negotiations, and roundtable discussions with democratic forces in society. The leaders of autocratic regimes must start these processes of pacted transition now while they can still help to manage the process of change rather thane waiting for when more revolutionary actors in society gain strength. U.S. leaders should encourage their counterparts in the region to emulate the evolutionary transition from autocracy to democracy in Spain and avoid the revolutionary transition from autocracy to a new for of autocracy in Iran.

Support the Democratic Process, Worry Less about the Outcome. Two (misleading) metaphors – Hitler's rise to power and the near election victory in 1991 of Islamic Salvation Front (FIS) in Algeria in 1991 -- are always invoked to raise fears about the dangers of elections in new democracies where non-democratic forces have considerable influence. To reduce the chance of a "one man, one vote, one time" scenario, policymakers need to pull back on the rush to elections, particularly in places that have not laid the legal, civic education and political party infrastructure for a credible electoral process. This is particularly true in the Middle East where democratic forms of governance are largely untested. At the same time, international observes, including the United States have to avoid the temptation of either trying to manipulate elections to achieve "desirable" outcomes or interrupting elections to avoid allegedly undesirable outcomes. When elections occur with regularity, radicals are eventually marginalized. When elections occur in political system also endowed with checks and balances, the rule of law, civilian control over the military, and an independent media, the constraints on radicals who come power through the ballot box are even greater.

Democracy Promotion as an International Mission. Because democracy is now a universal value, democracy promotion has more legitimacy in the international community than ever before. Because American resources are scarce and the America's reputation is (in some countries) tarnished, the United States must do more coordinate and cooperate with other governments, multilateral institutions, and private

foundations in the democratic promotion business. The participation of other states is especially critical when the use of force is involved to advance democratic change or stabilize a post-conflict situation. Such interventions will more likely raise and sustain the necessary resources and commitment if there is a shared sense of importance and commitment in the international community, ideally formalized by United Nations Security Council mandate.

In Post-Conflict Situations, Hold Local Elections First. International interventions that seek to construct democracy after conflict must balance the tension between domination for the sake of implanting democracy and withdrawal in the name of democracy: The two competing temptations are 1) to transform the country's institutions and values through an extended and penetrating occupation (*à la* British colonial rule); and 2) to hold elections and get out as soon as possible. A key question is always how long international rule can be viable. In the case of Iraq, the answer—readily apparent from history and from the profound and widespread suspicion among Iraqis of U.S. motives—was "not long." The failure to establish early on a date for national elections to choose a constitutional assembly became a major bone of contention between the U.S.-led occupation and the most revered religious and moral leader in Iraq, Ayatollah Sistani. The pressure for rapid national elections might have been contained better if the United States had not constructed a full-blown occupation, but rather transferred power back to Iraqis quickly through a broad-based national conference with UN assistance, and if the international authorities in Iraq had allowed local elections to take place fairly soon. Even when the Coalition Provisional Authority (CPA) did organize at least indirect elections for provincial and local councils, it then undermined their authority by failing to give them meaningful resources and authority. In general, there is a strong logic to holding local elections before national ones, and as soon as practicable, since local elections offer an opportunity for new leaders to emerge and gain experience on the local level before assuming national responsibilities.

Reduce Our Dependence on Oil. Paradoxically, one of the most effective ways for the United Stets to promote democracy in the wider Middle East is to reduce our dependence on oil from the Middle East. Many autocratic regimes in the region rely on the rents from oil to maintain their autocratic hold on power. Reducing their revenues would weaken their power.

Strengthen U.S. Engagement on EITI. Building on the "publish what you pay" campaign, the United Kingdom established the Extractive Industry Transparency Initiative (EITI) in 2003. This initiative sets out a protocol for the disclosure of royalties paid by firms for extracting natural resources in developing countries. The United States is a participant but thus far has been on the sidelines of this effort, despite the direct democracy, development and security implications. With concerted international leadership, including a more clearly articulated set of incentives and penalties for compliance and non-compliance, this initiative could make disclosure of revenue flows from the extractive sectors the norm.

Use Economic Incentives and Rewards. Governments, which make progress in developing democracy should be rewarded. Governments, which refuse to democratize should be denied direct economic assistance. (Assistance to civil society actors seeking to promote democracy should never be cut as a result of actions taken by government actors.) The United States has many tools of economic assistance that could be deployed in the service of democracy promotion, including direct economic assistance, loan forgiveness, and American leverage within multilateral lending

institutions such as the World Bank, the International Monetary Fund, and the European Bank for Reconstruction and Development.

***Engage Moderate Islamists*.** Regrettably, the United States government still lacks the analytic capabilities to effectively discern which political organizations in the wider Middle East could be incorporated into a democratic political system, and which actors and groups must be excluded and marginalized for democracy to succeed in this region. Some moderate Islamists have the inclination to work both for democracy and within democratic institutions. The U.S. must engage and strengthen these groups, first pressing Arab governments to ease their repressive measures against moderate Islamists and to grant Islamists access to the political sphere. Condemning individual arrests of liberal figures while completely ignoring arrests of Islamists does not foster the credibility of the United States and Europe among Arab populations; second, by engaging democratic Islamist movements at the grassroots level in the less politicized fields of civic education, women's empowerment, and local capacity building; and third, by sponsoring training and awareness programs for members of political parties in countries such as Morocco and Jordan, where moderate Islamists have organized legal political parties and enjoy a degree of legislative representation in national or local councils.

Directly Assist Democrats. Too much of American democracy assistance programs consist of technical assistance, which usually means that the majority of funds appropriated are spent on salaries, travel, and local living expenses for American expats. While this form of aid is important, especially during a transitional moment, the balance needs to be shifted towards direct grants to local non-governmental actors. Providing venture capital and subsidies to support new private media enterprises should be given particular attention.

Disseminate Knowledge about Democracy and Comparative Experiences with Democracy. The United States has many mechanisms to disseminate knowledge about democracy, including embassies, non-governmental organizations, radios and satellite television stations, and university scholarships and international exchanges. The entire effort, however, is still woefully inadequate. As is on display in Afghanistan and Iraq, post-conflict societies are especially weak in knowledge of the institutional options for structuring democracy to manage ethnic and other group conflict, to protect individual and group rights, and to generate incentives for moderation in political behavior.

***Know thy Enemy, Know thy Friend*.** As a country, we still know very little about the greater Middle East. As in the Cold War, the war against Islamic extremism will not be won in months or years but in decades. And as in the Cold War, the non-military components of the war will play a crucial role. To fight the decades-long battle against communism, the United States invested billions in education and intelligence. The U.S. government sponsored centers of Soviet studies, provided foreign-language scholarships in Russian and Eastern European languages, and offered dual-competency grants to get graduate students to acquire expertise both in security issues and in Russian culture. We need a similar effort today to help us better understand our friends and foes in the wider Middle East. While some scholars today do study Islam and the languages and countries of the people who profess it, we suffer from severe shortages of NSA linguists, academic scholars, and senior policymakers trained in the languages, cultures, politics and economics of the wider Middle East. Universities, with government support, should encourage the study of Islam from within the various social sciences and humanities, the better to promote truly interdisciplinary conversation. Universities need to make a priority of the teaching of Arabic, Persian and Turkish, and it should be done not by part- time

adjunct faculty but by tenured professors. Better knowledge of the local context in its historical, cultural, political, and sociological dimensions is especially critical for assisting democratic development in post-conflict situations, since conditions are so unfavorable to the development of democracy, and therefore often require not just democratic assistance but a much more massive and wide-ranging set of international commitments.

Institutionalize Greater Capacity for Effective Democracy Promotion in Post-Conflict Reconstruction. Our governmental capacity to help build new democratic states must be significantly strengthened. Therefore, in the United States, President Bush or his Democratic successor should create a Department of Democracy Promotion headed by a Cabinet-level official. The State Department's mission is diplomacy between states, not the creation of new democratic states. The Pentagon's mission should remain defense; its formidable capacities for regime construction should be moved into this new department, which would also appropriate resources from the Agency for International Development (particularly the Office of Transitional Initiatives), the State Department, Treasury, Commerce, Justice and Energy. This new department must be endowed with prestige, talented people, and above all else resources. Our capacity to help build new states must be as great as our capacity to destroy them. (It is telling that the top position at AID is called "administrator," hardly the equivalent of a secretary of defense.)

Democracy Response Accounts. The first months and years following a democratic breakthrough are critical for changing the political rules of the game that have historically favored a privileged few. However, it typically takes donors considerable time to adjust to the new circumstances. As a result, the international community is not as influential in setting a democratic trajectory in the early stages of a transition as it could be. Accordingly, the United States, other bilateral donors, and the IFIs should create contingency democracy response accounts (along the lines of disaster assistance contingencies) that give them the option of quickly supporting priority political reform or development initiatives following a democratic breakthrough.

Assess Past Democratic Assistance Efforts and Learn. Despite the growing articulation of the goal of democracy promotion as an American foreign policy interest, there has been remarkably little systematic analysis or comprehensive assessment of how U.S. foreign policy, including democracy assistance programs, has helped advance the development of democracy worldwide. A major study of democracy promotion policies and programs conducted by an independent group of policymakers and academics must be commissioned to evaluate previous efforts, gather lessons learned, and then suggest how current programs could be improved.

Working Group on Democracy:

Paper Abstracts

Promoting Democracy in Failed and Post-Conflict States: Lessons and Challenges by Larry Diamond, Senior Fellow, Hoover Institution, Stanford University

The paper provides an outline of the main challenges for democracy building in post-conflict states. The author emphasizes that there are unique tensions, resulting from the complexity of the task. The main challenges include resolving the dilemma between order and democracy (there can be no democracy without some degree of order), the dilemma of having to transfer power to a non-elected authority before fully legitimate democratic institutions can be established, and the imperative of disarming combatants (even if this creates additional disorder and instability in the short-term).

While it is hard to generalize from past precedent, the paper distills a number of ideas which should be acknowledged in future efforts. The first is to adapt to the historical, cultural, political and sociological context of a particular country. Other key elements of successful democracy building efforts in post-conflict situations are the provision of sufficient military and financial resources and their wide distribution among all parts of the population; to establish international and national legitimacy for the post-conflict intervention; and the imperative of building democracy from the bottom up (that is, holding local elections first, promoting grassroots knowledge of democracy and its institutions, etc.).

Talking Sense: Guidelines for International Democracy Promotion by Ted Piccone, Executive Director, Democracy Coalition Project

The paper provides an outline of some of the basic assumptions and guidelines for democracy promotion. The author states that while there is now a general consensus on what democracy entails, the form it takes depends on the cultural context. Indeed, that democracies differ needs to be understood by everyone involved in its promotion. Furthermore, it is emphasized that democracy is a home-grown affair, but that the international community can make a difference by supporting indigenous efforts. While there will be setbacks, spreading democracy is not only good for the countries involved, but it is also in the self-interest of the United States. The author warns that the process of spreading democracy can be difficult, and that sponsors must make sure their means are compatible with the ends they seek and that they lead by example. When involved in democracy promotion, advocates have to ensure that new institutions are founded on a sound and sustainable process, even at the expense of prolonging one's commitment. The author also emphasizes the importance of teaming up with partners, especially in the case of the United States, where doing so brings additional legitimacy and may contribute valuable local experiences. Equally important is the need to provide economic incentives and rewards for concrete steps toward democracy, rather than punitive sanctions.

Spreading Democracy and Development by Joseph Siegle, Senior Research Scholar, School of Public Policy, University of Maryland

The paper addresses the often-alleged tension between democracy and development. Based on extensive empirical evidence, the author shows that democratization is not an impediment to economic development, on the contrary. Still, there are a number of critical challenges regarding democratization in developing countries that need to be

addressed. In the case of 'struggling democracies', instability is caused by corruption, unfair trade, the radicalization of non-Arab Muslims, and the absence of any tangible economic incentives to continue on the path of reform. 'Autocratic hold-outs', on the other hand, are capable of hanging on to power because they can rely on natural resource revenue and because they have become very skilled at defending the 'authoritarian space'. The paper provides an extensive list of ideas for strengthening democracy movements across the developing world, especially in the area of institution-building (creating a 'democracy dividend', for example), helping independent media to survive and prosper, remedying the natural resource curse through more transparent processes, and fighting corruption (for example, by insisting on the independence of financial institutions).

Promoting Democracy in Post-Conflict and Failed States: Lessons and Challenges

By Larry Diamond
Senior Fellow, Hoover Institution

Introduction

As we move into the fourth decade since great wave of global democratic expansion began in 1974, the task of promoting democracy faces a deepening set of challenges and contradictions. These revolve around two inter-related facts. First, as the number of democracies has increased—from about 40 in 1974 to around 120 today (slightly over 60 percent of all independent states)—the task of promoting democratic transitions and consolidation has become more difficult, because the countries with the economic, social, historical and geographic conditions most conducive to democracy have already installed (and in many cases, largely consolidated) democracy. Second, and related to this, many of the tough cases that remain are so not simply because they lack the classic facilitating conditions for democracy—more developed levels of per capita income, civil society, independent mass media, political parties, mass democratic attitudes and values, and so on—but because they lack as well the more basic conditions of a viable political order. Before a country can have a democratic state, it must first have a state—a set of political institutions that exercise authority over a territory, make and execute policies, extract and distribute revenue, produce public goods, and maintain order by wielding an effective monopoly over the means of violence. As Samuel Huntington observed in the opening sentence of his classic, *Political Order in Changing Societies*, "The most important political distinction among countries concerns not their form of government but their degree of government."[164] While this sentence (and really, the book itself) does not do justice to the importance of freedom and democracy for good governance, it does orient us to the fundamental importance of a coherent, capable state. It is an insight that has been coming back vigorously into the literatures on both democracy building and state building in recent years.[165] The daunting reality of the contemporary world is that many of the remaining autocracies and semi-authoritarian states of the world lack this most basic foundation for building democracy. In these countries, the state has either collapsed in civil or international war, or it is weak, fragile, and at risk of collapse.

Weak and failed states pose distinctive problems for democracy promotion. In these states, the challenge is not only (or in some cases, even at all) to pressure authoritarian state leaders to surrender power but rather to figure out how to regenerate legitimate power in the first place. The imperative is not only to empower citizens and their independent organizations but to endow state institutions as well with resources, training, organization, and a sense of a common mission.

Within this broad context, there are three distinct types of cases. First are the post-conflict states that are emerging (or trying to emerge) from a period of external, or more commonly civil, war. Many of these countries have been in Africa—South Africa, Mozambique, Sierra Leone, Somalia. Some have been in Latin America (Nicaragua, El Salvador, indeed much of Central America), in Asia (e.g. Cambodia and one hopes now Sri Lanka), and in the Middle East (Lebanon, Algeria, and now Iraq). Second are the countries that are in the midst of civil war or ongoing violent conflict, where central state authority has largely collapsed, as in the Democratic Republic of the Congo. And third are the states that, while not yet gripped with large-scale internal violence, are at severe risk of it, because of weak or weakening state authority and capacity, high levels of

[164] Samuel P. Huntington, *Political Order in Changing Societies* (New Haven: Yale University Press, 1968): 1.
[165] See for example Juan J. Linz and Alfred Stepan, *Problems of Democratic Transition and Consolidation* (Baltimore: Johns Hopkins University Press, 1996), and Francis Fukuyama, *State Building: Governance and World Order in the 21st Century* (Ithaca, NY: Cornell University Press, 2004).

crime and privatized violence, and increasing polarization of domestic politics (for example, Nigeria).

Each of these three types of cases requires specific kinds of strategies for democracy promotion. Obviously, the first imperative for states suffering civil war is to end it, and here international mediation, intervention, and peace implementation (as well as the more conventional forms of peace keeping) have a vital role to play. There is a large and distinct literature on this set of challenges, and I will only address it as it bears on the challenge of democracy promotion in these settings.[166] In addition to all the usual types of efforts to build democratic civil societies, public values, political parties, and governmental institutions, states that are weak, feckless, and failing states require focused efforts to get at the sources of state failure, which frequently have to do with ethnic domination and injustice and endemic political corruption. Obviously, state institutions in this class of cases need to be strengthened in their skill and resource levels across the board, but this is generally not possible unless a new structure of incentives is institutionalized to foster commitment to the state and the country—the public interest—rather than to the advancement of individuals and their families, patronage networks, parties, and tribes. This is one of the most pervasive challenges of economic and political development assistance, and as I have also addressed this extensively elsewhere,[167] I will only touch on it briefly as it bears on the class of post-conflict states, which will be the subject of the rest of this essay.

The Distinctive Features of Post-Conflict States

Democracy promotion in post-conflict states begins with the problem of order. By definition, there has been violent conflict. In some instances (such as El Salvador, Nicaragua, Rhodesia/Zimbabwe, South Africa, Cambodia, and Liberia), a peace agreement (often internationally mediated) may restore the authority of the state over its territory and implement peaceful means for sharing power or regulating the competition for power. One of the distinctive features of post-conflict state building in the past two decades has been the increasing reliance on formal democratic mechanisms, particularly elections, to determine who will rule after violent conflict. In other instances, either the pre-existing state has completely collapsed, so that there is no over-arching indigenous political authority left, or the authority of the state has shrunk back to only a portion of the territory over which it exercises international legal sovereignty. A vacuum of power is always filled, one way or another.

[166] Perhaps the definitive work to date on this subject is Stephen John Stedman, Donald Rothchild, and Elizabeth M. Cousens, eds., *Ending Civil Wars: The Implementation of Peace Agreements* (Boulder, CO: Lynne Rienner, 2002).
[167] *Foreign Aid in the National Interest: Promoting Freedom, Security, and Opportunity* (Washington, DC, 2002): chapter 1 (available at www.usaid.gov/fani/); Larry Diamond, "Promoting Real Reform in Africa," in E. Gyimah-Boadi, ed., *Democratic Reform in Africa: The Quality of Progress* (Boulder, CO: Lynne Rienner, 2004): 263-292; and Larry Diamond, "Building a System of Comprehensive Accountability to Control Corruption," in and Adigun Agbaje, Larry Diamond, and Ebere Onwudiwe, *Nigeria's Struggle for Democracy and Good Governance: A Festschrift for Oyeleye Oyediran* (Ibadan, Nigeria: University of Ibadan Press, 2004): 221-242. See also Larry Diamond, "Democracy, Development and Good Governance: The Inseparable Links," First Annual Democracy and Governance Lecture, Center for Democratic Development, Accra, Ghana, March 1, 2005, at http://www.stanford.edu/~ldiamond.

In the absence of an effective state, there are basically three possibilities. If there has been a civil war and a rebel force has ultimately triumphed, then the vacuum may be filled (gradually or even very rapidly) by the rebellious army and political movement as it establishes control over the state. However, this is highly unlikely to lead to democracy, as the triumph of violent insurgencies usually leads to the replacement of one form of autocracy with another (the American revolution being a striking exception). Second, there may simply be a patchwork of warlords and armies, with either no real central state (as in Somalia) or only a very weak one, as in Afghanistan. In this situation, the conflict does not really end, but may wax and wane in decentralized fashion, as in Afghanistan today. The third possibility is that an international actor or coalition of actors steps in to constitute temporary authority politically and militarily. This may be an individual country, a coalition, an individual country under the thin veneer of a coalition (essentially the case in Iraq with US administration after the fall of Saddam Hussein in 2003), or the United Nations acting through the formal architecture of a UN post-conflict mission, as in the UN Transitional Administration in East Timor (UNTAET) from 1999-2002.

Whatever the specific form of the post-conflict effort to build democracy, one thing must be stressed above all others: no order, no democracy. Democracy cannot be viable (and neither can it really be meaningful) in a context where violence or the threat of violence is pervasive and suffuses the political calculations and fears of groups and individuals. Thus, the promotion of democracy in post-conflict situations cannot succeed without the rebuilding of order in these contexts, and I therefore argue heavily in this paper that the tasks of democracy building and of peace implementation are inseparable. It is possible to implement peace without democracy, but it is not possible to build democracy without peace (and in fact, peace will be better and deeper with democracy). More generally, we can specify six distinct challenges of political reconstruction in a post-conflict setting:

1) Rebuilding the capacity of the shattered state, including its means of providing order and security (the army, police, and intelligence);

2) Controlling and demobilizing alternative sources of violence in the hands of non-state actors, such as religious and party militias, warlords, and other private armies;

3) Reducing the structural incentives to violence, through the design of political institutions that give a real stake in the system to each group that is willing to play by the rules of the democratic game;

4) Developing the political and social institutions of democracy, in the state and civil society;

5) Administering the post-conflict nation until...

6) The design and implementation of a plan for transition to a self-sustaining and democratic new political order.

These six tasks, which overlap in their temporal sequencing and often become highly compressed in time, encompass a number of contradictions, and it is in part the failure to acknowledge and somehow mitigate these tensions that accounts for the failure to build a sustainable democracy in these circumstances.

First is the tension between order and freedom. The post-conflict state needs an authoritative and capable public security establishment. But building up the police (and probably some kind of conventional armed forces) is in tension with the goal of empowering and privileging civilian political actors. The new state must have an internal monopoly on the means of violence, but this must be constructed carefully, with mechanisms and norms of civilian supremacy, so as not to create a new, anti-democratic military Frankenstein. It takes time to build the norms of deference to civilian control and respect for human rights and the rule of law, yet time is precisely what the reviving state does not have a great deal of. Moreover, the new security apparatus may face terrorists, warlords, and other violent spoilers whose brutal threats to the incipient new order can be easily seen to justify abridgements of due process and other restraints.

A second tension pits the imperatives of post-conflict democracy building against post-conflict administration and stabilization. The goal may be to establish democracy, but in a post-conflict setting it may be some time before free, fair, and meaningful elections can be organized. Thus, for some interim period, an unelected authority has to administer the country. Who? The best solution is a transitional government in which the former combatants share power by some agreed-upon formula until democratic elections can be organized (the South African model). However, it is difficult to broker such agreements in the midst of violent conflict or state collapse. A frequent model has been international intervention of both a military and political nature, with the international authority providing both a stabilization force to secure the country and a transitional authority to rule the country, or at least help referee the political situation, until a new constitution can be written elections can be held for a new permanent government. Herein emerges the dilemma. A nondemocratic (often in many respects quasi-colonial) power is asked to establish a democratic form of government.

The dilemma may be reduced when the international transitional authority "has been empowered primarily to hold an election and then withdraw" according to a defined and fairly imminent timetable (as with the eighteen-month UN Transitional Authority in Cambodia, UNTAC).[168] It becomes more serious when the international authority is tasked with both administering the country and preparing it for sovereign democracy, with no specific end date, as was initially the case in Iraq and has been the case for quite some years now in Bosnia and Kosovo. The scale of operation and formal scope of authority also matter a great deal. In East Timor, the authority and resources of the UN gave it effective governing authority over the territory for more than two years, while the UN mission in Afghanistan operated with a much lighter footprint, involving only "a fraction of UNTAET's staff and budget ... in a country perhaps forty times the size and thirty times the population of East Timor."[169] The heavy footprint worked in East Timor, but those conditions (a situation of decolonization; support and acceptance from the local population; international consensus; and therefore broad domestic and international legitimacy) are likely to prove rather unique in the contemporary era. Gerald Knaus and Marcus Cox argue that the European Union's mission in Bosnia and the UN Interim Administration Mission in Kosovo (UNMIK) have failed to build democracy in these two territories because they have ruled them as protectorates through a model of "authoritarian state-building." While this has achieved some degree of stabilization, it has not cultivated the tools, incentives, and culture of democratic self-governance but instead has run roughshod over local resistance. By contrast, in dealing with candidate member states the EU has worked with local institutions, "giving them the capacity and the incentive to become active forces for development."[170]

Knaus and Cox offer a compelling critique of the Bosnia and Kosovo interventions. But these territories are certainly not Poland and Hungary, nor even Bulgaria and Romania. The problem is that the more a post-conflict situation is dominated by undemocratic leaders, parties, and movements, and by overriding ethnic or political divisions between them, the more a "light footprint" by the international community may leave only a light impact at best. A transitional administration must be strong enough to control, contain, and face down undemocratic elements, especially if they are armed and violent, and yet "light" enough to allow—and indeed cultivate—the emergence of local initiative and control, the development of democratic self-governance. This may not be an impossible combination, but in the worst post-conflict situations, it is a formidably difficult one.

[168] Simon Chesterman, *You, the People: The United Nations, Transitional Administration, and State-Building* (Oxford: Oxford University Press, 2004): 72-3.

[169] Chesterman, p. 97.

[170] Gerald Knaus and Marcus Cox, "Building Democracy after Conflict: The 'Helsinki Moment' in Southeastern Europe," *Journal of Democracy* 16, no 1 (January 2005): 49.

Related to this is the third dilemma, involving time again. If the mission, or at least one important objective, of transitional administration is to promote democracy, then this requires the holding of free and fair elections. But if elections are to be truly free and fair (and democratically meaningful), there must be time to prepare them properly: time to construct electoral administration and disperse its offices and resources throughout the country; time to devise an electoral system that can provide the right kinds of incentives to restrain and transcend conflict; time to provide conditions of reasonable physical security for campaigns and voters; time to register and educate voters, organize election monitoring, train political parties and candidates, and enable them to build their organizations and mobilize support. Again, during this time, some non-elected authority has to rule. If that authority is international, the longer it rules, the more it risks a legitimacy crisis with the public it is trying to prepare for democracy, while falling into the model of "authoritarian state-building." If that authority is domestic, a protracted period of interim rule may enable the unelected political forces to entrench themselves in power, generating a severely "unlevel" playing field for the elections when they do come.

Ill-timed and ill-prepared elections do not produce democracy, or even political stability, after conflict. Instead, they may only enhance the power of actors who mobilize coercion, fear, and prejudice, thereby reviving autocracy and even precipitating large-scale violent strife. In Angola in 1992, in Bosnia in 1996, and in Liberia in 1997, rushed elections set back the prospects for democracy and, in Angola and Liberia, paved the way for renewed civil war.[171] There are compelling reasons, based on logic and recent historical experience, for deferring national elections until militias have been demobilized, new moderate parties trained and assisted, electoral infrastructure created, and democratic media and ideas generated.

In a context of shattered political order, truly free and fair elections take a long time to prepare, for they require not only a neutral and skillful administrative infrastructure but also an informed citizenry, organized parties, and a political climate largely free of coercion and violence. In theory, that would be a five- or even ten-year project in many post-conflict settings, especially where the state has collapsed or there is no previous history of democratic elections. It would have been better in the abstract for post-war Iraq if national elections could have been deferred for at least five to seven years. But the reality was that there was no way of constituting legitimate authority for very long in the interim, particularly with the country's most important spiritual leader demanding elections for a national parliament as soon as possible. This means reaching for a difficult balance in timing (see below).

[171] Stephen John Stedman, Donald Rothchild, and Elizabeth M. Cousens, eds., *Ending Civil Wars: The Implementation of Peace Agreements* (Boulder, Colo.: Lynne Rienner Publishers, 2002). See in particular in this collection Terrence Lyons, "The Role of Postsettlement Elections," 215–236.

The fourth contradiction emerges out of two competing visions of post-conflict stabilization, one deeper, longer-term and more costly, the other easier to secure but far more vulnerable to failure. There is a temptation in a country that has been torn by war to reach for a false sense of peace because it is quicker and easier to obtain, to let different armed groups keep their arms and armies in exchange for thin promises of fealty to the new democratic order. Implementing a more thoroughgoing stabilization—in which alternative sources of violence outside the state are systematically demobilized—is time-consuming, financially expensive, and potentially costly in lives as well. Indeed, it is one of the ironies of a post-conflict situation that the new authority may have to wage new conflict in order to create the conditions for a more organic and sustainable peace. Such a genuine and democratic peace often requires a comprehensive "DDR" plan for the disarmament, demobilization, and reintegration (into society, and selectively into the new police and army) of various non-state armed forces. DDR plans require a lot of money and sufficient military power to forcibly disarm those groups that will not voluntarily sign up, and to ensure the compliance of those groups that have made commitments to demobilize and disarm. If stability in the transitional period is secured with international troops, they usually are not large enough in number and robust enough in their rules of engagement to take on this task.

Like other dimensions of post-conflict democracy promotion, there is no one standard model or formula for the control of violence. Social, cultural (and political) realities may require a concession that allows the citizens to keep small arms, but Joanna Spear argues that there is a common imperative to demobilize (disband) large-scale military or paramilitary formations outside the state, and this requires considerable political will and skill, knowledge of the specific environment, and often financial and military resources.[172] Another irony is that if international military force must be mobilized to demobilize private militias and violent challengers to the new democratic order, these foreign troops may also become part of the problem, in that their presence can provoke resistance, particularly if they kill local combatants, and more especially if they become undisciplined and themselves violate individual rights and the laws of war. This has become a big part of the problem in Iraq, where American troops have been both a bulwark of security and a lightning rod for nationalist resistance and insecurity, but it has also been evident in some African cases as well.

To summarize, in a way: When we mention the term democracy promotion or democracy building, we tend to think of a fairly conventional set of tasks—helping to develop political parties, civil society organizations, representative and legal institutions, and so on. All of these are important. Indeed, all of the things that need to be done to promote and develop

[172] Joanna Spear, "Disarmament and Demobilization," in Stedman, 141-182.

democracy in a historically authoritarian setting need to be done in a post-authoritarian, post-conflict setting. But post-conflict settings are distinctive in terms of the roles of violence, order, and stateness. If these challenges are not met, all the others will fail. This was a problem that the American occupation of Iraq never adequately grasped. Consequently, the ambitious conceptual plans for political, civic, and economic reconstruction could never really be implemented because of the widespread violence. To a lesser degree, Afghanistan faces the same problem today.

Some (Tentative) General Lessons and Guidelines

Post-conflict situations vary considerably in their dynamics and distributions of power, and in the hierarchy of challenges they face. Probably the single greatest lesson to be learned from previous efforts at stabilization and democratization of conflict-ridden states is that there is no one lesson or model. Just as generals always fight the last war, so do nation-builders always apply the model of the last post-conflict mission, or of some earlier historical model that may be quite limited in its fit. Thus did the late UN administrator, Sergio Vieira de Mello, bring to the new UN mission in East Timor the same basic model he had used in Kosovo—only to find that it did not fit.[173] The American occupation of Iraq, under the sweeping authority of the Coalition Provisional Authority, seems to have been inspired to some extent by MacArthur's postwar administration of Japan, despite the profound differences in the political, sociological, geopolitical, and historical conditions of those two occupations. Understanding the context is crucial.

Still, there are some lessons that from recent post-conflict democracy-building and stabilization experiences that appear to be generally relevant. I begin by formalizing the first imperative just mentioned.

1. ***Understand the local context in its historical, cultural, political, and sociological dimensions.*** While this is generally important for assisting democratic development in *any* context, it is especially vital in the wake of violent conflict or state failure, because state collapse generates conditions that are so unfavorable to the development of democracy, and that often require not just democratic assistance but a much more massive and wide-ranging set of international commitments (see below). Thus, in post-conflict settings, the scope of international intervention is likely to be far greater (if there is to be any chance for democratic success), and the margin for error is at the same time much less. Inadequate understanding of the local context—including such vital issues as political leaders and alliances, historical trends and grievances, religious, ethnic and sub-ethnic divisions, the sources of legal and illicit revenue, and the structure and loyalties of private militias—can be crippling. The problem is made worse by the fact that many of the countries whose states are emerging out of conflict or collapse are poorly understood in the West or by actors in the international community. They may be small and historically lacking in strategic importance, like Sierra Leone or Liberia, and so not the subject of much good intelligence or even academic

[173] Chesterman, *You the People,* 63.

insight. War, and before it a long period of brutal misrule or social disintegration, may have made the country difficult to study, or may have radically altered many of the structural parameters (political leadership, ethnic divisions and alliances) which had previously been understood by academic, diplomatic, and intelligence experts.

Thus, a serious effort to promote democracy in a post-conflict state must begin early on with a fairly intensive and comprehensive mobilization and integration of existing country knowledge from all sources, private and public, governmental and non-governmental, academic and operational. Next, any international mission should be advised on the ground, on an ongoing basis, by some number of leading experts on the country, not just political scientists but ideally historians and anthropologists as well (economists would also be helpful, but they tend not to focus on specific countries, and especially not on poor, marginal ones in danger of state collapse). These experts should be drawn from across the available resources in the international community, not just from one country. The failure of the United States to mobilize and more fully utilize expert knowledge of Iraq from the beginning was an important contributing factor to the bumbling, ineffectual character of its occupation.

2. ***Mobilize and commit adequate military and financial resources.*** This is probably the most difficult lesson to apply, because all resources are scarce, and it is very difficult to get the primary national and multilateral actors in the international community to commit the military force necessary to truly stabilize a country where the state, and with it civil order, has broken down over an extended period of time. For one thing, it is financially costly. For another, it is risky, in that countries contributing forces may suffer casualties, and their leaders may then pay a high political price. Finally, deployable military force is a far more finite resource than money alone. The recent Report of the UN Secretary-General's High-level Panel on Threats, Challenges and Change noted that with 60,000 UN peacekeepers deployed in 16 missions around the world by the end of 2004, and more likely to be committed soon to other war-torn African states, the world is running out of available forces for peacekeeping and peace enforcement. (The panel did not mention the military engagement of the American-led coalition in Iraq, since it is not a UN mission, but even 150,000 troops have not been able to stabilize that country over more than two years, and it is clear that the United States, with the best military in the world, is already feeling the strain on its own sustainable military capacities). As the UN panel's report makes clear, significantly more international peacekeeping/enforcement forces must be made available, along with "sufficient transport and logistic capabilities to move and supply those who are available.... The developed states have particular responsibilities here, and should do more to transform their existing force capacities into suitable contingents for peace operations." Currently, the armed forces of many of these countries have outmoded, cold war-era structures, "with less than 10 percent of soldiers in uniform available for active deployment at any given time."[174]

[174] *A More Secure World: Our Shared Responsibility*. Report of the High-level Panel on Threats, Challenges, and Change (New York: United Nations, 2004), p. 69, paragraph 216.

Sometimes, it takes a lot of troops to create the enabling environment for democracy building and national reconstruction, because the situation confronting international actors is not truly one of "post-conflict." War in its conventional form may have ended, but order has been shattered, violence continues, and armed groups stand ready to use violence and intimidation to enhance their political position or to undermine the implementation of any peace agreement that does not meet all of their key demands (the latter marking them as "spoilers.")[175] One of the two greatest obstacles to the democratization of post-war Iraq has been the lack of adequate force for stabilization of the country after the end of formal hostilities (with the collapse of Saddam Hussein's Baathist regime). As I and others have argued repeatedly, this was not due to lack of advance warning of what could be expected during the "post-war" period, but rather to a stubborn, blinding refusal on the part of Secretary of Defense Donald Rumsfeld and other key Pentagon and Administration officials, including President Bush himself, to heed the experts on post-conflict stabilization and on Iraq (including the senior command of the United States Army, which sought an invasion and stabilization force of several hundred thousand troops, or at least twice as large as what was utilized).[176]

The Army's initial request for troops in Iraq was much more in line with the ratio of foreign troops to domestic population in the international interventions in Bosnia and Kosovo, which if replicated in Iraq would have meant an initial international force of 460,000 to 500,000 troops.[177] Pentagon planners probably worried about the capacity of the United States to mobilize such a large force, and about the resulting casualties. But the RAND study, led by James Dobbins—who had served in the previous decade as U.S. special envoy for the post-conflict missions in Bosnia, Kosovo, Haiti, Somalia, and Afghanistan—concluded: "There appears to be an inverse correlation between the size of the stabilization force and the level of risk. The higher the proportion of stabilizing troops, the lower the number of casualties suffered and inflicted."[178]

Being able to mobilize adequate resources for post-conflict stabilization and (democratic) reconstruction requires three further imperatives. First, the actors who would intervene must assess the difficulty of the mission and the

[175] Stephen John Stedman, "Introduction," in Stephen John Stedman, Donald Rothchild, and Elizabeth M. Cousens, eds., *Ending Civil Wars: The Implementation of Peace Agreements* (Boulder, CO: Lynne Rienner, 2002), pp. 9, 11-14. Stedman reserves the term "spoiler" for leaders and factions who use violence to undermine a signed peace agreement, but I believe the term can usefully be applied as well to any post-conflict situation where there is broad domestic participation in the effort to stabilize and rebuild the country but some armed groups use violence to undermine the process for strategic gain. In either case, a judgment must be made (following Stedman's model) as to whether the violent actor in question is a "total spoiler" who "sees power as indivisible" and seeks to conquer it all, or merely a tactical, "greedy" spoiler who utilizes violence to obtain more power and resources (pp. 12-13). The effort to stabilize Iraq has been bloodily undermined by both total and tactical spoiler forces, and one of the great political failings of the United States has been its inability to separate the latter from the former and draw them into the political process with a judicious mix of assurances and inducements.

[176] Larry Diamond, *Squandered Victory: The American Occupation and the Bungled Effort to Bring Democracy to Iraq* (New York: Times Books, 2005): chapter 10.

[177] James Dobbins et al., *America's Role in Nation-Building: From Germany to Iraq* (Santa Monica, Calif.: RAND, 2003): 198.

[178] James Dobbins et al., *America's Role in Nation-Building*, 165–166.

prospects for success. Stephen Stedman and his colleagues in the most systematic and comprehensive study to date of peace implementation efforts find three factors in particular that are "most commonly associated with a difficult environment." These are first, the likelihood of spoilers, especially total spoilers; second, neighboring states hostile to the peace agreement (or the new, democratic post-conflict political order); and third, "spoils—valuable, easily tradable commodities."[179] The difficulty of peace implementation also increases with the number of warring parties, the absence of a (non-coerced) peace agreement before intervention, a collapsed state, the number of combatants in the conflict, and demands for secession.[180]

Iraq in this regard was completely off the charts in terms of difficulty—virtually all of the eight unfavorable conditions specified by Downs and Stedman were strongly present. Analysts warned that a violent insurgency (consisting of dedicated spoilers) would emerge in the postwar situation, especially if there was a prolonged occupation. It was clear that neighboring states, particularly Syria and Iran, would be hostile to the construction of democracy and would try to sabotage it—as indeed they have tried. The insurgency has consisted of a number of different elements with different interests, and there are various other armed militias in the mix as well. Oil looms large, the state has collapsed, there is no peace agreement, there are a fair number of armed combatants (though not in terms of formal armies), and there is powerful Kurdish sentiment for secession (along with periodic threats from Kurdish elites).

The more difficult the (post)conflict situation, the more peace implementation requires for success an accurate estimate of the difficulties involved and the resources—and sacrifices—that will be required, as well as a powerful state willing to bear at least a considerable share of those risks and costs.[181] Facing down spoilers and stabilizing a war-torn country where peace must really be imposed, not simply kept, requires the commitment of a major international or at least regional power, which views stabilization in its own vital strategic interests. This means not just an international organization (like the UN) or loose international coalition, but at least one powerful state. After surveying the bloodied landscape of peace implementation, Stedman found: "All too often in the 1990s international and regional organizations were sent to implement peace agreements in extremely challenging environments where no major state possessed a security interest. When implementers were challenged, the missions failed, usually with catastrophic consequences."[182]

The lessons learned from failed peace implementation efforts are sobering. If the international actors that are intervening to implement

[179] Stedman, "Introduction," p. 3. See also George Downs and Stephen Stedman, "Evaluation Issues in Peace Implementation," in Stedman et al., *Ending Civil Wars,* 43-69. With regard to commodities, diamonds and timber are much more easily tradable than oil, but oil provides a huge incentive for a potential spoiler group to seek substantial or total control over the area producing it, especially if the oil lies in their traditional area of ethnic and political dominance. In general, the more rents that flow to the new state from tradable commodities or even huge foreign aid flows, the greater the stakes in controlling the state.

[180] Downs and Stedman, 55-57.

[181] Ibid.

[182] Stedman, "Introduction," 3.

peace—and democracy can only be meaningful and viable in a context of peace—do not judge the difficulty wisely, and are not willing to commit adequate resources, they will likely fail. And since failure entails a tragic loss of lives and resources, and can discourage future interventions (even ones that are more likely to succeed), it is better not to intervene than to do so with a level of resources and commitment that makes failure quite likely. This generates a third lesson, about the international circumstances that will more likely call forth the necessary resources.

3. ***Establish international legitimacy and active support for the post-conflict intervention.*** Such an intervention will more likely raise and sustain the necessary resources and commitment if there is a shared sense of importance and commitment in the international community, ideally formalized by United Nations Security Council mandate. As the difficulty of the challenge rises, the need for a powerful state to take a vital interest in the mission increases, but that alone will probably not be enough to generate success unless there is significant international participation. This is not only because of the need to distribute and share the burdens, but also because of the imperatives of legitimacy internally in the country, which require that the intervention not be seen as (and truly, not be) the imperial action of another powerful state.

4. ***Generate legitimacy and trust within the post-conflict country.*** No international reconstruction effort can succeed without some degree of acceptance and cooperation—and eventually support and positive engagement—from the people of the failed state. If the local population has no trust in the initial international administration and its intentions, the intervention can become the target of popular wrath, and will then need to spend most of its military (and administrative) energies defending *itself* rather than rebuilding the country and its political and social order.

In the final page of an impressively wise and learned book on post-conflict state building, Simon Chesterman writes: "Modern trusteeships demand, above all, trust on the part of local actors. Earning and keeping that trust requires a level of understanding, sensitivity, and respect for local traditions and political aspirations that has often been lacking in international administration."[183] Unfortunately, the occupation of Iraq lacked these qualities, and the Iraqi people knew it.

Chesterman advises that when the United Nations and other international actors come "to exercise state-like functions, they must not lose sight of their limited mandate to hold that sovereign power in trust for the population that will ultimately claim it."[184] This requires a balancing of international trusteeship or imperial functions with a distinctly non-imperial attitude and a clear and early specification of an acceptable timetable for the restoration of full sovereignty. The humiliating features of an extended, all-out occupation should be avoided as much as possible. In fact, whenever possible, the better course will be to avoid international occupation altogether and organize a broad-based national conference to choose an interim government.

[183] Simon Chesterman, *You the People,* 257.
[184] Simon Chesterman, *You the People,* 257.

Some theorists and practitioners have been searching for a formula for international intervention to democratize failed states that stops short of full-scale imperial rule (whether by one nation or many). One possible approach is through some form of "shared sovereignty."[185] However, these formulas are viable precisely because they build not only on the de jure sovereignty of a state, but also on that state's retention of de facto sovereignty over most conventional aspects of policy. Such formal abridgements of sovereignty are likely to be more palatable if they are negotiated with international institutions or multilateral actors rather than a single powerful state.

Shared sovereignty is for the longer run, when failed states have begun to revive. In the nearer term, only international military intervention in some form can fill the vacuum left behind when a state has collapsed and a country is in or at the edge of or just emerging from chaos and civil war. Force must be used, or at least effectively deployed and exhibited, to restore order. Military occupation does not legitimate itself, however, but needs to be paired with a clear indication, from the very beginning, "as to how a temporary military occupation is to begin the process of transferring political control to local hands."[186] Such a framework should limit the political occupation not only in time, but in scope as well, allowing for the occupier, or the peace implementation force, to be held accountable. Such mechanisms of accountability can "encourage the emergence of an indigenous human rights and rule of law culture as well as improve the day-to-day governance of the territory," while also stemming the accumulation of local resentment and frustration.[187] (Two huge mistakes of the American occupation of Iraq were establishing an indefinite occupation with no clear timetable initially for the return of sovereignty, and not allowing any means by which the occupying authorities could be questioned, scrutinized, and themselves held accountable).

5. ***Hold local elections first.*** International interventions that seek to construct democracy after conflict must balance the tension between domination for the sake of implanting democracy and withdrawal in the name of democracy: The two competing temptations are 1) to transform the country's institutions and values through an extended and penetrating occupation (*à la* British colonial rule); and 2) to hold elections and get out as soon as possible. A key question is always how long international rule can be viable. In the case of Iraq, the answer—readily apparent from history and from the profound and widespread suspicion among Iraqis of U.S. motives—was "not long." The failure to establish early on a date for national elections to choose a constitutional assembly became a major bone of contention between the U.S.-led occupation and the most revered religious and moral leader in Iraq, Ayatollah Sistani.

   The pressure for rapid national elections might have been contained better if the United States had not constructed a full-blown occupation, but rather transferred power back to Iraqis quickly through a broad-based national conference with UN assistance, and if the international authorities in

[185] Stephen Krasner, "Building Democracy after Conflict: The Case for Shared Sovereignty," *Journal of Democracy* 16, no 1 (January 2005): 69-83.
[186] Simon Chesterman, *You the People,* 153.
[187] Simon Chesterman, *You the People,* 153.

Iraq had allowed local elections to take place fairly soon. Even when the Coalition Provisional Authority (CPA) did organize at least indirect elections for provincial and local councils, it then undermined their authority by failing to give them meaningful resources and authority. This violated Chesterman's general guideline that executive authority should be devolved to local actors as soon as practical, and that "once power is transferred to local hands, whether at the municipal or national level, local actors should be able to exercise that power meaningfully, constrained only by the rule of law."[188]

In general, there is a strong logic to holding local elections before national ones, and as soon as practicable. Dobbins and his RAND coauthors find that holding local elections first "provides an opportunity for new local leaders to emerge and gain experience and for political parties to build a support base."[189] That could well have happened in Iraq if local elections had been allowed to proceed during 2003, and if some meaningful scope of authority and resources had been devolved to the newly elected bodies. Then the United States would have faced a broader, more diverse, and more legitimate array of Iraqi interlocutors, and the elected local bodies could have provided one basis for selecting an interim government.

6. ***Promote knowledge of institutional choices for democracy, and of democratic principles and norms.*** Post-conflict societies are generally weak in knowledge of the institutional options for structuring democracy to manage ethnic and other group conflict, to protect individual and group rights, and to generate incentives for moderation in political behavior. Any effort to promote democracy in this setting has to involve the dissemination of this knowledge, with some detail and sophistication for political elites, but in simpler terms for the mass population as well. Assisting the formation and development of research institutes and NGOs that promote understanding of institutional designs to manage ethnic conflict and respectful debate on constitutional options for political reconstruction should be an early priority for democratic assistance. So should efforts by various types of NGOs and state institutions to educate the public about democratic norms, principles, and values. A mass civic education campaign must make people aware of their rights, train them in the arts of active citizenship, and lead them to hear, tolerate, and respect opposing views and interests.

7. ***Disperse economic reconstruction funds and democratic assistance as widely as possible.*** Both for the effectiveness and speed of economic revival, and for the building of local trust and acceptance, there is a compelling need to decentralize relief and reconstruction efforts, as well as democratic civic assistance. The more the international administration and private donors work with and through local partners, the more likely that economic reconstruction and democracy building efforts will be directed toward the most urgent needs, and the better the prospect for the accumulation of political trust and cooperation with the overall transition project. In Iraq there was a particularly compelling need for the creation of jobs, a need that could have been met more rapidly if the repair and reconstruction contracts had been channeled more extensively through a wide range of local Iraqi contractors, instead of through the big U.S. corporations. Decentralization and rapid dispersal

[188] Simon Chesterman, *You the People,* 243.
[189] James Dobbins et al., *America's Role in Nation-Building*, 154.

requires dispersing some operational and spending authority to lower-level international officials who are resident in different cities and provinces. It may make it more difficult to obtain the kinds of receipts that permit auditing. It may be more conducive to corruption—though corruption was hardly contained in the centralized operation in Iraq. Hard choices must be made. But in the hard and urgent circumstances of a post-conflict situation, I think there is a case to be made for decentralized dispersal of small contracts and grants, along with early efforts, gathering as much information as possible, to evaluate performance.

8. ***Promote local participation, and proceed with humility and respect for the opinions of the people in whose interest the intervention is supposedly staged.*** There is, or certainly can be, a large dose of arrogance in any effort at international assistance, including democracy promotion. The danger of arrogance, or fatal conceit, grows with the weakness, poverty, and urgency of need of the recipient state—up to the point where that state has failed altogether and is more or less helpless. Such ambitious international intervention cannot succeed, and the institutions it establishes cannot be viable, unless there is some sense of participation and ownership on the part of the people in the state being reconstructed. This is why holding local elections as early as possible is so important. It is why it is so vital to engage local partners, as extensively as possible, in post-conflict relief and economic reconstruction. And it is why the process of constitution-making must be democratic and broadly participatory, not merely through the election of a constituent assembly or a constitutional referendum (or ideally, both), but through the involvement of the widest possible range of stakeholders in the substantive discussions and procedural planning, and through the organization of an extensive national dialogue on constitutional issues and principles. As Jamal Benomar observes, "Constitutions produced without transparency and adequate public participation will lack legitimacy."[190] And illegitimate constitutions augur poorly for future stability.

9. ***Institutionalize the capacity for effective intervention and democracy promotion in post-conflict settings.*** The UN Secretary-General's High-level Panel has offered a number of promising and ambitious suggestions for enhancing and institutionalizing capacity in the UN and the international system. Prominent among these is the establishment of a Peacebuilding Commission (with a significant permanent support staff) to identify countries at risk of state failure and intervene early to prevent it; to assist the transition from conflict to peace (and one hopes to democracy, though the Panel does not mention this); "and in particular to marshal and sustain the efforts of the international community in post-conflict peacebuilding over whatever period may be necessary."[191] In addition, the Panel recommends that member states "strongly support" the efforts of the UN's Department of Peacekeeping Operations to facilitate more rapid deployment by enhancing strategic stockpiles and standby arrangements for peacekeeping deployment, and it proposes to strengthen, and in essence shake up and professionalize, the UN Secretariat.[192]

[190] Jamal Benomar, "Constitution-Making After Conflict: Lessons for Iraq," *Journal of Democracy* 15 (April 2004): 89.
[191] *A More Secure World: Our Shared Responsibility*. Report of the High-level Panel on Threats, Challenges, and Change (New York: United Nations, 2004), p. 84, parag 164.
[192] Ibid, pp.69, 91-92.

> On the American side, I believe we need to strengthen our own efforts by creating a cabinet-level Department of International Development and Reconstruction, building on the core of USAID and incorporating as well the State Department's Office of the Coordinator for Reconstruction and Stabilization. We need a permanent, institutionalized standing capacity to land on the ground quickly after conflict and (in concert with local actors and a wide range of other international donors) help the country reconstruct itself politically, economically, and socially. This requires specific training and skills, as well as lesson-learning and institutional memory, which are not well situated in the Departments of State or Defense. A separate cabinet department would enable us to have a standing administrative and reconstruction capacity, much readier to deploy, with a mix of experiences and language capabilities and close working relations with other government departments and agencies.[193]

Conclusion

I sincerely believe that every country can become a democracy—eventually. No country is ruled out because of its preceding history, culture, or social structure. But not any country can become a democracy at any particular moment, and certainly not quickly. Failed states pose among the most difficult challenges for democratization. Sometimes democratization—assisted heavily from the outside—will be an indispensable means for the restoration of order, as in South Africa and Nicaragua. Sometimes, as in Cambodia, the international community will claim to be promoting democracy when it does not have the stomach or resources for the fight. Even then, the international intervention may leave behind fragments of hope for political pluralism, and at least a less thoroughgoing authoritarianism than what otherwise might have emerged. Authoritarian states do not become democracies just because they hold elections in which opposition parties compete and win some seats. But in granting some space for opposition and dissent, they are often preferable to the harder authoritarian alternative, and leave open the possibility of eventual democratization.[194]

It would be better if, in countries like Cambodia, the international community would summon the resources and the will really to promote and insist upon democracy. But the hard truth is that we lack in the international community today the finances, the troops, the political will—and probably also the knowledge—to promote democracy successfully in the most forbidding cases. I fear Iraq will bear out this sad truth once again. In these circumstances, it is possible that we are better off having tried, even if half-heartedly, to build democracy, while winding up with a partially democratic system—a country at least struggling in the "gray zone"—than we would have been if we had just resigned ourselves to dictatorship from the start. But the people who suffer under new forms of oppression—however much they fall short of genocide, absolute dictatorship, or civil war—still wish for something better politically. At a minimum, we owe it to them to remain engaged, morally, rhetorically, diplomatically, and with concrete programs for democracy assistance, once the failed state has begun to take shape on less than democratic grounds.

[193] As I envision it, the Department would also incorporate traditional development assistance work now done by USAID and would give the US the ability to engage and coordinate among other donors with the same cabinet-level representation that many other industrialized democracies have for their international cooperation and development work.
[194] See the cluster of essays, "Elections Without Democracy," in the *Journal of Democracy*13 (April 2002): 21-80.

It is not inevitable that we will fail to promote democracy, even in the hard cases. When we do, we should not regard that as the end of the story. If a new authoritarian state emerges, the struggle to promote democracy resumes, on more familiar if incremental terms. The tragedy, however, is that once a new authoritarian regime consolidates its grip, as Hun Sen and his Cambodian People's Party have done in Cambodia,[195] it may be very difficult to dislodge, particularly if it has authoritarian neighbors and defenders. For all their challenges and vulnerabilities, post-conflict countries do provide an arena of considerable fluidity for building a more democratic state and society.

[195] See the article by Duncan McCargo in the October 2005 *Journal of Democracy,* forthcoming.

Talking Sense: Guidelines for International Democracy Promotion

By Theodore J. Piccone
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Introduction

A growing debate is underway among foreign policy experts and democracy and human rights advocates on the ends and means of democracy promotion, especially in the Muslim world. Ironically, it takes place at a time of unheralded bipartisan consensus on the goal of spreading democracy as a primary aim of U.S. foreign policy. The debate has intensified due in part to the unfortunate way in which the Bush Administration has handled the Iraq war. For some, the Administration's approach has given democracy promotion a bad name and has made it even more difficult, practically speaking, for democratic reformers in the Arab world and elsewhere to work cooperatively with the United States government.

Given the fraught nature of the issue, I thought it would be worth starting with some basic assumptions about the topic of international cooperation for democracy promotion so we can move beyond what I hope will be non-controversial aspects of the subject. Then I will try to elaborate some guideposts that, given recent experience with democracy and human rights promotion, should inform the democracy promotion community as well as the larger national security industry as the United States and its allies take on the inherently difficult task of promoting democracy around the world.[196]

Assumptions and Clarifications

What is Democracy? Despite having attended a few too many international conferences on democracy, it still surprises me that democracy promoters are so often asked what "democracy" means. Even an established institution like the International Institute for Democracy and Electoral Assistance (IDEA) in Sweden, on celebrating its tenth anniversary this year, felt it necessary to explain that "[d]efinitions of democracy differ and evolve."[197] I would argue, to the contrary, that there is widespread agreement, in countries of all different cultures and religions, about the definition of democracy. Its essential principles, as endorsed by the United Nations General Assembly and over 120 governments participating in the Community of Democracies, are: respect for fundamental civil and political rights including the rights to association and expression, periodic multiparty elections that are free and fair, universal and equal suffrage, an elected parliament, an independent judiciary, a free press, civilian and democratic control of the armed forces, and the rule of law. [198] As United Nations Secretary-General Kofi Annan wrote in his recent report *In Larger Freedom: Towards Development, Security and Human Rights for All*, democracy has been accepted around the world as a universal value. "Democracy does not belong to any country or region," wrote Annan, "but is a universal right." [199]

Democracy, in Practice, Differs. An essential corollary to the point above is that, in practice, democracy does take different forms in specific national contexts. There is no model democracy or recipe for success. Democratic institutions are molded over time and in response to different historical circumstances. Legitimate democratic systems, for example, are presidential, parliamentary or mixed. But the variety in these forms of democratic governance does not undermine the universality of democracy, as

[196] For a discussion on the challenges of democratizing authoritarian regimes, see Peter Burnell, "Democracy Promotion: The Elusive Quest for Grand Strategies," in International Politics and Society 3/2004 (Friedrich Ebert Stiftung).
[197] International IDEA, "Ten Years of Supporting Democracy Worldwide." p. 4 (2005).
[198] See, e.g., Resolution on Promoting and Consolidating Democracy, A/Res/55/96, adopted by UN General Assembly 4 December 2000. http://www.demcoalition.org/pdf/un_resolutionpromotindem.pdf; Warsaw Declaration of the Community of Democracies, 27 June 2000, http://www.demcoalition.org/2005_html/commu_cdm00.html
[199] "In Larger Freedom: Towards Development, Security and Human Rights for All," Report of the Secretary-General, p. 52, United Nations (New York 2005). See also Universal Declaration of Human Rights.

long as they allow for the expression of the essential elements set forth above. It is time for the international community to put to rest diversionary debates about the definition of democracy. Instead the bedrock principles of democracy already accepted at the intergovernmental level should be used as universal benchmarks for evaluating the quality of democracy in any given society, keeping in mind, of course, that there is no such thing as a "perfect" democracy.

Democracy Must Always be a Home-Grown Affair. It should be self-evident that a society's ability to adopt and sustain the basic elements of representative democracy rests in its own hands. A foreign formula imposed by military force, for instance, is tainted by its nature as a victor's demand over its defeated subjects. An occupying power, therefore, can never be genuinely democratic because it does not rule at the request or with the authority of the citizens of that society. Only after the occupying power leaves can a democratic polity be formed, and it shall rise or fall depending on the freely expressed will of the people in accordance with a democratic constitution. In concrete terms, this means that democratic development in Afghanistan and Iraq is at a serious disadvantage due to the way in which these democratic transitions were triggered, but may yet succeed if and when the essential elements of democracy cited above are effectively functioning.

The International Community's Ability to Influence Political Events on the Ground is Limited but Real. In a globalized, interdependent world, in which communication flows rapidly across borders, there is a growing interplay between internal and external forces which directly affects the process of political change. As noted above, save cases of military invasion, it is always the domestic forces which hold the upper hand in determining the direction and pace of reform, or whether it happens at all. But external factors – political, social and economic – do play an important role in influencing events on the ground.

At one level, international actors can create an environment that will help facilitate and encourage domestic democratic reforms. This is the long-term work of democracy promotion that, as shown in so many cases, can make a difference *when local conditions allow*. Creating an enabling environment involves a variety of tools – direct assistance to civil society groups engaged in civic education and monitoring government activities; support to independent media; international and national election observers; economic and trade incentives; educational exchanges; training and technical assistance for parliamentarians, judges and police; projects to strengthen political parties and women's political leadership; professional military ties that reward military subordination to civilian authority; etc.[200] All these elements are necessary to a process of consolidating democracy. Sequencing of one over the other can play an important role in the democratic transition process, but is limited by the lack of control of dynamic political events.

On a second level, the international community can play a significant role in influencing events as they emerge, in the short- and medium-term, by using its leverage – political, economic, and diplomatic – to favor democratic change. To do so effectively, it must have in place the infrastructure necessary to act quickly to prevent democratic backsliding or to take advantage of new opportunities to move authoritarian leaders out of power. This infrastructure includes bilateral and multilateral agreements and

[200] For an interesting discussion of the influence of a country's relationships to the West in its democratization process, see Steven Levitsky and Lucan A. Way, "International Linkage and Democratization," in Journal of Democracy, Vol. 16 No. 3, pp. 20-34 (July 2005).

mechanisms for deterring threats to democratic, constitutional rule and for rewarding steps toward democratic consolidation.[201] Absent the political will to implement them, however, such agreements are little more than paper tigers.

The Tide of Democracy Continues to Rise, but Erosion Persists. The evidence demonstrating the growth in the number of countries governed according to basic democratic principles is indisputable. In 1983, 36 governments could be categorized as democratic, according to the Polity IV index. In 2003, the number was 64. Comparable data from Freedom House shows a rise from 55 states categorized as "free" to 89 free states during the same twenty-year period. Of course the pool of countries in the sample has grown due largely to the end of the Cold War and the dissolution of the former Soviet Union, which has spawned both democratizers and entrenched authoritarian regimes.

In the former group, a new surge of democratization appears to be underway as Georgia, Ukraine and Kyrgyzstan adopt some basic features of a democratic system. At the same time, there is clear evidence that many governments which embarked initially on a democratic path have moved backwards or fallen off completely. Countries such as Russia, Venezuela, Cote d'Ivoire, Zimbabwe, Fiji, Nepal and Pakistan come to mind.[202] There is not space here for getting engaged in a debate about whether, in fact, the end of history is near or rather the tide is turning against democratization. Let's assume for our purposes that there will always be a number of countries that fail to meet basic democratic standards, and that countries will move up and down a continuum between authoritarianism and liberal democracy. It should be the task of the democracy promotion community to devise strategies for creating an enabling environment for democratic reformers at the local, national and international levels.

The United States Has a Vital National Security Interest in the Spread of Democracy and the Rule of Law. We find ourselves in a rare moment of exceptional bipartisan agreement that the extension of democracy, human rights and the rule of law around the world is a national security imperative. For the first time, the "democratic peace" theory and its corollaries (e.g., democracies with free press do not spawn famine – Sen; democracies do not generate refugees; democracies perform better on social and economic indicators – Halperin and Siegle) have become an article of high national security strategy, although a serious gap remains between its adherents and the mainstream foreign policy establishment. This melding of Wilsonian idealism and national security doctrine has taken off under the current Bush Administration which, faced with the attacks of September 11, has articulated a new mission: the end of tyranny in the world. As President Bush remarked earlier this year, "It is the policy of the United States to seek and support the growth of democratic movements and institutions in every nation and culture…when freedom and democracy take root in the Middle East, America and the world will be safer and more peaceful."[203] Secretary Rice, who is seeking to remold the foreign policy machinery to effect this strategy of "pragmatic idealism," seems determined to reorient US policy to favor small "d" democrats in ways large and small.

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[201] See Theodore J. Piccone, "International Mechanisms for Protecting Democracy," and Ken Gude, "Case Studies in Collective Response," in Protecting Democracy: International Responses, Morton H. Halperin and Mirna Galic eds. (Council on Foreign Relations, Lexington 2005).

[202] For an assessment of whether thirty governments meet the criteria for participation in the Community of Democracies, see "Country Assessments: Invitation Process for the Community of Democracies," December 2004, prepared by the Democracy Coalition Project in collaboration with Freedom House, http://www.demcoalition.org/pdf/Country_Assessments_CoD_Invitation_Process.pdf

[203] Quoted from Kozak testimony.

They have set themselves a very high bar and one which, to date, has been carried out in ways that appear counterproductive to the mission at hand. Consideration of the Administration's approach to democracy promotion, particularly in the context of radical Islamic terrorism, leads to a set of conclusions and recommendations for next steps.

Guidelines for Democracy Promotion

While many experts in the democracy promotion business are well-schooled in the basic approaches to the field, others in the foreign policy establishment are not as well-versed. In any event, the complexity of the task calls for a constant process of learning and re-learning some fundamental lessons, some of which I try to lay out below.

1. ***Be Prepared for a Fight.*** The business of democracy promotion, while noble-minded, in fact can be quite messy and threatening to others, even in its non-violent manifestations. It seeks to upset a status quo which a lot of powerful groups have an interest in maintaining. Moreover, international democracy promoters are out to influence internal political change from the outside, which automatically sets up an us-versus-them dynamic that can often favor the entrenched ruling class. Witness, for example, the handiwork of Robert Mugabe in Zimbabwe, a former bread basket of southern Africa now mired in famine, repression and decay. Despite his authoritarian rule, Mugabe has shored up support at home and in the region by waging an incessant campaign of demonizing "Western neo-colonialist hegemons" seeking to hold his regime accountable to the very standards his government has pledged to uphold as part of the Commonwealth and the Southern African Development Community. Another example is Venezuela, where President Chavez's regime, which has centralized control in the main governing institutions of the country, is trying to criminalize foreign funding of civil society organizations.

Among authoritarian regimes generally, the American and increasingly European push for democratization has also had the effect of reinforcing the North-South and East-West divisions which theoretically should have receded with the end of the Cold War. At the United Nations, the bloc of non-democracies, often led by China, Cuba, Saudi Arabia, Syria and Tunisia, have sought to derail various initiatives to strengthen the UN's ability to promote and protect human rights. Unfortunately, they have won over G-77 and NAM democracies like India, Brazil, South Africa, Jamaica and Colombia which find common ground in seeking to hamstring a United States perceived as arrogant and too powerful.

This is not to say that the fight is not worth having. It is. But we need to recalibrate the way in which we promote democracy so that our friends in other democracies can find common ground with us rather than with China and Cuba.

2. ***The Means Should be Compatible with the Ends.*** Given the inherently conflictual nature of the task, the United States and other governments sincerely committed to democracy promotion need to think very carefully about *how* they do it. Democracy promoters have the rhetorical upper hand in this business -- it is hard to argue against the principle that all citizens of all nations have the right to govern themselves in accordance with basic principles of human rights, free and fair elections, the rule of law, etc. As cited previously, these principles are well-grounded in international law. Similarly, international law and practice increasingly favors external intervention once democratic rule is in place and then reversed by unconstitutional fiat. Nonetheless, perhaps more than in

other areas of international relations, the ends cannot justify the means (absent some sort of international legitimacy for intervention). On the contrary, given democracy's essential characteristic as locally-owned and –driven, one must be especially careful to pursue means which are compatible with democratic standards and supported by democracy activists on the ground. We should, first and foremost, listen to the advocates of nonviolent change in country and support *their* efforts in a way that will advance the day when tyrants lose their grip on power. The types of assistance, who should carry it out, at what time and in what degree will be different in every case.

It is in this area where the Bush Administration has committed a cardinal sin. By turning to the democracy promotion rationale for the Iraq war, after all the others had proven indefensible, the White House has poisoned the well for both local and international democracy promoters. After all, we are not Denmark or Canada. We are the dominant military and economic power in the world. When we deploy the full arsenal of our powers to remove a serious but not direct threat to our national security, we poke a stick in many other eyes, both friends and enemies. And to justify invasion and occupation of Iraq as the launching pad for democracy promotion not only in that country but throughout the Arab world is only throwing fuel to the fire. This Administration seems to have forgotten the first half of Teddy Roosevelt's famous dictum, "Walk softly and carry a big stick."

So our first priority when constructing a democracy promotion strategy should be to "do no harm" to the local advocates of reform. This requires a much more profound level of understanding of local cultures and power structures than previously demonstrated by U.S. embassies and aid agencies. It also means having an honest discussion with ourselves and our friends abroad about how high a profile the United States government should have when supporting democracy-building activities. There is no easy formula – in some places, dissidents want and need the protection of the U.S. embassy in warding off repressive measures by the state. In other environments, association with the United States can spell disaster for a political candidate trying to win office. In either scenario, understanding the local context is essential. A short two-year tour by U.S. embassy personnel or even shorter rotations by USAID experts and contractors cannot provide the kind of education and training our democracy promoters need in the field.

3. *Be Consistent and Lead by Example.* President Bush deserves credit for so boldly laying claim to the cause of democracy promotion as a principal aim of U.S. national security policy. The problem, when grounding the rhetorical appeal in the stark terms the President used in his inaugural address, is the inevitable exposure to cries of hypocrisy about current and past American behavior which tells another story. I am not calling for a standard of perfection in the business of national security and democracy promotion. However, in the era of modern telecommunications, the reverberations of a bad decision or action, especially when done by U.S. military forces, are magnified and instantaneous and seriously undermine our government's efforts to be a vocal champion of democracy and human rights.

To make the point, one need go no further than the terrible damage caused by the human rights abuses committed by U.S. forces at the Abu Ghraib prison in Iraq and the Guantanamo Bay base in Cuba, actions which were facilitated by a policy approved at the highest levels of the government that condoned inhumane and degrading treatment. We could add several other examples more directly related to democracy promotion: Washington's continued official support of coup-leader Gen.

Musharaff of Pakistan or of Islom Karimov, the dictator of Uzbekistan; the call for democratic change in Egypt followed by First Lady Laura Bush's endorsement of President Mubarak's cosmetic electoral reforms; the welcoming of the Vietnamese Premier to the White House despite Hanoi's continued violations of democratic norms and human rights; the backing of a military-led coup against democratically-elected Hugo Chavez of Venezuela, in direct contravention of the Inter-American Democratic Charter; and the maneuvering behind the anti-democratic ouster of Jean Bertrand Aristide of Haiti.

The problem is compounded by the Administration's record on democracy and civil rights at home. Its policy on detentions, enemy combatant status, electoral reforms, criminal justice, indeed the very way in which it came to power in 2000 all combine powerfully to cause both cynics and allies to question the sincerity of our leaders' rhetoric.

Policymakers should take another look at our foreign and domestic policies and consider how to put them in closer conformity with our self-proclaimed call to be a beacon of hope and freedom to mankind.

4. ***It's the Process, Stupid.*** One of the greatest conundrums facing democracy promoters is the "one man, one vote, one time" hypothesis – that, once elections are made available in societies not prepared for true political pluralism, non-democratic forces will seize the opportunity to win office, claim a popular mandate and international legitimacy, and then proceed to shut down and repress opposition groups and genuine democratic debate. This phenomenon, also known as the Algeria problem for the way in which that country's military violently suppressed the Islamist parties poised to claim victory in 1991-92 elections, haunts the Administration's current approach to the Middle East and other parts of the Muslim world. Political forces calling for fair political competition and other political rights in the Gulf states, Saudi Arabia, Jordan and Yemen, for example, are not only the most likely to win but also the most vocally opposed to the United States. A similar phenomenon is taking place in Latin America where populist leaders are winning office on a platform of opposition to U.S. policies of free trade, macroeconomic reform and military responses to drug trafficking and terrorism. When American policymakers try to influence the outcome, by voicing support for one candidate over another, it tends to have the opposite effect, as has been seen in Nicaragua and Bolivia. Putting aside the obvious problems associated with trying to impose democracy by military force in Iraq, the recent revelations that the United States covertly supported Allawi in order to diminish the victory of Shiite cleric al-Sistani is another example of the United States' counterproductive use of its leverage in such situations.[204]

To reduce the chance of a "one man, one vote, one time" scenario, policymakers need to pull back on the rush to elections, particularly in places that have not laid the legal, civic education and political party infrastructure for a credible electoral process. This is particularly true in the Middle East where democratic forms of governance are largely untested. As noted in the recent Independent Task Force Report of the Council on Foreign Relations on Arab democracy, "the United States should promote the development of democratic institutions and practices over the long term, mindful that democracy cannot be imposed from the outside and that sudden,

[204] Hersh, Seymour M., "Get Out The Vote: Did Washington Try to Manipulate Iraq's Election?" The New Yorker. July 25, 2005.

traumatic change is neither necessary nor desirable. America's goal in the Middle East should be to encourage democratic evolution, not revolution."[205] The task force, co-chaired by Madeleine Albright, Chairman of the National Democratic Institute, and Vin Weber, Chairman of the International Republic Institute, has produced an excellent list of sensible policies the United States should follow when designing its strategy toward democracy promotion in the Arab world. Others which have studied the question have also come to the conclusion that U.S. support for democracy in the Arab world must include moderate Islamist parties which are committed to the democratic process, even if they are not entirely friendly to U.S. interests.[206]

5. ***It's Better to Do it with Others.*** Given its overwhelming economic, military and cultural power, the United States has a responsibility to lead with a very delicate hand. It should go without saying that our interests are best served when we work closely with our allies to pursue common interests.

In the democracy promotion field, the trend is toward greater cooperation as younger democracies, particularly in Eastern Europe, revise their foreign policies to favor more robust support for democratization.[207] This trend is happening both with the leadership of the United States, as in the case of the Organization of American States or the Community of Democracies (which also benefits from the active leadership of Chile, Poland, Korea, Portugal and others), as well as with the leadership of the European Union, especially through the EU enlargement process. Other countries new to this field are coming on board as donors -- India has just contributed $10 million to a new United Nations Democracy Fund proposed by President Bush; Hungary has inaugurated a new International Center for Democracy Transition; Lithuania, Slovakia and Poland are taking the lead in advocating democratic change in Belarus. In one of the more recent examples of collaboration, both old and new democracies teamed up to support the transition to democracy in Ukraine, by funding the institutions and civic associations which made the Orange Revolution possible, and by coordinating diplomatic leverage to ease the anti-democratic elements out of power without bloodshed.[208] The African Union is developing a consistent if weak track record against unconstitutional seizures of power, most recently in Mauritania and Togo. Even the Association of South East Asian Nations (ASEAN), not exactly a club of democracies, has broken new ground by successfully pressuring Burma to desist from assuming chairmanship of the body.

Institutional arrangements to protect democracy against internal and external threats are well-advanced, as described above, even if unevenly applied. The political will, however, to take the next step to establish mechanisms to prevent serious backsliding through good offices, mediation and early warning missions is still largely absent. Here again, fears of superpower hegemony are revived as autocrats rally against further erosion of state sovereignty.

"Doing it with others" also means that governments should continue and expand cooperation with nongovernmental forms of democracy assistance. A range of options

[205] Council on Foreign Relations, "In Support of Arab Democracy: Why and How," Independent Task Force Report (June 2005), p. 4.
[206] See, e.g., Amr Hamzawy, "The Key to Arab Reform: Moderate Islamists," Policy Brief, Carnegie Endowment for International Peace (August 2005).
[207] For an evaluation of the ways in which forty different countries have sought to promote democracy internationally see Defending Democracy: A Global Survey of Foreign Policy Trends 1992-2002, Robert Herman and Theodore Piccone eds. (Democracy Coalition Project 2002).
[208] See Robert Kagan, "Embraceable E.U.," The Washington Post (date); Michael McFaul, "Transitions from Postcommunism," Jounal of Democracy, Vol. 16 No. 3, July 2005.

are available – grants through quasi-governmental foundations like the National Endowment for Democracy or the German political party *stiftungs*, support to grassroots and international civil society institutions, strengthening linkages among professional associations of lawyers, engineers and political scientists; greater cooperation with other nongovernmental donors, etc.

6. ***Use Economic Incentives and Rewards.*** The international community is increasingly moving away from punitive sanctions, which have been shown to hurt more than help the people intended to benefit from such a policy, and toward economic and trade incentives and rewards as a carrot for governance reform. In this regard, the Bush Administration, deserves credit for launching the Millennium Challenge Account (MCA), which is designed to reward poor states with higher levels of development assistance if they can demonstrate a record of ruling justly, fighting corruption, opening their economies and investing in education and health. Unfortunately, implementation of the program has lagged way behind its promise, causing frustration amid potential beneficiaries and allies in Congress. Nonetheless, the approach is the right one from a democracy promotion and development point of view. The Administration should seek ways to multilateralize it, in other words to seek agreement from other donors to tie other grants, loans and trade privileges to a state's ability to govern in accordance with the rule of law. This can be done by building support for changing the rules at the World Bank, the International Monetary Fund and other multilateral institutions to allow for consideration of political issues in loan decisions.[209] Alternatively, a new global development fund could be created that is designed specifically to reward states that meet criteria like those used in the MCA program. This not only would advance US interests in democracy and development, but also reduce the chances that terrorist groups would find fertile ground in weak or failed states unable to care for their people or secure their borders.

A Final Word

Assuming the trend of democratization continues around the world, the United States increasingly will face a major challenge in protecting its core interests as a global power. Its friends and allies who govern in democratic systems can not ignore the opinion of large majorities of voters and expect to get re-elected on a similar platform of close cooperation with the United States. We must take into account the pressures our allies are under as they decide whether and how to work with us in addressing common security challenges. This is more than just a communications challenge, although that aspect alone deserves much greater attention and resources. We need to change our mindset and remember that, if we want cooperation from others, we need to help them keep their publics on board. We can do that by walking softly as we carry that big stick.

[209] For a thoughtful and timely discussion on this subject see Morton H. Halperin, Joseph T. Siegle and Michael M. Weinstein, The Democracy Advantage: How Democracies Promote Prosperity and Peace, pp. 203-229 (Council on Foreign Relations 2005).

Spreading Democracy and Development

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Introduction

Eighty percent of contemporary democratizers are developing countries. Understanding how political governance influences development and the challenges that economic stagnation pose to democratization, therefore, are central to the continued spread of democracy around the world. A growing body of scholarship affirms the positive influence that political freedom has on development. However, there are qualifications. Not all democracies or countries on the path to democracy enjoy strong economic and social development. Those with relatively stronger institutions of shared power do far better than those lacking these features. As importantly, empirical analysis provides no support for the long-held view that authoritarian governments are better able to foster economic growth and stability or that such growth leads to democracy. The continued expansion of democracy in the developing world is far from assured, however. A combination of ongoing and new challenges suggests that the next decade of democracy promotion efforts is likely to be more difficult than the last. This paper summarizes some of the relevant knowledge of the relationship between democracy and development, reviews key challenges to the continued advancement of democracy in the developing world, and concludes with a series of policy recommendations to address them.

I. A Summary of Current Thinking

Cross-country analysis over the past several years affirms that developing country democracies[210] tend to realize superior economic development than their autocratic counterparts.[211] The long-held view that authoritarian governments offer certain systematic developmental advantages for poor countries simply has little empirical support. This was just as true in the Cold War as it is today, though for a variety of ideological and methodological reasons, the conventional view persisted. Adam Przeworski and his colleagues said it best: "There was never any solid evidence that democracies were somehow inferior in generating growth."[212]

Developing country democracies have grown just as rapidly as autocracies since 1960. Outside of East Asia, democracies in developing regions have generated per capita income growth rates 50 percent higher than autocracies. This is the case even though 25 percent of the economic growth data for autocracies is unavailable. Over time, this translates into substantial income differences. Countries with governance institutions one standard deviation above the norm tend to have income levels that are 2-4 fold above the median.[213] Democracy's contribution to growth may be strongest, though, through its indirect impacts – on education, investment, property rights protections, and political stability.[214]

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210 Recognizing that there are a range of governance structures, democracy is operationalized as countries in the top tier of the Polity IV and Freedom House democracy indices; autocracies comprise the bottom tier.

211 Przeworski, Adam, Michael Alvarez, Jose Antonia Cheibub, and Fernando Limongi.2000. *Democracy and Development: Political Institutions and Well-Being in the World, 1950-1990.* Cambridge: Cambridge University Press. Feng, Yi. 2003. *Democracy, Governance, and Economic Performance: Theory and Evidence*. Cambridge: The MIT Press. Halperin, Morton H., Joseph T. Siegle, and Michael M. Weinstein. 2004. *The Democracy Advantage: How Democracies Promote Prosperity and Peace.* New York: Routledge. Kaufmann, Daniel, Aart Kraay, and Massimo Mastruzzi. 2005. "Governance Matters IV: Governance Indicators for 1996-2004." The World Bank.

212 Przeworski et. al. 2000.

213 Kaufmann et. al., 2003.

214 Feng.

Indeed, democracies' superiority on the social dimensions of development is striking. From access to clean drinking water to girls' education, developing country democracies outshine their authoritarian counterparts at comparable income levels by wide margins. To give a sampling – death rates are 20% lower,[215] agricultural yields are 25% higher, and secondary school attainment levels are 40% higher, on average.[216] Democracies accomplish these outcomes without spending lavishly on their health and education sectors. Nor can these differences be explained by greater levels of development assistance or running up deficits. Processes inherent to democratic governance are generating these results.

There are a handful of authoritarian governments that have realized sustained economic growth in recent years – Bhutan, China, Egypt, Singapore, South Korea, Taiwan, Tunisia, and Vietnam. Of these, only the East Asians have simultaneously raised levels of well-being commensurately. Taking into consideration the 70 or so contemporary authoritarian governments that oversaw poor or abysmal development during the same time period, factors other than authoritarian governance explain the performance of the outliers.

Stronger institutions of accountability are one consistent governance factor explaining higher levels of growth and development. Political systems that demonstrate relatively greater mechanisms of shared power, checks on the executive branch, controls on corruption, and openness to information tend to perform much better.[217] A free press has particular relevance, being linked to improved decision-making, greater efficiency of markets, constraints on corruption, and an early warning system for crisis.[218]

One particularly notable characteristic of democratic development is its consistency. Developing country democracies tend to avoid catastrophe more readily than governments with less representative political systems. Specifically, democracies are half as likely to experience acute recessions (i.e. 10% contraction in GDP in one year) than autocracies.[219] This is not a trivial matter in societies where often half of the population is living on the margin and even a small fluctuation in coping systems can mean the difference between squeaking by versus destitution. Relative stability is also critical at both the household and national level in order to accumulate assets over time.

Control of inflation is another key stabilizing factor to positive development performance[220] – and democracy. On average, democratizers that backtracked in economic hard times had inflation rates that were double the norm for democratizers in their respective regions. (Sharp rises in food prices were particularly distinctive). Runaway inflation, moreover, has a disproportionately debilitating effect on the lower and middle classes of society (the wealthy being better positioned to safeguard their assets abroad). The squeezing of the middle class, in turn, undercuts the popular support on which democracy depends.

The relative ability to avoid or mitigate catastrophe is not limited to economic crises. Nearly all major refugee crises originate in countries with authoritarian

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215 Przeworksi et. al.

216 Zweifel, Thomas and Patricio Navia. 2003. "Democracy, Dictatorship, and Infant Mortality Revisited," *Journal of Democracy*, 14 (3); Halperin et. al.

217 Kaufmann et. al.; Feng.

218 World Bank. 2002. *The Right to Tell: The Role of the Mass Media in Economic Development;* Siegle, Joseph. 2004. "Developing Democracy," *Harvard International Review,* 26 (2).

219 Halperin et. al.

220 Feng.

governments. This is consistent with the observation by Nobel laureate, Amartya Sen, that there has never been a major famine in a democracy with a free press.[221]

Civil conflict is perhaps the most acute and devastating form of catastrophe a society can experience. It is also a prominent feature of underdevelopment. Civil conflict typically costs a country 2% of GDP per capita per year with the average conflict lasting seven years.[222] Once started, civil conflicts are hard to end resuming in 40% of the cases within five years of a settlement. As could be expected, armed internal conflict is bad for the neighborhood – knocking off 0.5% of GDP per capita annually for all neighboring countries and spilling over into them 30% of the time.[223]

One of the common concerns of promoting democracy is that the process of political transition is too destabilizing to merit the risk. In fact, this assumption is not borne out.[224] The single most powerful explanatory factor on civil conflict is poverty. Countries with per capita incomes below $2,000 are more than six times as likely to fall into civil conflict as countries with per capita incomes above $4,000. When controlling for income, democratization is not associated with higher levels of conflict.[225] And since the end of the Cold War, democratizers are actually less likely to become embroiled in conflict as are countries that have not undertaken political reforms. So, while democratization is not risk-free – the experience of democratizers must be compared against poor countries with authoritarian governments to be meaningful.

Another long-held assumption underlying the advantages of deferring democracy is the belief that a democratic transition will occur more smoothly once a country has reached a middle income level of development. That is, higher levels of literacy, urbanization, a larger middle class, and societal capability would trigger the demand for greater popular participation in government and facilitate a smoother transition to representative rule. While reasonable, there is not strong historical evidence to support this theory. The primary problem, of course, is that there have been relatively few autocratic states that have grown into the middle-income category. Since 1960, only 16 have attained a per capita income level above $2,000. Of those that have, there has been no greater tendency to shift towards democracy than autocrats in lower-income categories. This reflects the path dependent nature of political systems. Political rules of the game, values, and incentive structures tend to perpetuate themselves rather than easily shift courses in mid-stream. This is particularly the case in winner-take-all and patronage-based systems in which leaders stand to lose power and wealth with pluralism. Furthermore, authoritarian governments that are overseeing growth tend to benefit from perceptions of competency and economic legitimacy that discourages calls for change. For the few middle-income autocratic growers that have attempted a transition to democracy, the rate of success is no higher than countries doing so at earlier stages of development.[226]

In short, the often-repeated assumption that economic growth leads to democracy is unsubstantiated empirically.[227] Waiting for countries to grow before

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221 Sen, Amartya. 1989. “Food and Freedom,” *World Development*, 17 (6): pp. 769-781.

222 Collier, Paul, Lani Elliot, Havard Hegre, Anke Hoeffler, Marta Reynal-Querol, and Nicholas Sambanis. 2003. *Breaking the Conflict Trap: Civil War and Development Policy.* London: Oxford University Press.

223 Collier et. al.

224 Rodrik, Dani and Romain Wacziarg. 2004. “Do Democratic Transitions Produce Bad Economic Outlcomes?”

225 Halperin et. al.; Marshall, Monty. 2000. “Authority, Opportunity, and Outbreaks of Violent Societal Conflicts 1955-1999,” Center for International Development and Conflict Management, University of Maryland.

226 Halperin et. al.

227 Acemoglu, Daron, Simon Johnson, James Robinson, and Pierre Yared. 2005. “Income and Democracy,” National Bureau of Economic Research Working Paper #11205.

promoting democracy is not a sound democracy promotion policy. This does not diminish the potential material and institutional benefits of authoritarian governments integrating with the global economy, however. Trade is strongly associated with lower levels of conflict. The mutual interdependence fostered by trade tempers hostile behavior, encourages adherence to international norms of economic exchange, and expands the channels of information available to an otherwise insular nation.[228] Inculcating these norms requires holding authoritarian governments to these international standards, however.[229]

While the pattern of democratization in developing countries is positive, it is not necessarily smooth. Nearly half of all democratizers experience a setback at some point in their drive toward democracy. A sustained economic slump is associated with 70% of these cases. Even democratizers apparently far along in their reform efforts – as measured by above median scores on independent democracy indices – are susceptible to episodes of democratic backsliding or even reversion to authoritarianism. Two-thirds of backtrackers resume their positive democratization trajectory within five years,[230] however, indicating that the process is characterized by irregularity.[231] Simply put, while democratization efforts are frequently resilient, they are also fragile. Democracy advocates should rightfully be focused on stimulating economic and social well-being as part of their efforts to maintain and consolidate democratic change. Not until a democratizer reaches at least a $4,000 per capita income threshold is democratic backsliding rare.[232]

In short, historical experience shows that the form of government a developing country has in place is central to its development performance. Democracy – with its incentives for responsiveness to the general population, relative transparency, and self-correction – is associated with positive and sustained development outcomes. Consequently, there is no developmental rationale for deferring democracy.

II. Critical Challenges

The past three decades have seen a historic shift in global governance structures towards democracy. According to Freedom House, two-thirds of the world's governments are democracies or on the path to democracy. Only one-third were so categorized in the late 1980s. Yet, these trends are not as glowing as they may seem. Half of the world's democracies have yet to be consolidated and 20 countries considered democratizers are more appropriately classified as semi-authoritarians.[233] As we consider the challenges confronting the advance of democracy, it bears keeping in mind that although the contemporary democratization wave has been global in scope, certain regional concentrations are evident. Three out of four democratizers are in

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228 Oneal, John and Bruce Russet. 2001. *Triangulating Peace: Democracy, Interdependence, and International Organizations.* New York: W.W. Norton.

229 Sullivan, John, Aleksandr Shkolnikov, and Catherine Kuchta-Helbling. 2004. "Democratic Governance: The Key to Political and Economic Reform," Center for International Private Enterprise Economic Reform Issue Paper #405.

230 Halperin et. al.

231 Carothers, Thomas. 2002. "The End of the Transition Paradigm," *Journal of Democracy* 13 (1).

232 Przeworski et. al.

233 These are countries where authoritarian leaders have adapted some of the outward vestiges of democracies – elections, a legislature, and opposition parties, etc.. However, these institutions are weak and not independent, ensuring that genuine power remains firmly monopolized by the ruling authorities. Ottaway, Marina. 2002. *Democracy Challenged: The Rise of Semi-Authoritarianism.* Washington: Carnegie Endowment for International Peace. Figure of 20 semi-authoritarians tabulated by author.

Africa, Latin America, or Central Europe. Eighty percent of the world's remaining autocracies, by comparison, reside in Africa, the Middle East, and Central Asia.

Struggling Democratizers

While development in countries opening their political systems tends to be positive, this is not assured. A third of democratizers fall below the median levels of growth for their respective regions. Those that struggle the most economically tend to be those with the weakest institutional checks and balances – especially involving a free press, contract and property rights, and controls on corruption.[234] In other words, democratizers that have not demonstrated deep or sustained commitments to the principles of shared power and openness inherent in democratic systems usually perform more poorly in their economic and social development.

Corruption is a direct ramification of weak institutional safeguards – and one with clear effects on economic development. The World Bank estimates that corruption costs the global economy five percent of GDP per year. Democratizers with extensive corruption, on average, post development outcomes comparable to autocracies. In other words, corruption negates democratization's development advantage. As 11 Latin American and Caribbean region countries are in the bottom third of Transparency International's annual corruption index, corruption is a key factor in the region's disappointing development performance over the last 15 years. Corruption among leaders in newly democratizing societies is particularly pernicious in that it reinforces dysfunctional norms of disparity and indifference that have been inherited from autocratic structures. Moreover, it is arguably more damaging on the social psyche since expectations of democratizing states are much higher. Corrupt behavior breeds cynicism as citizens conclude that all political leaders are alike, no matter how they came to office. Trying to overcome this cynicism and rebuild public trust in institutions on which participatory government depends can take years.

As it relates to democracy and development, corruption is particularly corrosive when political power drives economic opportunity. Not only is this a problem for public perceptions but it undercuts incentives for innovation, entrepreneurship, and productivity-enhancing investments.[235] As the primary vehicle through which capital is allocated within society, the integrity of a nation's financial institutions are particularly vital to a country's economic health. Given that the personal savings of millions of citizens may be at stake, politically influenced financial institutions can undercut confidence in both market economies and democracy. Indeed, a history of economic volatility is a central reason why even some individuals who have done well financially under democratic reforms remain uncertain about it.[236] Not only do households need to be better off under democracy, they need to believe that they will continue to advance before they will gain confidence in the new system. This sets a tall order for democratizers – and underscores the poisonous effect that public corruption has on democratic consolidation.

Research has also consistently shown the close relationship between certain economic rights and economic growth. Property rights guarantees, protection from state

234 Roll, Richard and John Talbott. 2003. "Political and Economic Freedoms and Prosperity," UCLA; Siegle, 2004.

235 Sullivan et. al.

236 Graham, Carol and Sandip Sukhtankar. 2004. "Does Economic Crisis Reduce Support for Markets and Democracy in Latin America? Some Evidence from Surveys of Public Opinion and Well Being," *Journal of Latin American Studies*, 36, pp. 349-377.

expropriation of assets, and capacity to consistently enforce contracts are all linked to higher rates of investment and growth.[237] Democracies typically provide more reliable protections of such rights – which contribute to their ability to accumulate assets over time. Democratizers that fail to strengthen the often weak investor protections they've inherited are not as likely to experience an economic upsurge under democracy.

Unfair Trade. Unfair global trade is particularly relevant to developing country democratizers in that economic stagnation threatens their prospects for consolidation. The crux of the problem is that the comparative advantage for many poor countries is their agricultural and textile sectors, which employ 70% of the population, on average. Indeed, the history of economic development in the West and in East Asia followed a pattern of decades-long investment in the agricultural sector, which created asset surpluses that spawned domestic markets and facilitated transitions to urban, non-farm economies. However, the past 15 years have seen a dramatic escalation in the subsidies paid to Western farmers. Coupled with the liberalization of global trade, this has forced developing country farmers to compete with (subsidized) first world farmers not only in the global market but in their own domestic markets. Denied entry to this bottom rung of the global market economy, developing countries are left without a viable growth strategy by which they can transition their low wage economies into a more prosperous future.

The emergence of representative governments in the developing world has given rural inhabitants more of a political voice than has historically been the case. This has prompted the strong stance taken by a number of developing country democracies including South Africa, Brazil, and Mali in the G-20 and the latest "development round" of WTO negotiations. Coupled with historical biases favoring cities, global trade inequities have accelerated the process of urbanization in many developing countries and with it the spurt of shantytowns and intractable urban poverty. While urbanization has often been seen as a positive feature for democratic mobilization, the fact that it is characterized by increasing unemployment, a yawning youth bulge, and few prospects for redress could make these contexts ripe for instability and radicalization. Some political leaders may feel compelled (or see an opportunity) to opt out of market-based economic models altogether – as have Zimbabwe and Venezuela in differing ways. If history is a guide, such "managed market" economic schemes, justified on populist grounds, could lead to the abandonment of democratic politics and massive humanitarian crises.

Radicalization of non-Arab Muslim Populations. While details are patchy, Wahhabi-led religious leaders in Saudi Arabia have for the past 30 years been engaged in a strategic effort to introduce and sustain their ideology among Muslim youth around the world. This campaign has channeled an estimated $70 billion into Muslim youth centers, mosques, madrassas, and community centers globally.[238] This, in turn, has contributed to the increasingly militant attitudes seen among youth in what often have long been moderate societies. Northern Nigeria is a good case in point. In recent years, religious tensions have grown sharply and have been boiling over at an increasing rate. Muslim communities, led by zealous youth leaders, have challenged the prerogatives of the state to function in the north. Distrust of the government and the outside world blocked the culmination of a worldwide polio eradication campaign, allowing the disease to re-

[237] Olson, Mancur. 1993. "Dictatorship, Democracy, and Development," *American Political Science Review*, 87 (3): pp. 567-576; Knack, Stephen and Phillip Keefer. 1995. "Institutions and Economic Performance: Cross-Country Tests Using Alternative Institutional Measures," *Economics and Politics*, (7): pp. 207-227; Rodrik and Wacziarg.

[238] Alexiev, Alex. 2003. "The Pakistani Time Bomb," *Commentary*, 115 (3): pp. 46-52.

emerge in 16 (mostly Muslim) countries over the past two years. Democratic processes have been strained with the declaration of a state of emergency in parts of the north and the installation of a retired military general as governor of Plateau State.

Growing Islamic radicalization is not limited to a few countries. The entire Sahel, parts of East Asia, Central Asia, and South Asia are affected. Should the inculcation of Islamic extremism continue, it could serve as the radicalizing spark that turns the relative deprivation and disempowerment of many poor countries into a far more destabilizing force. Development efforts would be seriously set back and the challenges to democratization made even more difficult. Democracy advocates who had set their sights on the world's remaining autocracies could instead be put on the defensive, diverting their efforts to salvage democratic processes in countries that had seemingly already started down that road.

Few Incentives for Reform. Many countries in transition are off the radar for U.S. development and democracy assistance efforts – neither qualifying for the Millennium Challenge Account or at immediate risk of becoming a failed state. This bimodal pattern of U.S. assistance in the developing world is largely a function of limited resources. The decision to concentrate resources in countries that are at greater risk or of more strategic importance is understandable. The effect, however, is that a window of opportunity to assist relatively more advanced democratizers consolidate their systems is missed. Historical experience shows that the longer a country remains on a democratic path, the lower the probability it will backslide. Fifty percent of backsliding under economic duress occurs within the first five years of the democratization effort. Backsliding during economic hard times after 15 years on the democratic road is far less common.[239] The United States is not alone in overlooking transitioning democracies. Foreign assistance overall tends to drop dramatically after a country's first competitive election, even though many of the known bumps on the road to democratic consolidation remain ahead.[240] Any incentive foreign assistance might represent for sustaining democratic reforms is muted.

Autocratic hold-outs

Of the world's remaining autocratic states, three-quarters, or some 40 countries, have per capita income levels below $4,000. In aggregate, they present the most serious challenge to advancing democracy and development globally. They are also the source of a disproportionate amount of global instability – conflict, illicit arms trade, humanitarian crises, and economic volatility. There are several reasons why democratic breakthroughs in these countries are unlikely to occur as readily as they have elsewhere over the past decade.

Natural Resource Revenues. More than half of the world's remaining autocracies rely on their extractive resource sector for at least 40% of their government revenues.[241] Such revenues provide autocratic leaders a formidable base from which to support their patronage and authority networks, deepening their monopolization of political, economic, and coercive power. Such resource-rich autocracies are also less susceptible

[239] Siegle, Joseph. 2005. "The Economic Obstacles to Democratization," *Georgetown Journal of International Affairs*, 6 (2).

[240] Pei, Minxin and Merrit Lyon. 2002. "Bullish on New Democracies: Research Notes on Multinational and the Third Wave," *The National Interest*, 70, p. 79-87.

[241] Based on IMF and World Bank Data; IMF. 2004. "Draft Guide on Resource Revenue Transparency, Annex 1."

to external pressures for reform. On the contrary, with oil prices hitting $60 a barrel, autocratic oil producers are regularly courted by industrialized democracies.

This alignment of interests has contributed to the well known "natural resource curse," where autocracies with control over extensive extractive resource revenues oversee stagnant development and are rife with corruption. In many ways, these situations epitomize the reality that poverty reduction and economic development is as much a matter of political will and the institutional incentives leaders face, as lack of resources. And incentives for political reform among government leaders in consolidated, resource rich environments are next to nil. They are profiting handsomely from the existing system and would stand to lose much if democratic reforms were to take hold. Incentives for these leaders to invest in the well-being of the general population are similarly insignificant. They do not personally benefit from popular welfare improvements and could logically see a more educated, prosperous, and empowered population as a threat. Meanwhile, from the perspective of an ambitious individual in these societies, the surest path to social or economic advancement is to make one's way into the patronage system. Ironically, the extractive sector in most countries only generates a small fraction of jobs on its own. Therefore, unless the revenues created are turned into public goods or other investments, the economic benefits to society are marginal. Yet, the vast sums of money in the extractive sector undermine the perceived utility of toiling in potentially productive agriculture, manufacturing, or service sectors at a meager daily wage.

Autocratic Push Back. Another obstacle to furthering the advance of democracy around the world is the stepped-up efforts of leading authoritarian governments to engage in the battle of global governance norms. Specifically, leading authoritarians are making calculated efforts to help ensure the survival of autocratic regimes around the world. In the process, they are defending autocratic standards of legitimacy and use of force as a means of preserving "authoritarian space." To the extent that such norms are tacitly accepted by the broader international community, these autocrats can better avoid isolation and resist pressure for democratic reform. Rather than waiting around until they are rolled over by the forces of democratization, the world's remaining autocrats are actively attempting to reshape the international political landscape so as to blunt direct pressure for greater pluralism. Their strategy is well-founded in historical experience. Democratic openings have often been tied to global events and "democratic contagion" originating in neighboring countries, illustrated recently in Georgia, Ukraine, and Lebanon.

The authoritarian counter-offensive involves bolstering authoritarian counterparts that are under duress, establishing ad-hoc alliances, co-opting democratic practices to give the appearance of greater openness, and working through regional fora to restrict democratic standards by trumpeting principles of "sovereignty" and "non-interference." Recent examples of this pattern can be seen in China's and Russia's swift defense of Uzbekistan's President Karimov during the massacre in Andijon this May; Vladimir Putin's high-profile efforts to legitimate the fraudulent election of former prime minister Viktor Yanakovich in the Ukraine; China's financial support to Robert Mugabe in Zimbabwe, economic and diplomatic support of Sudan, and tacit backing of North Korea in the six party talks; the assertive anti-American coalition-building of Hugo Chavez in Latin America; the cooperation between Iran and Cuba in the blocking of satellite transmissions of U.S.-based Iranian dissident programming; and the acquiescence of the African Union in the face of human rights and anti-democratic violations in Sudan, Togo, and Zimbabwe.

While not coordinated, these ad-hoc coalitions represent a concerted effort on the part of leading authoritarians to push back against the rising tide of democratic norms. Moreover, by playing on fears of U.S. imperialism, these autocrats have also been able to enlist the support of dozens of democratic or democratizing states in Latin America, Africa, and Asia in blocking higher standards of behavior on human rights, transparency, and the rule of law.

III. Ideas for Moving Ahead

There are clear development and security advantages for supporting democracy in the developing world. Moreover, the contemporary democratic surge has remarkable resilience and momentum. However, sustaining this progress is not a given. There are influential counter-forces aiming to stall the march of democracy. The trajectory of global governance norms, therefore, is uncertain. Given this fluidity, prospects for expanding democracy could very well become more difficult in the coming years. This argues for seizing the initiative and pursuing an assertive, targeted, and sustained strategy to help developing country democracies succeed.

GIVE INCENTIVES TO REFORM AND INSTITUTION-BUILDING:

Ensure there's a Democracy Dividend. The United States can improve the prospects for advancing democracy in developing countries by ensuring its foreign assistance provides more consistent incentives for sustained democratic reforms. Currently, even non-humanitarian development assistance is just as likely to go to governments that are autocracies as democracies.[242] Instead, the United States should establish a graduated scale of development and democracy assistance that increases funding for democratizers that are sustaining their democratic reforms up through their eligibility for the Millennium Challenge Account. Countries already on a democratic path are in many ways the low-hanging fruit in the global democracy effort. Experience shows that their success should not be taken for granted, however. Target thresholds of $4,000 per capita income or 15 years of sustained democracy – to ensure a low probability of backsliding – underline the fact that these are long-term processes. Focusing on sustained reforms as a criterion for increased assistance would provide a tangible rationale for policymakers to distinguish between genuine democratizers and pseudo-democratizers.

Fully Fund the MCA. As the upper anchor in a graduated development strategy, the MCA plays a crucial role in establishing incentives. To fulfill this function, it needs to be well funded. President Bush initially called for ramping MCA funding up to $5 billion a year for qualifying countries. This pledge should be honored. Strengthening the incentive feature of this account would also entail amending the "ruling justly" qualifying criteria so that only indicators of democratic governance, rather than economic governance, are considered. That is, democracy, like corruption should be a hard constraint for qualification. This would send a much clearer signal to reformers than the current arrangement where Bhutan, Burkina Faso, Cambodia, China, Guinea, Rwanda, and Vietnam could qualify. It also avoids the diplomatically awkward position of every year having to explain to the autocratic qualifiers why they were not selected.

Country Specific Democracy Strategies. For the United States to be more effective in spreading democracy, it will need to develop greater clarity over the role of democracy

[242] Halperin et. al.

in its foreign policy. Currently, there is still a lack of consensus within the U.S. foreign policy community that democracy in poor countries is a good thing. This is partly ideological but is mostly tied to perceived competing national security and economic priorities. Advancing democracy, therefore, will require reconciling these competing views among relevant departments and agencies. As the individual actors are unlikely to agree on such a coordinated approach on their own, a clear presidential directive that democracy is the overriding consideration is required, at least on a country-by-country basis. With such a mandate, comprehensive country-specific democracy strategies can be developed, forming the basis of inter-departmental coordination.

Expand the Ripples of Democratic Contagion. Democratic breakthroughs occur for a wide variety of often unpredictable reasons. Recent experience suggests that the "demonstration effect" of transitions unfolding in neighboring countries – or even other parts of the world – is particularly influential. International advocates can better take advantage of these opportunities by systematically empowering democracy reformers around the world with the details and strategies that went into these breakthroughs. Similar exchanges can be made when lower-profile, though also important, advances in democratic institution-building are made. In addition to maximizing the norm-shifting effects of these transitions, such efforts can be a valuable educational device.

Valuing Legitimacy. To reinforce norms of democratic governance, industrialized democracies should take advantage of opportunities to showcase legitimacy. Leaders that come to office through competitive elections and respect the rule of law, civil liberties, and human rights have earned a distinctive place on the world stage regardless of their nation's wealth or strategic importance. Upholding the prestige of this distinction is in itself a method of expanding the appeal of democracy. Making democracy a criterion for membership on a reformed UN Human Rights Commission, the Community of Democracies, the UN Democracy Caucus, and as a factor in UN Security Council enlargement can reinforce these values while contributing to improved collective action towards global problems. Lower profile, though sustained dialogue through regional bodies such as the AU and OAS is also critical as these fora reflect and reinforce regional democracy norms. Building awareness of the linkages between democracy and development within these organizations would help lay a foundation for more constructive engagement when democracy-related crises emerge.

Make Democracy an IFI Objective. Many professionals within the World Bank, IMF, and regional development banks recognize the vital role that democratic governance plays in development. Yet, they are barred from taking this into consideration when making funding decisions due to a prohibition in their charters against considering the political nature of the governments with which they are dealing. The political prohibition clause should be scrapped in favor of an explicit affirmation of democratic governance. Countries with relatively more representative governments and a system of checks and balances would be shown preference, in effect recognizing that domestic mechanisms of accountability will contribute to the more fruitful use of these resources. This is what is done in the only multilateral development bank established since the end of the Cold War – the European Bank of Reconstruction and Development – which explicitly makes the promotion of democratic government a co-objective with expanding market economies. While the IFIs have commendably expanded their focus on corruption and economic governance factors, they are still faced with the conundrum that any reforms they pursue are ultimately reliant on the legality and legitimacy of the leaders who are enforcing them.

Let Democratic Leaders Set Development Agenda. Democratic leaders should have more flexibility to define their development priorities and strategies vis-à-vis their international partners (conditioned on maintaining macroeconomic stability, especially inflation, which undercuts both economic development and democratic stability). By so doing, donors would acknowledge the multiple potential development pathways that are possible. This would also recognize that there are social costs to certain policies. Democratic leaders are the logical focal point to balance the short-term welfare-efficiency trade-offs that are at the heart of much economic policymaking. This approach would also accommodate the fact that reform is a political process. Demonstrating timeliness and flexibility towards the priorities identified by new leaders would help sustain reformist coalitions over an extended period of time compared to a strategy solely focused on efficiency considerations.

Democracy Response Accounts. The first months and years following a democratic breakthrough are critical for changing the political rules of the game that have historically favored a privileged few. However, it typically takes donors considerable time to adjust to the new circumstances. As a result, the international community is not as influential in setting a democratic trajectory in the early stages of a transition as it could be. Accordingly, the United States, other bilateral donors, and the IFIs should create contingency democracy response accounts (along the lines of disaster assistance contingencies) that give them the option of quickly supporting priority political reform or development initiatives following a democratic breakthrough. This will have immediate direct benefits while clearly signaling to political leaders and citizens alike that there will be a tangible democracy dividend for adopting pluralistic, transparent, and accountable political structures.

Eliminate Odious Debt for New Democracies. To help reduce the strain of transition, especially the first five years when new democratizers most often backslide, the IFIs, with the support of industrialized democracies, should commit as a matter of practice to eliminating all "odious debt" – debt that has been accumulated by a previous autocratic government for private rather than development purposes.[243] New democratizers typically inherit debt service burdens that are 20% larger, as a percent of GDP, than the average developing country.[244] Immediately suspending, then eliminating all odious debt, would give the new democratic government vital flexibility to demonstrate responsiveness to public priorities. Debt restructuring currently takes years to negotiate. The new government is thus unable to access badly needed capital at the early stages of a reform process when the windows of opportunity are open widest. Establishing the norm of writing off odious debt would also signal to private lenders the risk of lending to unaccountable governments with weak systems of rule of law. The current practice of treating such debt as sovereign shifts the burden of that risk to the citizens of those countries who have no influence on the decision to enter into that contract – nor benefit from it.

Diversify Channels of Assistance. Donors can strengthen incentives for good development performance by diversifying the channels through which they target their resources. Currently, 93% of all development assistance goes through national governments. Consequently, national governments have little incentive to improve development performance and, in fact, are in a strong position to play one donor off against the other. This is particularly problematic if the central authorities stay in power through patronage networks, in which case the main effect of increased development

[243] Kremer, Michael and Seema Jayachandran. 2002. "Odious Debt," Brookings Policy Brief #103.
[244] Halperin et. al.

assistance is to buttress these narrowly-based political structures. Accordingly, donor agencies should increasingly incorporate provincial governments, the private sector, and NGOs when programming their aid. This would again require an amendment to the IFI charters, which currently require all resources to flow through the finance ministry or central bank. Changing this would allow development agencies to reward innovation, accountability, and impact. Competition among a variety of implementers would push the performance bar upward.

Strengthen Independent Media:

Independent media is increasingly recognized as indispensable for both democratization and development. While there are other important checks and balances in a society – an independent legislature, judiciary, or active civil society – all are dependent on the access to objective information made possible by a free press. Recognizing this, autocratic leaders in Zimbabwe, Uzbekistan, and Russia (among other places recently) have acted with relative impunity in closing down independent national and international media. Unfortunately, such tactics are effective. Even in an age of globalized communications, if journalists are not able to access new information, the story is typically not picked up. Accordingly, strengthening global norms for press freedom should be a priority:

Venture Capital for Media Start-Ups. Capital should be available to support new private media enterprises in countries with limited access to independent information. Currently, funding constraints hamstring media start-ups in restrictive environments. [245] Due to their independence, authenticity with the target audience, and prospects for sustainability, private media enterprises are potentially highly effective means by which to increase openness in constrained societies. An important condition, though, is that they target a wide enough audience to play a unifying role, rather than appealing to niche constituencies and reinforcing antagonisms.[246] Agencies such as the Overseas Private Investment Corporation would be logical vehicles for such support.

Support National and Regional Journalist Associations. Strengthening journalist associations would accelerate the enhancement of professional standards, facilitate the exchange of information across borders so that reforms in one country can be more readily shared, and create a stronger deterrent against the mistreatment of journalists.

Establish International Legal Jurisdiction for Murder of Journalists. Journalists are the eyes and ears of the domestic and global community. State complicity in the torture or murder of a journalist should be deemed a crime against humanity with jurisdiction at The Hague. Establishing this norm would help reduce the impunity autocratic leaders assume when silencing journalists. In the process, some space for ongoing coverage from these societies may be preserved.

REMEDYING THE NATURAL RESOURCE CURSE:

As a growing percentage of the world's remaining autocrats are reliant on extractive resources for their government revenues, remedying the natural resource curse will become a much more central feature in efforts to advance democracy over the next

[245] Palmer, Mark. 2003. *Breaking the Real Axis of Evil: How to Oust the World's Last Dictators by 2025.* New York: Rowman & Littlefield.

[246] Snyder, Jack. 2000. *From Voting to Violence: Democratization and Nationalist Conflict,* New York: W.W. Norton & Company.

ten years. A series of mutually reinforcing policy actions are proposed to raise standards of transparency and accountability for the use of these resources.

Strengthen U.S. Engagement on EITI. Building on the "publish what you pay" campaign,[247] the United Kingdom established the Extractive Industry Transparency Initiative (EITI) in 2003. This initiative sets out a protocol for the disclosure of royalties paid by firms for extracting natural resources in developing countries. Currently, these protocols are voluntary and only two dozen countries have signed on. The United States is a participant but thus far has been on the sidelines of this effort, despite the direct democracy, development, and security implications. With concerted international leadership, including a more clearly articulated set of incentives and penalties for compliance or non-compliance, this initiative could make disclosure of revenue flows from the extractive sector the norm. Internal watchdogs (whose capacity would be simultaneously enhanced with technical assistance), would then be in a stronger position to track the flow of these revenues through the government and economy. In cases where the World Bank has helped fund extractive sector infrastructure – as in the Chad-Cameroon oil pipeline – the EITI should be mandatory. The World Bank should simultaneously adopt more stringent penalties for the abrogation of accountability mechanisms built into these projects. Given the up-front costs involved, the Bank is currently at a disadvantage once the revenues start to flow.

Issue Annual Grades on Resource Revenue Transparency. The IMF has played a strong technical role in EITI, having developed a standards and codes template for resource revenue transparency. With leadership from leading member states the IMF is prepared to issue annual grades for every country in which extractive resources are a major source of revenue. This would, in turn, provide a tangible starting point from which advocates could press national governments for reforms. As signatories to EITI, the World Bank and the IMF could play stronger roles in restricting new capital flows for non-compliers while providing additional flexibility for governments that adhere to the guidelines.

Strengthen National and International Regulation of Extractive Resources. There is increasing receptivity to the EITI from firms in the extractive resource sector. Having taken a financial and reputational beating from the volatile legal arrangements, public outrage over human rights abuses, and perceived complicity in the continuing impoverishment of local populations, these firms see the value of creating a more transparent operating environment. Given the competitive disadvantage of voluntary firm compliance, however, collective approaches are needed. To add teeth to the EITI, the Security and Exchange Commission should require EITI participation for all firms listed on the NYSE (with parallel efforts applied to other major stock exchanges). Commodities marketed by non-complying countries should be made subject to sanctions (along the lines of the ivory ban). A more aggressive approach would be to establish a legal framework through which shipments of sanctioned cargo as well as the equipment of transporters can be seized (simultaneously increasing the insurance premiums of shippers contemplating carrying these commodities).

Corruption:

Addressing systemic corruption in new democratizers will require reinforcing the lines of demarcation between the public and private sectors. New democratizers often inherit neo-patrimonial, patronage-based systems where a primary motivation for seeking

[247] See Global Witness. 2004. "Resources, Conflict and Corruption."

public office is self-enrichment. So long as political authority and economic opportunity are viewed synonymously, corruption will persist and economic efficiency suffer.

Strengthen the Independence of Financial Institutions. These are the arteries through which capital in an economy flows. In many new democratizers, weak financial institutions are subject to political manipulation in the allocation of credit. Not only does this reinforce cronyism but it denies entrepreneurs with innovative ideas opportunities to improve economic productivity. As part of their review of the strength of financial systems in developing countries, the IMF should explicitly address the degree of independence and susceptibility to political influence facing each private bank or credit facility. Publication of these assessments can guide both international investors and household savings account holders to where they want to place their funds. In cases where there is insufficient competition, efforts should be directed to ensuring that a legal and regulatory framework is in place to facilitate the entry of new domestic and international banks.

Gather Lessons Learned from Institution-Building Experience. The goal of "institution-building" has been increasingly recognized since the early 1990s. However, there is remarkably little understanding about how such institutions are established – and the role that international actors can constructively play in this process. For example, strengthening the independence, integrity, and predictability of the legal sector is an acknowledged area of vital reform for both democracy and development. Yet, despite two decades of efforts in this field, relatively few lessons, priorities, or sequencing of reforms can be articulated.[248] Similar observations, to varying degrees, can be made about strengthening institutions of civil service, legislative oversight, private sector regulation, and independent media. Accordingly, priority should be given to gathering and analyzing experience to date on how stronger institutions have emerged. The resulting "playbooks," albeit incomplete, can then better guide institutional reform efforts.

In conclusion, the contemporary global pattern of democratic expansion raises prospects for greater liberty as well as prosperity and security. Experience shows that realizing these ends, however, involves a sustained effort to establish domestic mechanisms of accountability that can allow the self-regulating and self-correcting values of democratic governance to gain traction. Without this, the dysfunctional systems of corruption, patronage, and exclusivity seen in authoritarian political structures will re-emerge – and disillusionment with democracy set in. Exacerbating this challenge are anti-democratic global forces, with sizeable funding commitments, that are attempting to exploit this disillusionment and despair to their own advantage. A global democratic order may be desirable but it is far from assured. Policymakers interested in spreading democracy and development need to adapt to these changing realities, more effectively absorb and apply lessons learned from past experience, and commit themselves to the sustained effort that will be required.

[248] Carothers, Thomas. 2003. "Promoting the Rule of Law Abroad: The Problem of Knowledge," Rule of Law Series Working Paper #34, Carnegie Endowment for International Peace.