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Intelligence Requirements for Democratic Security in the Americas: Trends, Issues, and Conditions to Be Monitored—2007-2016

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Executive Summary

This report identifies priority issues, trends, and conditions in the Americas that will require the attention of the region's democratically controlled intelligence and security services from 2007 through 2016. It does not seek to inventory or project current threats to or opportunities to enhance democratic security in the Americas.

Monitoring priority conditions will help ensure that democratic governments neither overestimate nor underestimate threats, opportunities, and uncertainties. To be effective, monitoring will require macro-knowledge informed by granularity—knowledge of local conditions—to bolster and refine the identification of regional trends. Democratic governments will often require high levels of granularity and unprecedented cooperation to identify these varied patterns.

There are several levels or types of monitoring: (i) monitoring (collection and analysis) from open sources, reports, and studies; (ii) monitoring by police as part of routine law enforcement; and (iii) monitoring by dedicated collection and analytical units using multidisciplinary clandestine techniques. All the conditions listed below can be monitored to some extent through open sources. Some require police information. And others will be impossible to monitor effectively without incorporating clandestine collection and analytical techniques. Because both intelligence resources are scarce, liberal democratic values are to be respected, and high levels of granularity will be required, thresholds also need to be established before intelligence resources are authorized and expended.

The priority conditions include:

1. **Population Sectors Becoming Disaffected with Democratic Governance**

Large segments of the population appear to be losing confidence in democratic government. They may be coming to believe that it can neither improve their lives nor protect them from violence. Totaling millions of people, these segments include pools of youth, urban poor, the working class, and ethnic minorities. Key drivers of this trend include urban poverty, unemployment, and lack of basic government services, particularly public security.

This will require monitoring in sufficient detail to provide warning of antidemocratic sentiments and action in neighborhoods, cities, countries, and regions. What are trends in attitudes toward democracy and the rule of law? Are people in these segments apathetic or angry—potential sympathizers or active or passive supporters of authoritarian populists or armed groups? Under what conditions could they be drawn into organized violence? What levels of instability,

public insecurity, and unemployment may trigger violence or set off massive protests beyond the ability of police forces to maintain public order?

2. Authoritarian and Opportunistic Leaders and Networks Seeking to Mobilize the Disaffected

A broad spectrum of organizations and leaders seek to mobilize the region's disaffected and address widespread local grievances, poverty, ethnicity (indigenous peoples), economic inequality, and fear of criminal violence. Not all are security threats, but there are authoritarian, opportunistic, and antidemocratic networks, charismatic leaders, groups, and mass movements. These range from local groups and fledgling leaders to regional movements. For the most part, at present, they are unarmed. Some elements, however, are predisposed to violence. They can evolve into armed groups.

Attention will be needed to identify groups and leaders crossing the threshold, from democratic action into threats to democratic security, while neither overestimating nor underestimating the threat. Sufficient local knowledge is required to know when antidemocratic groups are forming, leaders emerging, networks and infrastructure being created, and violence capabilities developed. What leaders, groups, networks, and movements exist and are emerging? What resources do they have and can they mobilize? What coalitions and networks exist or are emerging among them and between them and states inside and outside the region? Under what circumstances would they resort to violence?

3. Armed Groups in the Region—Insurgents, Criminals, Militias, and Terrorists

Armed groups are often major challenges to democratic security. By nature, they are secretive structures and are hostile to the rule of law. They often use a variety of licit and illicit techniques. However, their key characteristic is the threat or use of violence to advance their ideological, religious, or personal agendas, raise funds, contest territory, enforce internal discipline, and intimidate, control, and exploit population segments. Some are becoming increasingly linked within and among themselves, regionally and globally.

Not all armed groups are security threats to states. Some are a law enforcement concern. Determining which groups become security threats will be critical for allocating intelligence resources. Such indicators include (i) preparation for armed attack on the government or its institutions, or interest in using or trafficking in components of WMD; (ii) covert and/or corrupt linkages to the political process and security establishment; and (iii) creating levels of violence that result in a loss of citizen confidence in democratic governance. High levels of granularity are

required to monitor their emergence, support, plans, and capabilities and provide cues for interventions by government.

4. Attitudes, Behavior, and Capabilities of States' Security Forces, Military, Public Security, Intelligence, and Police

The primary vehicle for identifying and mitigating threats to democratic security is the region's security forces. These forces weaken or strengthen democratic governance by their action or inaction. The attitudes, competence, and integrity of each nation's security forces are of concern not only to their own people and government, but also, given the interconnectedness of the region, to all democracies.

When the competence, integrity, and loyalty of security forces are high, they make key contributions to defending democratic governance. Democratic governments need to monitor closely the integrity and competence of those in command and control positions down to the local level and the evolution of the current and anticipated security forces. This will require unprecedented sensitivity, knowledge, and cooperation.

5. Alternative Cuban Scenarios and Dynamics

There are three potential scenarios in Cuba's future: consolidation of the existing regime, transition to a weak democracy, or degeneration into instability and chaos. Some combination of the three is likely. Raul Castro's performance will be important in the short term. But other variables will affect Cuba's future in the longer term and will need to be monitored. Among them, the evolution of

- The armed forces and security establishment. For example, internal tensions between the generations and between the "traditionalists" and the "mercantilists," and the ensuing factions and networks.
- The *Fidelista* residue—the strength and cohesion of the political, bureaucratic, and economic elite who will seek to retain power, even through reforms.
- Democratic forces and civil society—weak and controlled now, but likely to emerge as vociferous and fissiparous.
- Regional disparities and racial tensions—Afro-Cubans are especially vulnerable to deteriorating economic conditions, particularly in the eastern provinces.
- External Actors—Cuban diaspora elements in the United States and elsewhere, criminal elements, and states supporting the *Fidelista* residue, can be expected to become involved. Weak government and instability will provide many opportunities for access to and from this strategic platform.

6. Adversarial External Actors in the Region

There are important state and nonstate forces outside of the region that are in conflict with the United States, its allies, and liberal democracy. These actors think strategically. They search out the strengths and vulnerabilities of their adversaries, and act. It would be natural for them to seek advantages in the Western Hemisphere. One avenue for these forces is to secure collaborators–state and nonstate–in the Americas. Another is to unilaterally identify vulnerabilities in the region, and take advantage of them when it suits their geopolitical purposes.

Two such major adversarial state players now present in the region are China and Iran. The others are Shia extremists with close ties to Iran, and Sunni global jihadists. All are using a variety of techniques to seek influence, and develop contingent capabilities in the Hemisphere. Ascertaining the perspectives, strategies, and capabilities of these external actors, will require the collaboration of both hemispheric regional security services as well as specialists focusing on the global strategy and capabilities of these extraregional actors.

Introduction—Purpose, Terms of Reference, Assumptions, and Sources

This report looks forward to the years 2007-2016 to identify political, military, and socioeconomic elements—i.e., trends, issues, and conditions—out of which strategic threats to, and opportunities for enhancing, democratic security in the Americas may emerge. It does not seek to inventory, rank, or project current strategic threats.

A notional exercise may help: Assume that, for whatever reason, every threat listed in current threat assessments disappeared or shrank to an inconsequential level by 2010. The situation then would not be static. New threats would probably arise. Old threats would reemerge, perhaps in transmuted form. Benign factors would become malignant; some malignancies would become opportunities, and so on. Instead, the question the report seeks to answer is: What do democratic states in the region need to monitor, and at what level of detail or "granularity" to enhance their security?

Intelligence resources. The focus of this study is on the use of intelligence resources to monitor the identified trends, issues, and conditions. The report assumes these resources include: (a) all open sources ;(b) routine police reports; (c) a mixture of clandestine, human, and technical collection capabilities. The latter include the collection and analytical resources of military, police, security forces, and intelligence services. Some of the required information and analysis will be available in other parts of government, in open sources as well as from academic and nongovernmental centers. However, other conditions will be subject to various forms of denial and deception that the intelligence components are uniquely equipped to monitor. Deciding which functional agencies in which countries specifically will be responsible for monitoring which factors—and how that will be accomplished—are matters for a subsequent study.

Region defined. The report focuses on the area stretching from Mexico, through Central America and the Caribbean Basin, to Colombia. It presents an array of challenges to democratic security within varied social, political, military, and economic circumstances. Excluding the United States, it includes approximately 230 million people, 34 states, the diaspora populations, a number of strategic islands, coastal areas of the Pacific and Atlantic Oceans, the Gulf of Mexico, and the Caribbean. The study recognizes that this area and the rest of the Americas are interconnected. Reference is made from time to time to those connections.

The United States. For a variety of reasons, internal conditions, trends and issues inside the US are excluded from this report. However, the United States has a complex interrelationship with the region.

What affects the people and nations of the region affects the United States and vice versa. For example, people in the region represent the largest source of immigration—legal and illegal—to the United States.[1] Many unauthorized immigrants enter the country through human smuggling networks, which are in turn linked to criminal organizations. Economic ties are another link. Remittances from both legal and illegal immigrant populations constitute major sources of income for residents of some of the poorest areas in the region. Major changes in US immigration policy would have a huge impact on millions in the region.

Gangs and criminal networks are another link. Some Latino street gangs are following the immigrant stream and setting up local "franchises" throughout the United States—spreading out from their historic urban bases. Other local US gangs, already among the major retail distributors of drugs in the United States, are developing rudimentary transnational connections and networks with counterparts in the region.

Potential political conflict is another. Survey data and academic studies have found that most Hispanic immigrants to the United States, and many first born, identify their ethnicity by their country of origin, rather than by a generic category such as "Hispanic" or "Latino." They think of themselves as "Cuban," "Mexican," "Dominican," etc. The corollary is that large segments of these populations remain tied to cultural, economic, and political events in their native countries. The question is the nature and strength of such ties. Under what circumstances if at all, for example, would armed conflict in Mexico or Cuba inspire action among diasporas in the United States? These issues and interrelationships are not addressed in this report.

Adversarial External actors. Many of the conditions discussed here will be found entirely within the region. However, there are adversarial governments and nonstate actors based outside the region that are present in the Americas. Some of these actors have strategic or opportunistic interests that conflict with the interests of democratic governments in the region.

Assumptions

For the purpose of this report, the following are assumed for the period 2007-2016:

1. The interests of the region's varied population are best served by preserving and enhancing liberal democratic freedoms under the rule of law in a pluralistic political system. A wide range of government and nongovernmental leaders in the region share this perspective and are concerned with the security of liberal democracy within the region. Although there are differing concepts of democratic security, there is a core set of liberal beliefs upon which there is widespread general agreement. There are and will be a spectrum of opinions about how best to achieve it.

2. There will be no substantial or dramatic change in the overall policy of the United States toward the region. The US will continue to express support for democratic rule and pursue most of its present diplomatic and economic interests. Concerns about terrorism and weapons of mass destruction (WMD) enunciated in US national security strategy will remain essentially unchanged, although there will be adjustments in tactical considerations and resource allocations.

3. The pivot of democratic security in the region will be the United States, Mexico, and Colombia. That is, given their relative geostrategic importance and influence, preserving existing democratic conditions and advancing democratic reforms in the region as a whole will depend largely on these states, and in continuing cooperative relations among them.

4. There will be no catastrophic manmade change, natural disaster, or other dramatic shift within the region that one could not reasonably anticipate.

5. Likewise, there will be no catastrophic or dramatic change in general global conditions—i.e., no events involving use of weapons of mass destruction, outbreak of "hot war" between major powers, or major shifts among strategic opponents and allies.

Sources

This report draws heavily on written contributions and discussions with US and foreign specialists conducted by the principal investigators in 2005 and 2006 under the auspices of the National Strategy Information Center. Papers were commissioned from a multidisciplinary group of specialists to identify and analyze both the internal and external forces related to democratic security in the region over the next decade. These papers were discussed and critiqued in late 2006 by current and former US government and academic specialists, and subsequently

revised. The papers can be found in Roy Godson et al., eds., "Democratic Security in the Americas: Experts Identify Security Issues and Conditions that Require Monitoring by Intelligence from 2007-2016," National Strategy Information Center (December 2006).[2] The paper contributors and discussants are not, however, responsible for the conclusions reached in this report.

PRIORITY CONDITIONS TO BE MONITORED FROM 2007-2016

1. Population Sectors Becoming Disaffected with Democratic Governance

Large segments of the region's population may be losing confidence in democratic government. Marginalized and disaffected, they question its ability to improve their lives and protect them from violence. The mix of people, the reasons for their alienation, and the depth of their disaffection varies among countries and within regions. They include pools of youth, urban poor, the working class, ethnic minorities, and some of the elite. Taken together, tens of millions of people throughout the region equate discontentment with democratic governance. Demographer Nicholas Eberstadt described them as the region's "tinder."

At the same time, millions of others have come to utilize the democratic process. They work on democratic campaigns, vote, see themselves as moderates, and do not favor authoritarian government. The latest *Latinobarómetro* poll, for example, found that 73 percent of respondents in 18 countries said they voted in the most recent election, and 58 percent agreed that democracy is the best system.[3] The challenge for democratic forces is to find opportunity in this mix. Seizing opportunity may increase the numbers of supporters and decrease the numbers of disaffected.

Still, the picture is mixed and knowledge about trends among these segments is fragmentary. Regional macro trends differ from micro details in some areas. For example, democratic support in the 18 countries polled is five points higher from 2005—but five points lower than its 1997 peak. Locally, there were increases in democratic support of more than 10 points in the Dominican Republic, Ecuador, and Honduras. There were declines of five points or more in Mexico, El Salvador, and

Venezuela. Finer detail than this publicly available data would be required to know the trend and depth of attitudes toward democracy within key socioeconomic population segments in a given country, or within its states, cities, and neighborhoods.

The Drivers

Disaffection appears to be driven in large part by three interacting forces—demographic trends, chronic economic problems, and political dysfunction. These forces are in flux and vary across the region. In general, however, they are structural challenges, not amenable to easy or short-term fixes. In many geographic areas—Central America and much of the Caribbean, for example—some of these conditions appear to be worsening.

Demographic Trends

North Americans often stereotype the region to the south as being traditional societies frozen in time. In fact, the region is experiencing a "paroxysm of social change."[4] Demographic trends are part of that change. They fuel alienation in ways that are subtle and even counterintuitive.

Decline in fertility rate. Among the most prominent demographic trend is the "massive" decline in fertility in every country in the region. The "total fertility rate" (TFR)—the average number of births per woman per lifetime—in the region has declined from approximately 6 to 2.5 over the last four decades. In some countries, the TFR has declined even more dramatically over a shorter period of time. In Mexico, for example, the TFR dropped by almost two-thirds in 30 years—from 6.6 in 1970-75 to 2.4 in 2000-05.[5] Many countries in the region have a TFR that is less than that of the United States.

Conventional wisdom views this change as good news. Smaller families are thought to enjoy better social and economic conditions. But this change has also introduced "a tremendous element of flux." Its most serious facet is the disintegration of the traditional family structure that has been relied upon in the past to "socialize" young men. This is the process by which at-risk young men learn community values and how to get along with others, even in the face of poverty and unfulfilled expectations. Relieved of the intimate ties and economic burdens that come with large families, mothers and fathers are leaving the traditional extended structure for a variety of reasons—work, migration, or personal freedom. Without this key socialization mechanism, social cohesion erodes.

The disintegration is continuing. Large extended families have been replaced by nuclear families—father, mother, and children. And these are now being replaced by "subatomic" families in which children grow up in homes without fathers and are even left to fend entirely for themselves.

Smaller families may have greater economic choices. But the collapse of the family structure heralds potentially ominous consequences. It is occurring in areas where governments cannot provide other means of socialization—such as schools—and whose economies cannot create jobs. As a result, large cadres of unemployed and unsocialized young men are being generated. These young men are left to seek family and economic life outside of society's bounds. They are candidates for recruitment into street gangs, organized crime, and other armed groups. They are targets for the calls of authoritarian and opportunistic movements and leaders to radical reform and mass action.

Urbanization compounds the problem. In the wake of a "rapid and unrelenting" movement of people from rural areas to cities, the Latin American/Caribbean region is now "one of the most highly urbanized regions of the

planet."[6] In Central America, 70 percent of the population lives in urban areas. In South America, the rate is 82 percent, slightly greater than in the United States.

One result is the proliferation of "mega-cities"—with populations of one million or more. The sprawl of mega-cities increases "anonymity" among residents, with an equivalent decrease in traditional means of social control. Anonymity makes it easier for a variety of persons and organizations with criminal or other violent intent—such as insurgents or terrorists—to operate without discovery, "below the radar."

Up to 40 percent of the inhabitants of these mega-cities live in vast slums, poor and densely packed together. Poverty is moving from rural areas to cities. Governments often do not provide basic services—water, power, sanitation—to the sprawling slums. Residents turn to the informal and illegal economy for survival and nongovernmental sources, gangs, and vigilante groups for basic services. These cities suffer high rates of violence, particularly in poor neighborhoods on the periphery. However, there are differences among countries and between cities within countries. A city's demographic growth rate may be a stronger indicator of its crime rate than its size. Micro trends vary even within cities. For example, in spite of this pattern, homicide levels have declined in Bogotá and other Colombian cities since the mid-1990s to levels that are "relatively low," with homicides "concentrated in a few small, very violent areas."[7]

The World Health Organization defines as "epidemic" a homicide rate of 10 per 100,000 inhabitants. The world average is 5 per 100,000; in the United States it is 5.5 per 100,000. The homicide rate in Latin America is 27.5 per 100,000—perhaps the highest in the world.[8] Beyond this macro figure, trends within Latin America are difficult to isolate and compare across the region. Reporting criteria and the mechanics of reporting differ over time and among countries. Nonetheless, observers seem to agree that (1) the level of violence is "extraordinarily high"; (2)

this is a "relatively recent phenomenon"; and (3) the level "varies greatly" within the region. In short, macro trends must be informed by micro-level information to understand all the key patterns, which are sometimes contrary at the local level. A high degree of granularity is required to accurately capture local nuances and countertrends.

Urbanization also "shakes up" indigenous populations. Difficult to define in any case—whether by language, self-perception, or place of origin—many are being displaced to urban settings, alienated and lacking traditional roots. Four countries have particularly large indigenous populations—Ecuador (25 percent), Mexico (30 percent), Guatemala (41 percent), and Bolivia (55 percent).[9] Indigenous people have been historically marginalized politically and economically in the region. Generally among the poorest and least served, they present targets of opportunity for opportunistic leaders and forces wishing to leverage legitimate grievances into mass movements.

Chronic Economic Problems

The region's economy suffers from a contradiction between appearance and results. Measured by trade volume, trade value, and gross income, economic performance is at its best level in 30 years. Latin America's economy has grown at an average rate of 4.5 percent over the last three years.[10] This growth has not, however, created jobs or increased prosperity for the poor and the working class. It has been driven largely by outside demand for commodities—raw materials and petroleum. Rates of unemployment and measures of inequality and poverty have increased across the region.[11] In Canada and the United States, the richest 20 percent of the population hold 40-45 percent of consumption wealth. In all but a very few countries in Latin America, the richest portion of the population holds over 50 percent and often over 60 percent of consumption wealth.[12]

Chronic structural problems of the region's economy are not being solved. Reforms that were imposed as part of the solution of the region's debt crisis in the 1980s forced the restructuring of public and private institutions and caused profound economic adjustments. Opening local economies to world markets cost jobs that have never been made up. Employers shed jobs or went out of business faced with global competition. "Entrenched" elites—many of the upper class and aspiring middle class—saw and continue to see change as a "zero-sum game," in which improving the masses' conditions comes at their cost.

The region's "youth bulge" compounds the problem of job creation. In Venezuela, for example, 40 percent of the population is aged 5 to 25. In much of Central America it is almost 48 percent. Some of these youth turn to neighborhood gangs and crime for a variety of reasons. Not all the "risk factors" that compel youth to join gangs are fully understood. But some are generally agreed to be important. For the poor and unemployed, crime offers an income. For children without parents—the "subatomic" family—gangs fill the void and provide another form of family, acceptance among peers, and social life. In some cases, tradition comes into play—generations of a family join the same gang. Children who are victims of violence tend to be more disposed to be violent themselves, especially in the absence of means of socialization. Finally, in some neighborhoods, youth are simply compelled by force or threat of violence to join a local gang.

Most gangs are local, but some, particularly in El Salvador and Honduras, are transnational. Embryonic connections are emerging between leaders of MS-13 (Mara Salvatrucha) and 18th Street (Barrio 18) in these two countries and their counterparts in the United States. Gang leaders in El Salvador and Honduras communicate by cell phone with counterparts in the United States—sometimes from inside prison. Specific criminal actions flow from them, usually related to the movement of drugs or fugitives. Important gang members cross back and forth from the United States to Central America with some regularity. During these trips,

they renew or make new gang contacts. Tijuana, Mexico has for years been a refuge for 18th Street gang members fleeing prosecution in Southern California—members of 18th Street Gang "cliques" on both sides of the border maintain at least a loose affiliation. Some observers believe that gangs in Central America and Mexico are being integrated into organized crime—that is, given assignments as movers of contraband or local suppliers of enforcement muscle. The extent to which this is happening is not clear.

Violence, increasingly associated with these youth, imposes high costs on the region's economies—medical care, costs of security, losses in productivity, and lost investments. An Inter-American Development Bank survey conducted in the latter half of the 1990s found that the costs of violence in El Salvador and Colombia totaled almost 25 percent of Gross Domestic Income (GDI). Costs in Mexico and Venezuela were estimated to be at least 10 percent of GDI.[13]

Some economic aspects are worsening. The region is growing much more slowly than other developing areas. Substantial foreign direct investment is being targeted at Asia rather than at Latin America. Unlike South American commodity exporters (including Venezuela) who were the primary beneficiary of economic growth, Central American countries "saw a sharp drop in their terms of trade, partly because of the high cost of energy imports." [14]

A potentially significant by-product of these structural economic problems is the size and continuing growth of workers in the "informal economy." These are a vast region wide army of semi legal street-level entrepreneurs, service providers, and black marketeers, making their living invisible to formal controls—documentation, regulations, and taxes. They represent a reservoir of potential discontent throughout the region.

Political Dysfunction

Public opinion polls throughout the region consistently show that most people (who can be reached) worry most about their personal safety—public security—and keeping their job. *Latinobarómetro* research since 1996 shows that three-quarters of respondents over the years are worried or very worried about losing their jobs.[15] Many now blame their governments for failing to provide security. Some describe the situation as not so much failure as an absence of government at critical points. According to Organization of American States Secretary General Jose Miguel Insulza, "We suffer a 'lack of State' in the region."[16]

Government neglect. Governments throughout the region tend to serve the interest of the elites—the upper class and aspiring middle class—while neglecting larger populations of the poor and marginalized. The divide between the interests of these segments stands out, for example, in maps of voting in Mexico (as well as Brazil and Peru). Stark differences appear between regions that have basic services and those that don't, developed areas versus less developed, and "white" populations against indigenous and racial populations.[17] Many—Bolivia, Ecuador, Haiti, Colombia, Mexico, Brazil, El Salvador, and Guatemala—are "fragile" states, unable to deliver essential services or fully control the use of force within their boundaries.[18]

Erosion in public confidence. Regional polls show a chronic lack of confidence in government institutions among large segments of the population. Some 49 percent of respondents in the latest *Latinobarómetro* poll of 18 countries throughout Latin America thought their countries' elections were fraudulent. Only a minority of 26 percent thought their country is governed for the benefit of all, rather than a few powerful groups. Asked in whom or what institutions they had confidence, only two—the church and television—got more than a 50 percent endorsement. [19] In another 2005 poll, only firefighters among public entities earned

more than 50 percent approval, ranking highest at 79 percent. The church was ranked next (71 percent) followed by radio (55 percent). All other public entities fell below 50 percent: presidential figures (43 percent), armed forces (42 percent), police (37 percent), the judiciary (31 percent), and legislative bodies (28 percent). Languishing at the very bottom of the scale, however, were political parties, key mechanisms of democratic governance. Only 19 percent of Latin Americans expressed confidence in these organizations, far less than the church and electronic media.

Data such as the *Latinobarómetro* poll is sometimes broken down by country, but more often is aggregated by region. More detailed micro data is required to discern trends and patterns within countries, states, and key neighborhoods.

Erosion of political parties. Political parties are democracy's mechanism for bridging divides and driving reform. Interests are represented through them. They help educate the citizenry and develop consensus. In some parts of Latin America, political parties have ceased to function effectively. In those areas, parties are disorganized and undisciplined. Some are mere fronts for their leaders' personal interests.[20] The populace holds parties in such disdain in some countries that large numbers are "giving up" on politics. "For as long as they can remember, people have seen the democratic process run as a racket."[21] Where this condition exists it reflects not simply a rejection of individual party programs. It is a systemic failure of democratic governance. "The machinery of governments—the rules, procedures and processes of government decision making—have ground to a near halt."[22]

On the other hand, 57 percent of the most recent respondents thought voting was the best way to bring about change, as opposed to 14 percent who favored protest movements.[23]

Consequences

These powerful forces are dynamic, long term, and variable. They are capable of inflicting deep and unforeseen consequences. One consequence apparent now is the continuing creation of large segments of disaffected populations. These include:

- ***Unsocialized and unemployed youth.*** Raised without families, and lacking prospects for employment, these youth are a volatile pool of discontent concentrated in the region's cities.
- ***Urban poor.*** Not all of the urban poor are youths, but many remain poor due to structural economic problems.
- ***Racial and ethnic minorities, especially indigenous people.*** These are segments of the population whose disaffection is enhanced by the problems of urbanization.
- ***Working class.*** Many of those who have work fear losing their jobs. They share in widespread fear of personal violence.
- ***The elites.*** Members of the upper class and aspirants to the middle class are unsettled by fear of violence, disquieted by its economic costs, and concerned that reform will diminish their well-being.

Trends, Issues, and Conditions to Be Monitored

The disaffection of these tens of millions of people is a serious democratic vulnerability. The authoritarian and opportunistic forces described in the following sections are seeking to appeal to, mobilize, and recruit those who have lost or lack confidence in democratic governance. At the same time, there are countervailing democratic forces that seek to diminish the numbers of disaffected. In situations such as the 2006 presidential election in Mexico and in its aftermath, it was a very tight contest.

These pools of disaffection may be manageable by democratic leaders now. Matters could become explosive if forces inimical to democratic governance succeeded in mobilizing them. Accordingly, the following should be monitored:

- **What is the trend of attitudes toward democracy and the rule of law among disaffected masses?** Are they coming to favor, oppose, or feel indifferent toward democratic ideals, governments, and leaders?
- **What are their attitudes about changing their economic conditions and political power?** Are they becoming apathetic and resigned? Or do they believe change is possible? Are they angry—potential recruits or passive supporters of antidemocratic populists or armed groups? What means of change do they favor—will they continue voting and supporting democratic government? Are they likely to vote for leaders with antidemocratic tendencies? Or are they turning to disruptive, violent protest, and lending their support to the strongmen of the left or the right?
- **Under what conditions could they be drawn into organized violence?** What are they coming to think about the utility of violence? If they themselves would not act violently, would they passively tolerate the use of violence by antidemocratic forces? Would they actively help such forces? Or would they help elected government leaders control violence?
- **What levels of public insecurity, unemployment, or specific actions would trigger sporadic or long-term violence and instability?** What would likely set off massive protests beyond the ability of police to maintain public order, for example, and where?

Granularity. Attitudes fluctuate. They vary among nations, regions, and communities. They should be monitored in detail to provide early warning of antidemocratic trends in neighborhoods, cities, countries, and regions. Given enough warning, local, regional, and national governments may be able to address

economic, social, cultural, and political flash points. Knowing where "hot spots" exist or are developing, or what is likely to trigger them, will help allocate resources effectively.

The disruptive action and near insurrection following the Mexican presidential election of 2006 is an example of the joining of disaffection and leadership inimical to democratic governance. The takeover of the city of Oaxaca in the fall of 2006, requiring the intervention of federal forces to restore order, is another. Are these isolated instances and unique circumstances? Or is a pattern developing? Are similar conditions emerging elsewhere and, if so, what factors could determine the tipping point into violent confrontation or an incipient insurgency? What trends develop among supporters after events such as those in Mexico? Do they feel more or less alienated, more or less likely to resort to violence?

To find the answers to these questions, democratic governments will need macro analysis to identify broad trends among the population segments discussed in this section. But macro analysis alone is insufficient for critical distinctions that will be required to be made within regions, cities, and counties. In which regions and which counties precisely are volatile conditions developing? Among which exact populations is disaffection developing, and why? Detailed local information—granularity—will generate sufficiently precise information to provide effective warning and reasonable lead times.

In the meantime, democratic governments will also need to know about authoritarian, opportunistic, and antidemocratic forces that seek to mobilize these populations. If these population segments are the region's "tinder," the forces discussed in the next section may be its "matches."

2. Authoritarian and Opportunistic Leaders and Networks Seeking to Mobilize the Disaffected

A broad spectrum of organizations and leaders seek to mobilize the region's disaffected. Not all are threats to democratic security. Some are reformers working within the mechanism of democratic governance to improve the status and lives of the people they represent. There are, however, authoritarian, opportunistic, and antidemocratic networks, charismatic leaders, groups, and mass movements that are or may become threats to democratic security. (Their messages focus on poverty, local grievances, ethnicity—e.g., indigenous peoples—economic inequality, and public insecurity). While unarmed now, some of them include elements predisposed to violence.

Studying these groups and leaders will help ensure that democratic governments neither overestimate nor underestimate the threats and opportunities they represent. This, of course, is a sensitive matter in a democracy. It will be crucial to articulate the thresholds which groups, leaders, and networks have crossed in their rhetoric or actions before resources are devoted to studying them. To be effective, this research will require macro-knowledge informed by granularity—the details of specific groups, leaders, and local conditions.

This study suggests several indicators to define the threshold beyond which these groups, leaders, and networks become potential threats to democratic security. Among them are the following:

- a secret infrastructure
- a doctrinal or opportunistic interest in using violence and criminal activity for political purposes
- affiliation through coalitions or networks with groups or leaders that use or advocate violence, or directly benefit from criminal activity

- planned or spontaneous actions bringing large numbers of people together in a confrontational way, heedless of or explicitly condoning the possibility that violence could result
- coalitions or networks with foreign actors who are hostile to democratic governance or to democratic governments in the region.

Other observers may suggest additional criteria to be considered.

Beyond the direct threat to democratic governance of such forces lie the consequences should they succeed in taking government power and fail to deliver on their promises. How will disaffected masses react if elected populist leaders and their mass movements fail to improve the condition of the poor and working class? Will they become docile? Or will they be radicalized and more prone to violent solutions, forming armed groups of the kind discussed in condition 3? Will the leaders themselves become more extreme and encourage violence and armed groups as a necessary alternative, or perhaps as a distraction from their own failures?

The vulnerable opening. A significant vulnerability that authoritarian, opportunistic, and antidemocratic forces seek to exploit is erosion in the credibility of democratic governance among the disaffected population segments described in condition 1. For example, only 26 percent of Latin Americans polled in the latest *Latinobarómetro* poll of 18 countries believe that their country is governed for the benefit of all rather than a powerful few. That leaves a considerable majority of 74 percent thinking otherwise (although the details of what this skeptical majority believe are not clear). In the countries polled within our region of interest, only minorities of 40 percent or less are satisfied with the way democracy is working. The highest level of satisfaction was in Mexico—approximately 40 percent. Levels of support were less in Central America, Colombia, and Ecuador.[24]

Radical solutions and authoritarian leadership may become attractive alternatives to significant numbers of such dissatisfied people. In recent polls, about 10 percent of the population of Costa Rica thought authoritarian government could, in some circumstances, be preferable to a democratic one. But significantly larger minorities thought authoritarianism preferable in Guatemala (30 percent), the Dominican Republic (21 percent), Ecuador (21 percent), Bolivia (19 percent), Panama (19 percent), Mexico (15 percent), Colombia (15 percent), and El Salvador (15 percent). These percentages were an increase over the 2005 polling numbers in every country in our region of concern—including Costa Rica.[25] Moreover, they reflect national data. Sympathy for authoritarian solutions is likely to be higher in some internal regions and within some population segments.

These sizeable minorities offer significant bases of support within which authoritarian, opportunistic, and antidemocratic forces could take root, nurture, and expand. Their attacks on democracy—and the United States in particular—as the cause of the region's ills could be effective over time. The pools of disaffected and those sympathetic to authoritarian or other "solutions" may grow. Support for authoritarianism could expand along with disenchantment with democratic governance.

Charismatic leaders may be able to weld disparate pools of disaffection into a cohesive regional force (or forces) with strong antidemocratic tendencies. Such a force would be a powerful tool in the political arsenal of those who might wish to destabilize democratic governments. A front of cooperation, alliances, and material support (e.g., oil and gas revenues) among authoritarian and opportunistic leaders in government office, even if elected, would be problematic. Their example and support could encourage like-minded groups and leaders in democratic states to act in a potentially wide variety of ways, including mass confrontations. The latter threat becomes more acute in the case of groups and leaders who also ally themselves with adversarial external actors (see condition 6).

The Leaders and Forces

Some mass movements and important groups seeking to influence the region's populations are "home grown." Their agendas are primarily local or regional. Others are global actors applying a broader agenda to the region's particular conditions. Networks and coalitions sometimes are formed among these two forces.

Authoritarian populism. The strongest such movement in the region is authoritarian populism, whose "disregard for democracy and the rule of law is legendary" in the words of Mexico's Jorge Castaneda.[26] The leaders and groups advocating authoritarian populism lie outside of the liberal democratic populism. Individuals at all political levels throughout the region are finding inspiration in the careers and programs of these leaders.

The leaders of authoritarian populism reject liberal democratic procedure and the rule of law, which they denigrate as incapable of solving the region's problems. They advance their own often ill-defined authoritarian agenda as an effective alternative. A constant corollary of their argument is that the United States is an enemy of the region. Confronting the United States is a rhetorical staple of their emotional appeals to disaffected segments. They are willing to use the forms of democracy, such as elections, to take power. But they reject democratic limitations on their agenda. Some have refused to accept the results of defeat at the poll. If elected to office, they set about dismantling constitutional protections and suppressing dissent and alternative voices.

Some analysts see authoritarian populism as the "wrong" branch of two distinct leftist trends emerging in Latin America. These analysts argue that the other leftist branch is a "reconstructed radical left." In their view, the leaders of Latin America's formerly radical left (e.g., Daniel Ortega) have learned from the collapse of the Soviet Union, the failure of Cuba, and their own past mistakes. Now

chastened, this wing is said to have accepted liberal democracy. Its leaders are said to be more like European social democrats than revolutionaries.[27]

Notwithstanding this distinction, if any group or movement takes on the specific threshold characteristics described above, then they rise to the levels of interest of those concerned with democratic security.

Leading examples. Venezuela's Hugo Chávez is the premier example of the populist movement's "rallying around" a "savior who will take on the sclerotic system" to the benefit of the disadvantaged masses.[28] He embodies populism's way of taking power through democratic elections, then consolidating authoritarian control. He is one of the most influential populist leaders, and has lent support to other like-minded aspirants in the region.

After leading a failed putsch in 1992, Chávez was elected president in 1998 and re-elected in 2006. Since assuming office in 1999, he has firmly gripped political and economic power through measures he says are aimed at "21st-century socialism."[29] These include amending Venezuela's constitution, expropriating private firms, requiring television channels to broadcast government propaganda, and refusing to renew the broadcast licenses of disfavored outlets. He called for amending the constitution again after his 2006 reelection as part of a program to "deepen and extend the revolution." Presidential term limits, for example, would be eliminated. Chávez claims that democracy is impossible under "capitalism." He has made highly publicized alliances with Castro's Cuba, which has supplied him with political advisers, and with the current Iranian government.

Chávez exemplifies the regional, and some would say global, influence that can be wielded by an authoritarian populist—or other antidemocratic—government. He has openly described Venezuela's oil, a bulwark of his power, as a geostrategic weapon. The country's petroleum revenues account for about one-third of its gross

domestic product and over half of the government's operating revenues. Venezuela is the second major supplier of crude oil and fuel to the United States (after Saudi Arabia), providing about 1.2 million barrels per day—about 60 percent of its production. Chávez has threatened on occasion to cut off these supplies, as part of an as-yet rhetorical but popular confrontation with the United States. He has increased petroleum exports to China and announced plans to buy supertankers to further increase exports to Asia—reducing the supply available to the United States. He uses oil, subsidies, and loans as tools of influence in the region. He has, for example, supplied crude oil and products on a deferred-payment basis to Caribbean countries, including the Dominican Republic and Cuba, and financed development projects on favorable terms in Jamaica and other countries in the region.

Polling shows that Chávez is a widely known but divisive figure—28 percent approved of him and 39 percent disapproved in the latest *Latinobarómetro* poll.[30] He has supported candidates for office in other countries in the region, so far with mixed results. Some candidates he supported won elections in 2006, including Nicaragua's Daniel Ortega and Ecuador's Rafael Correa. Mexico's presidential candidate Andrés Manuel López Obrador lost, but only just.

Obrador's actions following his narrow defeat demonstrate authoritarian populism's proclivity to obstruct democratic governance, even from outside of office. After initially taking a substantial lead in the race, Obrador lost by a margin of less than one percent, according to the nation's highest electoral court. The reasons underlying this close election have yet to be fully analyzed. After failing to overturn the results through the prescribed appeals process, Obrador—who ran strongly among the poor and in the poorer southern states—took an insurrectionist approach. He declared himself the "legitimate president" of Mexico and organized his followers to confront the new government. Serious acts of civil disobedience by Obrador's supporters followed. At his call, thousands of his followers from various

parts of Mexico took to the streets and blockaded five miles of downtown Mexico City with a tent city. They intended to paralyze the government and force a resolution favorable to Obrador. The tents were taken down after six weeks, but only at the brink of a potentially violent confrontation with an annual military parade. Obrador's supporters also disrupted official transition ceremonies, instigating brawls within the Congress and preventing addresses by both the outgoing and incoming presidents. Many observers believe that the country came close to civil war.

A larger point to be taken from these examples is that forces that threaten democratic security in powerful ways do not necessarily spring up full blown. They may begin in counties, regions, and barracks. Both of these now well-known leaders started out on smaller stages, Obrador in the southeastern state of Tabasco, where he later was elected governor, and subsequently mayor of Mexico City, and Chávez as a relatively junior military officer. Both used the levers of authoritarian populism to assemble mass followings and international connections and support. They rose to positions from which they threaten democratic governance in the region. They or others following similar paths from lesser station, could enjoy greater success in future campaigns and confrontations. One need only imagine how the region's instability had Obrador overcome his less small electoral deficit, or had his subsequent actions provoked confrontation with the military.

The "macro" picture of the careers and influence of men like Chávez and Obrador is relatively well known. Less well-known are the details of aspiring authoritarian, opportunistic, and antidemocratic leaders and organizations "under the radar." Democracies cannot afford to be surprised by the "sudden" public emergence of such groups and leaders. Nor should they exaggerate the threat or implicate groups that stay within the bounds of the liberal democratic process. Distinguishing emerging antidemocratic forces from noisy democratic groups will require finely detailed regional and local information.

Disaffected indigenous movements. Another current in the region is the indigenous rights movement. The movement itself supports the democratic rights of indigenous people. The disaffected among the region's large population of indigenous people, however, are targets for authoritarian, opportunistic, and other antidemocratic forces and leaders—some of whom have already sought to mobilize indigenous people.

Some would say that Bolivia's Evo Morales is an example. Morales, a member of the indigenous Aymara people and a Chávez protégé, vowed during his 2005 presidential campaign to be "the worst nightmare" for the United States.[31] Morales ran for office as leader of Bolivia's cocalero movement—coca farmers opposed to efforts to eradicate coca growing in the country. He is also the leader of the Movement for Socialism (MAS) political party.

Indigenous people represent a significant minority in the region, more so in some areas (such as southern Mexico) than others. About 10 percent of the region's population is indigenous people. The 671 separate types of indigenous people recognized by states are usually the most disadvantaged group in the region.[32] According to the United Nations, indigenous people throughout the world are "organizing themselves for political, economic, social, and cultural enhancement."[33] Indigenous people throughout Latin America are likewise asserting their rights and demanding greater participation in government. The question is, which path will these groups and the movements representing them follow? Will large numbers favor democratic procedures and support democratic governance? Or will they be mobilized for "radical solutions" by the appeals of groups and leaders in the mold of Chávez, Obrador, Morales, and others? The potential problem is greatest in four countries in or close to the region with large indigenous populations: Bolivia (55 percent), Guatemala (41 percent), Mexico (30 percent), and Ecuador (25 percent).[34] Concentrations are not uniform in these countries. In Mexico, for example, the

largest numbers of indigenous people lie in a belt across the southern states of Oaxaca, Veracruz, Yucatán, Puebla, and Chiapas.

There are already some instructive examples of indigenous people being mobilized by authoritarian, opportunistic, and antidemocratic forces and leaders. Mayan indigenous peoples, for example, were the popular base of a 1994 insurgency in Chiapas. In 2006, Obrador polled well in the poor southern states, with large concentrations of indigenous peoples.

Global agendas, local focus, cyber networks. A number of movements and groups with global agendas focus on the region precisely because of its problems. Some of their agendas potentially conflict with the interests of democratic governance. In such cases, they tie together the currents of disaffection and activism described in this section.

Some of these NGOs have developed sophisticated communications and networking facilities and strategies, creating global virtual or "cyber" networks using the Internet. An example of such NGO activism is an apparently ad hoc coalition of self-described "movements for peace and justice." It has organized an "International Conference to Abolish Foreign Military Bases," to be held March 5-9, 2007 in Quito and Manta, Ecuador. The conference agenda is aimed at mobilizing international and Ecuadorian participants against the US military's Forward Operating Location in Manta.[35] Sponsors range from a local anti-base group called the *Movimiento Tohallí*, headed by a local labor attorney,[36] to the Cuban Movement for Peace and People's Sovereignty, the Amsterdam-based Transnational Institute, and the American Friends Service Committee. The organizers are focusing on "political, social, environmental, and economic impacts" of the base. *Movimiento Tohallí*'s local leader highlights the theme of indigenous rights: "Remember how Columbus gave glass beads to the Indians?"

The physical conference appears to be the tip of a globally linked iceberg developing around this issue. An Internet "Google" search using the conference name resulted in more than 440 links to NGOs, other activist sites, and media throughout the world promoting the conference and the organizers' agendas. Some of these agendas go far beyond Manta to include antimilitary, antiglobalization, and anti-US themes.

Another example of highly networked NGO influence was their participation in the then underestimated 1994 uprising in Chiapas led by the Zapatista National Liberation Army—discussed in more detail in the following condition. Mexican and transnational NGOs "swarmed" (their term) to Chiapas to support the insurgency in its early phase. They provided the global networking and communication capabilities the insurgency lacked. Globalization has provided an opportunity for local activists to become global players.

Trends, Issues, and Conditions to Be Monitored

The question of monitoring groups and leaders in a democratic society raises the crucial and delicate question of where to draw the line. Many democratic governments do not want to put themselves in the position of monitoring leaders and groups that are operating within the bounds of free speech, freedom of association, and other liberal democratic norms. At the same time, democratic government cannot afford to ignore the emergence of authoritarian, opportunistic, and antidemocratic groups and leaders. It will thus be crucial to articulate the threshold guidelines beyond which groups, leaders, and networks might fairly be deemed to have moved to receive the attention of security specialists.

The emergence of groups and leaders harboring or promoting authoritarian, opportunistic, and antidemocratic agendas—beyond the threshold described in this report—needs to be monitored at the local, national, regional, and global levels.

Identifying the progression of such groups to violence or alliance with violent groups requires a high degree of granularity—detailed knowledge of capabilities, networks, and trends within groups.

- **Which leaders, groups, networks, and movements—that have moved beyond the threshold of democratic participation into threatening violent action—are emerging?** How are they evolving?
- **Who are the leaders?** What are their agendas and doctrines? To whom are they seeking to appeal? Who are their followers and how many are they? Do they have organized cadres of followers? How are they educating their followers?
- **What resources are they mobilizing?** What are their sources of funds? Is their support coming from states, nongovernmental organizations (NGOs) or other groups?
- **How are decisions made?** Who are the decision-makers? How do they make decisions? Are there factions, rivalries, or other fissures? How effectively do the leaders control their followers? For example, to what extent and how does Obrador control his followers in Mexico?
- **What alliances and networks exist or are emerging among these movements, groups, leaders, and between them and states inside and outside the region? What coalitions from the extreme left or extreme right exist, or are emerging?** Do they have links with government officials? What kind and why? Do they have popular support abroad—ethnic, ideological, etc.? For example, the Aztlan website which promotes identification among indigenous Aztec peoples in Mexico and across the US Border, is also sympathetic to external Middle Eastern actors, hostile to "Jewish/Zionist" control of business and the media in Mexico and United States, and hostile to the United States in general.
- **Will the groups develop a violence capability? Are they developing secret structures or networks?** Are there secret

leadership cadres, cell structures, or specialized subgroups? Who are the members and what are their roles? What is the purpose of these secret structures? To clandestinely train, arm, or create infrastructures for violent action, for example? To infiltrate and influence government agencies or officials? Do they have weapons or access to them? Are they interested in an infrastructure that could undertake violence—trained cadres, intelligence, communications, control, and transport capabilities?

- **Under what circumstances would groups resort to violence?** What are their doctrines and leadership views on violence?

Granularity. The subjects range from elected leaders, mass movements, and charismatic leaders to small local groups of activists. Monitoring mechanisms are needed at regional, national, and local levels to provide early warnings and ensure that the potential threat from these movements is neither exaggerated nor ignored. Enough detail will be required to know when leaders are emerging, networks being created, and violence capabilities being developed. Clandestine organizations and relationships would be of particular interest. Given their very nature, filters will be required to discern them.

3. Armed Groups in the Region—Insurgents, Criminals, Militias, and Terrorists

Armed groups are major challenges to democratic security. They are the principal means by which the nexus between disaffected segments and the groups and leaders who exploit them becomes violent. Armed groups use violence to advance ideological agendas, raise funds, contest territory, enforce discipline, and for personal reasons. They use force to intimidate, control, and exploit population segments—imposing taxes, impressing recruits, assassinating informants. Some are, in the view of observers, becoming linked with one another regionally and globally.

Armed groups drive a significant portion of the violence that is the "most visible manifestation of instability" in much of the region.[37] El Salvador's homicide rate of 55 per 100,000 inhabitants is perhaps the highest. Homicide rates in parts of Honduras and Colombia are close behind.[38] Criminal violence is also almost certainly much higher than reported in official data, as citizens in the region frequently do not report crimes because they lack confidence in the police.[39]

Not all armed groups are security threats to states. Some are a law enforcement concern. A critical question is: When do armed groups become a threat to democratic security—rather than being a straightforward law enforcement problem—and thus need to be monitored by intelligence resources? Determining which groups are security threats will be critical for allocating intelligence resources. Indicators include (i) preparation for armed attack on the government or its institutions, or interest in using or trafficking in components of WMD; (ii) covert and/or corrupt linkages to the political process and security establishment, so as to constitute threats to democratic governance; and (iii) levels of violence that result in a loss of citizen confidence in democratic governance. Local knowledge is required to

monitor their emergence, support, plans, and capabilities and to provide cues for interventions by government.

Types of armed groups. Four types of armed groups operate in the region—organized crime, insurgents, militias, and terrorists.[40] It is not always easy to discern one type of organization from another. They use similar tactics and they have clandestine organizational arrangements. They collaborate with one another when they believe it is useful to do so. They sometimes "morph" into each other, and they also fight each other. Insurgents, for example, take on many of the characteristics of criminal groups and terrorists, and criminal groups sometimes join insurgents and militias and vice versa.

- **Organized crime.** Organized criminal groups, which can be found in most countries in the region, have secret structures and leadership. Profit is their primary motive, but some groups also seek control over territory and people, sometimes using terrorist attacks as a means to assert territorial control and undermine government authority as they have done in parts of the US-Mexican border region. Members of organized crime groups commit a variety of violent crimes in support of the enterprise including sustained campaigns of murder, kidnapping, extortion, robbery, and assault. Street gangs are organizing to varying degrees, particularly in El Salvador, Honduras, and Guatemala. A number of observers believe that these gangs are increasingly "networking" with organized criminal groups, such as drug cartels given specific assignments, such as moving contraband (drugs, arms, humans) or supplying local enforcement "muscle." It is unclear to what extent and where this is happening.
- **Insurgents.** Insurgents challenge and seek to replace the existing government and system of government. They have a clandestine infrastructure and use a variety of means to weaken or destroy sovereign

power and legitimacy, including terrorism. They engage in military and political actions aimed at controlling part or all of a country's territory.

- **Militias.** A militia is a recognizable irregular armed force, operating within the territory of a weak state. Militias may operate on behalf of an ethnic or religious group, or at the direction of a factional leader. They may also be in the service of the state, directly or indirectly (e.g., subsidized or deputized).
- **Terrorists.** Terrorists—whatever their political or religious motives—deliberately create and exploit widespread fear through the use of violence, often targeting noncombatants. Their attacks are intended to have far-reaching psychological effect on the target population. They are particularly secretive.

Beyond Law Enforcement to Democratic Security

All armed groups are a concern of law enforcement authorities—if for no other reason than the likelihood of their encountering them in violent ways. But not all armed groups, particularly small groups, rise to the level of security threats, thereby requiring intelligence monitoring. Distinguishing which armed groups have moved or are moving beyond law enforcement issues and becoming security threats will be critical for allocating intelligence resources.

Insurgent groups seeking to replace the government or take control of its territory are clearly direct threats to democratic security and of security concern. Any type of group that has an interest in developing, trafficking in components, or using weapons of mass destruction would meet that security threshold. Terrorist groups aimed at displacing, disrupting, or intimidating democratic government are security threats. Episodic use of terrorist actions by criminal gangs, on the other hand, might remain a law enforcement priority depending on its nature, frequency,

and purpose. Militias, whoever controls them, come with troubling aspects for democratic governments.

There are three conditions under which the activities of an armed group make it an appropriate subject for monitoring with intelligence resources.

1. **Direct armed attack, preparations for direct armed attack on the government, or interest in using weapons of mass destruction or trafficking in components of WMD.** This would include insurgents and terrorist groups. It could also include, for example, an organized criminal group or militias that mounted or planned a campaign of armed attacks on police, the judicial system, or the electoral process to disrupt functionality and usurp authority. Serious attacks of this nature by criminal groups are occurring in several countries, such as Mexico and Brazil.

2. **Corrupt and covert linkages to the political process and the security establishment.** When armed groups, by any of a variety of means, insinuate themselves into the government, the electoral process, and the institutions of liberal democracy, they threaten democratic governance, as they have done in Colombia and Mexico. Unofficial or unsanctioned links between any armed group and security forces are another example. They raise the danger that security officers will be recruited, become corrupted and derelict, or actively enlist in anti-government activities.

3. **Creating levels of violence so severe as to cause significant numbers of citizens to lose confidence in the government's ability to protect them.** Armed groups can so destabilize significant parts of a country that the democratic government is threatened whether or not there is a direct armed attack on the government itself. The key mechanism is breaking citizen confidence in democratic governance. The compact between citizens and government is not

merely notional. It is practical. When significant segments of the population lose confidence in the ability of their governments to protect them—as is the case described in condition 1—a number of threatening consequences result. The appeal of authoritarian solutions rises, making democratic governance vulnerable to replacement by other systems, such as authoritarian populism. In some areas, the very armed groups causing the violence offer themselves as a substitute source of protection—often extorting a "tax" for the privilege. Economic development is impeded, which further erodes a democratic government's credibility. In some areas, such as Guatemala, legitimate businesses incorporate "taxes" imposed by criminal gangs into the cost of doing business. Some members of the elite are said to be so discouraged by criminal violence in El Salvador, for example, that they are moving large amounts of capital abroad thus reducing new investment funds and enterprise in the country.

Linkages among armed groups could also elevate a group from a law enforcement concern to national security concern. For example, a link between an insurgent group and a criminal organization would make the criminal organization a matter of intelligence interest, as would contacts between a criminal trafficking organization and a terrorist group.

Thresholds for minimum levels of monitoring

To understand where a group lies within the proposed threshold conditions would itself likely require a minimum level of monitoring of all armed groups. One example is that of criminal street gangs. Authorities believe that some of these gangs either directly operate or effectively control contraband trafficking networks, which are treated as a law enforcement problem. However, if a gang operating such a network—say from Panama across the borders to Costa Rica, Guatemala, Mexico, and into the United States—became, even unwittingly, a conduit for the movement of terrorist operatives, this would become a security matter. (At least one Hezbollah

operative is known to have used an organized human smuggling ring to travel from Beirut to Detroit by way of Tijuana.) How would one know that a criminal street gang has developed such a conduit without at least some degree of regular monitoring? A minimum level of intelligence monitoring threshold could be appropriate for armed groups. This would be increased when it appeared that a group was moving in the direction of becoming a threat or affiliating with a threatening group or individual.

Organized Crime

The types and intensity of criminal violence vary widely throughout the region. In some areas, such as northern Mexico, drug trafficking organizations engage in wide-ranging episodic combat for territorial control. In urban El Salvador, members of rival street gangs kill each other over turf and vaguely defined notions of "honor." Property-related crimes occur most often—and are more likely to be reported—in wealthier neighborhoods. Severe violence, such as homicide and other crimes with deadly weapons, is common in poorer urban neighborhoods. Violence there often results from struggles between groups seeking to control territory and neighborhood criminal activity. Perpetrators and victims of neighborhood violence are overwhelmingly young males associated with criminal gangs.[41]

Monitoring and dealing with much of this violent crime is appropriately a matter for law enforcement. But some organized criminal groups will embark on activities or connections that are moving or could move into the category of threat to democratic governance and will require intelligence monitoring.

Trafficking networks. Transnational criminal groups the Americas are organized primarily around smuggling drugs, firearms, and other contraband, as well as human beings. Mexican organizations and criminal groups now control "most organized wholesale drug trafficking (smuggling, transportation, and

wholesale distribution) in the United States." They are the predominant smugglers, transporters, and wholesale distributors of cocaine, marijuana, methamphetamine, and Mexican-produced heroin.[42]

Latin American criminal groups increasingly operate in networks of loosely affiliated subgroups and take advantage of globalization to conduct their illegal business. Using the networks of legitimate commerce—transportation, communications, and finance—they also exchange expertise to move commodities. For example, traffickers of guns and drugs exchange goods at the intersections of their respective supply chains.[43]

Criminal organizations are said to increasingly be penetrating local criminal and organized crime groups.[44] Their well-developed criminal networks offer potential channels for exploitation by local, regional, or global terrorists. A sophisticated terrorist group could mask its identify from the operators of the criminal network who would not necessarily know with whom they were ultimately dealing. Their networks could then be used to infiltrate terrorist operatives or weapons throughout the region.

Many of these organizations have exploited links with government officials, political organizations, and influential persons. In its crudest form, the link is one of intimidation embodied in the question "*plata o plomo* (lead or silver)?" Traffickers throughout the region have made such an offer to officials ranging from local police to generals, to ministers, to appellate judges. The choice between accepting bribes or dying directly corrodes democratic government by corrupting its officials. Some might still regard this practice as merely a hindrance to law enforcement. More refined corruption by criminal groups of political leaders and government officials at higher levels, however, has been used to affect broad government policies opposed.

Another danger arises when criminal organizations become intertwined with an insurgent group, as has happened in Colombia. Corrupting links that the criminal organization has forged within government and the democratic political process become available by proxy to the insurgent group.

Armed struggles for control. To the extent that control of national borders depends on effective control of territory by countries on both sides of the border, armed challenges to government authority by criminal groups becomes more than a law enforcement problem.

Armed struggles for control of territory by criminal groups spill over into violent confrontation with democratic governments. In Mexico, for example, the Gulf and Sinaloa drug cartels are contesting for control of US border gateways. They use beheadings and shootouts with automatic weapons on public streets.[45] They regularly assassinate police and judicial officials. Criminal gang members reportedly attacked a police station in the Mexican state of Tabasco with grenades, a "bazooka," and machine guns in an attempt to free fellow gang members.[46] Along some parts of the US-Mexican border, their military arms, with as many as fifty in a group, operate with virtual impunity. Their arsenals are increasingly militarized, rivaling those of regular military forces in some cases. In addition to explosives, assault weapons and sniper rifles, criminal organizations are fielding sophisticated communications and surveillance equipment.[47]

Gangs. Street gangs have long been a major law enforcement concern in the region and in the United States.[48] Networks among leaders of Central American gangs and their counterparts in the United States are opening new conduits for organized criminal penetration. Gangs are the predominant retail drug distributors in the United States.[49] There is a great deal of uncertainty and some informed speculation about the strength and direction in which these gangs are moving.

Opinion varies on how well developed the transnational command structures are. Most US law enforcement officials agree that at a minimum there is a growing network of relationships between the leaders of two gangs—Mara Salvatrucha (MS-13) and the 18th Street Gang (Barrio 18)—in Central America and the United States. Both originated in Los Angeles and are heavily represented in El Salvador, Honduras, and Guatemala. Their transnational networks apparently help move drugs north and guns south. Many gang members move easily back and forth across the border. These ripening transnational connections become more important as gangs follow Hispanic immigrant streams spreading throughout the United States.[50] They present a law enforcement problem in the region, and perhaps also a security problem.

Insurgents

Insurgents are by definition a direct challenge to democratic security. Their intention is to thwart the results of democratic governance by force of arms. Chronic insurgencies mounted by FARC and ELN in Colombia, and remnants of the Shining Path in Peru, continue to challenge democratic governance in those states. FARC and ELN, however, have evolved, becoming less ideological and more aligned with drug-trafficking cartels and transnational criminal groups.[51] Incipient insurgencies simmer in several Mexican states.

Colombia. After having lost the funding of their state supporters in the late 1980s, FARC and ELN began "taxing" and "protecting" criminal enterprises as sources of revenue. FARC is estimated to raise as much as half of its revenues from taxes on criminal groups involved in coca cultivation, cocaine processing, and drug shipments in areas it controls. Reciprocal protection from FARC and ELN affords the criminal enterprises relatively safe havens.[52] Having lost much of their ideological character, they extract support from the communities they control by violence and threats, aided by the absence of effective state presence.[53]

Mexico. Localized insurgencies in Mexico demonstrate how combinations of economic conditions, mass alienation, and ineffective government response can ignite violent response. The more recent violent confrontation in the state of Oaxaca began in May 2006 as a local teachers' strike. A heavy-handed response by the governor helped produce a full-blown crisis, and protestors took to the streets to demand his resignation. The protests escalated to violent confrontation, (spearheaded by the leftist Oaxaca People's Popular Assembly). At least 13 were killed, dozens injured, property destroyed, and the economy disrupted during five months of barricades and street battles. Order was restored in late October 2006.[54]

An older insurgency continues at a chronic low grade in Chiapas. Its early stage is an example of the powerful role NGOs can play in such conflicts. This poor, isolated state on Mexico's southern border is stressed by its strategic location along major criminal and migratory transit routes. In 1994 the Zapatista National Liberation Army (EZLN) launched a violent uprising timed to protest the debut of NAFTA. While the insurgency's popular base was Mayan indigenous peoples, its leaders were educated, non-indigenous, and middle class. The indigenous base was disaffected by the impact of national land and economic reform.

Mexican and transnational NGOs swarmed to Chiapas to support the insurgency in its early phase. These organizations put their information age capabilities—laptop computers, Internet connections, fax machines, and cell phones—to work. They conveyed EZLN's views (and their own) to the world and supplied communications and control capability to the insurgency.[55] Many observers are concerned that the actions of these NGOs enabled a small group of politicians to mobilize and exploit a large indigenous base.

The case illustrates the mechanism by which a relatively small and obscure group of opportunistic leaders—like those described in condition 2—can influence a

local armed group, instigate violence, and use global networking to magnify their antidemocratic agenda. Early warning of similar occurrences would require monitoring at the macro level to understand broad trends. It would also require granularity to be informed about small groups of political activists willing to use violence, the existence of the armed group, and the willingness of their target population to embrace violence.

Militias

A variety of militias are active in the region—some small, some larger. Some take the form of paramilitary "self-defense" groups, formed in response to the violence of criminal and insurgent groups. Some are, in effect, the small private armies of factional or local leaders.

The extent to which such a group becomes a threat to democratic security would depend on several factors. Why does it exist, what does it intend to accomplish? Does it have a secret structure? What controls exist on the use of force by its members and how effective are they? What is the posture of its leaders toward the democratic process and toward the established government? Does it have links with criminal, terrorist, or insurgent groups? Raising these questions indicates that a minimum level of monitoring of militias would be appropriate, with more intense scrutiny and higher levels of granularity being applied if and when it appeared that the group was moving toward becoming a threat.

Terrorists

Many terrorist groups have operated in the region over the last several decades, but few remain active. One of the earliest was the *Movimiento de Izquierda Revolucionario*, founded by Venezuelan slum dwellers in the early 1960s. Left-wing groups appeared in Central America in the mid-1970s. The *Movimiento 19 de Abril*

(M-19) was founded in Colombia in 1974. In Mexico, the *Ejercito Popular Revolucionario* (EPR) appeared in 1994, engaging in armed assaults, bombings, and kidnappings.

The region today has relatively few active locally-based terrorist groups.[56] Many of the conditions the earlier wave of groups professed to deplore are still widespread—poverty, income inequality, and unresponsive government. It is not clear what conditions, if any, could lead to the emergence of a new generation of terrorist organizations.

Many are concerned that the region could be used as a platform for global terrorism against the US or its interests. Sunni jihadists and Shiite extremists—primarily the Iran-Hezbollah partnership—now have a presence in Latin America, discussed in condition 6. (The recent surfacing of an entity which calls itself "Hezbollah in Venezuela" has yet to be definitively linked to the Middle Eastern Hezbollah.)

Trends, Issue, and Conditions to be Monitored

As these examples illustrate, some armed groups pose direct threats of violence against democratic governments. The chronically high levels of violence these and locally-based groups create undermines confidence in government. Among some significant minorities, lack of personal security increases the attraction of radical authoritarian "solutions." In various parts of the region, different kinds of armed groups contest control of territory with the government. Some groups are linking up, as in the case of insurgent and criminal groups in Colombia, thereby leveraging the capabilities of each. A major concern is the extent to which these groups have or will create links to political, economic, and security elites in the region's political system.

This report has suggested several factors for distinguishing armed groups that are primarily a law enforcement concern and those that are a sufficient threat to democratic security to warrant intelligence monitoring. Given the evolving nature of many of these groups, and the apparent networking among them, at least a minimum level of monitoring of all armed groups is necessary. More detailed monitoring could then be developed if and when it appears that a group is using or preparing to use force against democratic interests. Among the questions that will need to be examined are:

- **What armed groups exist or are emerging?** Where are they active (local, national, transnational; urban, rural)? How big are they? From what pools do they draw their "foot soldiers"?
- **Why do they exist?** What is their reason for being—are they driven by ideology? Greed? Ethnicity? Religion? Territorial control? Socioeconomic disaffection? Who are their enemies—do they include democratic states and leaders?
- **Who are their leaders?** Who are the deciders and what is the decision-making structure? How competent are they? Do factions and rivalries exist? Who is in what faction and why?
- **Public arm?** Is the armed group linked to overt, unarmed groups or networks? What is the purpose of the connection—e.g., for public relations or fund-raising? How is it structured—e.g., how do orders and communications flow between the licit and illicit elements?
- **What is their infrastructure?** How are they organized, how well? Who are their members? How are members recruited—e.g., by force or threats, through ideological or religious persuasion, payment? What are their communications networks?
- **What are their sources of support?** What are their sources of material support—e.g., funds, training, weapons, supplies? What popular support do they have—from local to transnational?

- **What is their strategy and modus operandi? How do they plan to achieve their ambitions?** Armed groups may engage in more than one kind of violence—e.g., a terrorist group may engage in criminal violence to raise funds, a factional militia may use terrorism or political assassination, etc. Does the group have an interest in components of weapons of mass destruction?
- **What are their armed capabilities?** What force can they apply and where? How well trained are their soldiers? Do their ranks include deserters or knowledgeable former members of security forces? What are their mobilization capabilities—how, when, and where can they muster or supplement their ranks for violent action?
- **What are their intelligence and counterintelligence capabilities?** Have they penetrated government units? Do they engage in sophisticated surveillance of targets? What countermeasures do they take to prevent their own penetration, protect communications, and preserve operational security? What technology do they use?
- **What alliances and networks exist among them, and with government and political actors at the local, regional, or national levels? Do they have links to foreign actors?** Do they have alliances, networks, or working agreements with other groups? With regional or external states? What are the reasons for these alliances? What action, information, or support flows through the networks?

Granularity. Armed groups can emerge from and control areas from city blocks (gangs in Central America) to entire regions (insurgencies in Colombia). A minimum level of monitoring is necessary at the neighborhood level to detect their emergence, support, plans, and capabilities. A high level of knowledge, at the local, county, and regional levels will be required for groups that move over the threshold from law enforcement concern to security threat. Democratic governments must

know enough about a group's internal dynamics to take advantage of opportunities to neutralize the group or to persuade it to give up its violent and illicit activities.

4. Attitudes and Behavior of Security Forces Leaders (Military, Police, Security, and Intelligence Services)

A major part of the burden of monitoring and mitigating challenges to democratic security in the region falls to its security forces. They are not the only line of defense, but they play a major role. Security forces weaken or strengthen democratic governance by their action or inaction. The behavior, attitudes, competence, and integrity of these forces may even tip the balance between democratic and antidemocratic forces. Hence, given the interrelationships of states in the region, the attitudes, competence, and integrity of the security services are of concern to all the democracies in the region.

Countries in the region have organized their security forces in a variety of ways. The specific missions of these individual forces vary. In most cases, responsibilities overlap. In some countries, security forces also are responsible for vast geographic areas with forbidding terrain.

Organizations. This section is concerned with the leadership, competence, and integrity of the following principal types of security forces:

- **Military.** Army, navy, and special forces units.
- **Police.** Some countries, such as Colombia and Panama, have large national police forces. Others, such as Mexico, are much more decentralized and have national, state, and municipal police forces.
- **Intelligence services.** Intelligence units exist in some military and police forces, but also as separate services, with internal and external responsibilities, usually under the control of the Ministry of the Interior.

Roles. State security forces in the region have four major roles:

- **External state to state.** Security forces in the region have a limited role in state to state relations. Further, most analysts now discount the likelihood of armed conflict between states in the region.[57]
- **Protection against armed groups.** The security forces, depending on the national organization, are responsible for defending against regional or extra regional armed groups acting within or across the state's boundaries.
- **Defending the constitution.** This includes maintaining order in the face of confrontations with a variety of antidemocratic forces and massive public security disorder.
- **Natural disasters and other emergencies.** Security forces are called upon in natural disaster such as hurricanes, earthquakes, etc.

Positive contributions of strong forces. Competent and effective security forces are not, of course, a panacea for preserving democratic governance. Other strong institutions and a culture supportive of the rule of law are vital, as are independent and competent judiciaries, guarantees of civil rights, and uncorrupted legislatures and executives. But when those in security forces are competent, loyal, and more or less free from serious corruption, these forces make key contributions to defending democratic governance.

Effective security forces are essential to monitor most of the priority trends, issues, and conditions identified in this report. Furthermore, positively committed to democratic governance, they can act preventively as well as defensively, within the boundaries of democratic society and the rule of law. They can thwart antidemocratic elements acting illegally, particularly armed groups, and help nip insurgencies in the bud. In many parts of the region, they *are* the face of democratic government among the disaffected segments of population. Their attitudes and behavior, and the manner in which they execute their authority will have lasting impact on the people they deal with.

Negative impacts of weak forces. Security forces that are poorly trained, badly led, and lacking in motivation, integrity, and loyalty to rule of law principles, can also have lasting negative impacts.

Unless security forces are both willing and able to cooperate, important information will remain beyond the grasp of democratic governments. At best, it will be difficult to know what conditions exist in the areas for which indifferent or incompetent forces are responsible. At worst, the forces or their commanders will be corrupted and become active participants in criminal or antidemocratic activity. Their efforts will then be directed at obscuring their role and the actions of their criminal collaborators.

Security forces can also have a negative impact on populations already or potentially disaffected. Brutal or corrupt conduct by security forces reinforces, discourages cooperation, and leads to lack of confidence in democratic governance.

Crucial conditions for effectiveness. To be effective, the monitoring effort described elsewhere in the report will require the security forces to cooperate with the United States and other democratic governments in the region. If they are ultra-nationalistic or do not share democratic values, they are unlikely to be effective partners.

The United States and others involved will have to be reciprocally cooperative. Mutual professional cooperation and respect are needed. The region's security forces cannot be regarded as "hired hands." Nor can they be treated as uniformly incompetent and corrupt. The reality on the ground is that these forces are the primary method for obtaining the level of granularity required to effectively monitor the trends, issues, and conditions identified in this report.

Concerns about security forces. Competent, loyal, and committed security forces are essential. Democratic governments need to monitor closely the attitudes and actions of those in command and control positions in the security forces to ensure that they are in a position to effectively carry out those responsibilities. It will be important to identify any distinguishing characteristics between the views and characteristics of the current generation and those who can be expected to form the leadership of the next generation of these security institutions. Key factors are:

1. **Competence.** Quality of leadership and technical competence at all levels is of major concern. Is the leadership competent and effective? Do the relevant staffs have good technical skills and capabilities? In addition to basic intelligence skills are they, for example, trained to utilize indicators of components of weapons of mass destruction on their territory or at sea?
2. **Loyalty.** The commitment of commanders to democratic governance and the rule of law is essential. A number of instances have been reported of active duty and former law enforcement and military personnel selling their expertise to criminal organizations. One report, attributed to an internal Interior Ministry report, claimed that of some 900 "armed criminal bands" in Mexico, more than half were made up of former law enforcement personnel.[58]
3. **Integrity.** Is the leadership relatively free of corruption and does it understand that practices violating human rights are anathema to democratic governance and the rule of law? Do they take seriously integrity training, and do they promote such training among their junior and senior ranks?
4. **Attitude toward cooperation with the United States and other regional partners.** Do they have a "bad attitude" toward the United States or other regional partners? Are they sympathetic to the problems of other regional partners or do they blame their partners for their own troubles?

5. **Local knowledge.** Do forces and commanders know how to obtain detailed local knowledge (collection and analysis) critical to providing granularity for monitoring the priority security conditions?

Trends, Issues, and Conditions to Be Monitored

- **Identify (a) the current and (b) the next generation of leaders (colonels and their likely replacements) in the security forces.** Who are the emerging leaders?
- **What are the attitudes and behavior of current and future leaders toward democratic governance and antidemocratic forces?** Do they strongly favor democracy, even when it is weak, inefficient, and corrupt? Are they willing to commit their forces to its defense? Or are they neutral, or disillusioned? Inclined to sit out conflict? Or do they even support some antidemocratic forces?
- **Are there strong splits among leaders on these issues?** What forces are aligned in which factions? What are the capabilities and composition of the units each commands?
- **What do they see as a proper balance between democratic values and national interest?** For example, would they be willing to tolerate some drug trafficking rather than disrupt what they believe to be a local economy dependent on it? Do they regard criminals in their area of responsibility as something to be actively interdicted—or ignored if the criminals do not directly affect their units?
- **What property/financial interests are held by these leaders and likely leaders, or by their extended families?** Are they developing serious conflicts of interest in given localities?
- **What conditions (if any) in their minds would justify or require a coup or other forceful interference in civil government?** Would the incompetence of civil government be a justification? The spontaneous

outbreak of violence or prolonged instability? How strongly rooted are the principles of democratic control? Are there other core values whose violation would bring them to act?

- **Are there secret and unofficial groups or factions?** What are their agendas?
- **What links or networks—outside of the chain of command—exist between them and foreign state and nonstate actors?** Are they involved in commercial enterprises or active in political groups or movements?
- **Are the leaders capable and competent to monitor the priority democratic security issues in their areas of responsibility?**

This subject opens sensitive issues for democratic societies. It would be unnecessary and unwise to monitor all aspects of every security force and leader. Some level of monitoring, however, is required to ensure that democratic governments neither exaggerate nor underestimate conditions in their security forces and among their leaders.

Granularity. There is a need to discern differences between the cultures and conditions of forces, and the officers in capitals, regional and border postings, and areas contested by hostile or criminal forces. These forces and their leadership will not only have different levels of commitment and capability, they will also operate in and have to react to widely different environments. For example, senior military officers in a headquarters unit in the nation's capital may have a different set of responsibilities and issues—and be exposed to different perspectives on principles of democratic governance—than an officer commanding troops regularly engaging hostile armed groups in a contested area. Senior officers of a training unit who have been exposed to and advocate sound human rights practices may have different perspectives than officers in the field responsible for implementing those principles under difficult circumstances. Likewise, the quality of the rank and file

will also be variable, which will affect not only the attitudes and capabilities of the ranks themselves, but likely the attitudes of their commanders and their ability to consistently use sound democratic practices.

Patterns of personal or extended family financial interests of security force leaders need to be monitored, as these can be important sources of conflicting interest in the region.

5. Alternative Cuban Scenarios and Dynamics

There are three potential scenarios in Cuba's future: consolidation of the existing regime, transition to a weak democracy, and degeneration into instability and chaos. Some combination of the three scenarios is also possible.

I. Consolidation. The essential nature of the Cuban regime and its relation to the world would not change in this scenario. The top leadership—whether Raul Castro, another successor, or a small inner group—would consolidate control over key elements of power. There could be some realignment of portfolios among the leadership cadre. But the army, the Ministry of Interior (MININT), the Communist Party of Cuba (PCC), the National Assembly, the Council of State, and PCC-controlled mass organizations would support the new leadership. The leadership's internal and foreign policies would not change substantially. There could be some change in emphasis, such as movement toward the Chinese model of economic development preceding political change or conciliatory moves to the United States. Public dissent would be stifled and disorder controlled. Foreign states that now have significant political, diplomatic, intelligence, or trade relations with Cuba would continue them.

II. Transition to a weak democracy. Under this scenario, government power would devolve into a weak form of democratic governance. Military, intelligence, and security services would retain substantial autonomy. Their deference to elected authorities would be limited. Political organization and public debate would be permitted. Candidates would be selected and compete for government office in relatively free, if somewhat questionable elections. The elected government would have some power to make internal and foreign policy. It could, however, be constrained by explicit or mutually understood limits of toleration by the armed forces. The rule of law, as in many democracies in the region, would be weak. The government would face substantial internal

economic and political challenges, complicated by pressures from organized opposition (e.g., unreconstructed *Fidelista* elements, civil libertarian activists, etc.), and pent-up demands for economic reform and results. Authoritarian, opportunistic, and antidemocratic groups, as well as armed groups, would seek to exploit the weaknesses. Foreign states would have a range of interests and could involve themselves overtly or covertly in Cuba's internal affairs. For example, states hostile to or seeking coalitions to pressure the United States and other democratic interests would seek alliances with opportunistic or antidemocratic elements within Cuba. Others, like Spain, Canada, the European Union, and the United States would likely seek to strengthen democratic governance through trade agreements, technical assistance, and other help. Cuban diasporas in the region, particularly in the United States, can be expected to be active and divided. Armed groups, particularly criminal elements, would become factors in public security and politics as they have done in most states ruled by former communist parties.

III. Instability and chaos. For a variety of reasons, power would fracture and become widely dispersed. No single group could muster sufficient authority or force to control the entirety of Cuba. The nominal government would be impotent and corrupt. Command and control of the armed forces would disintegrate and its various units would degenerate into armed factions. These could include militias loyal to a person or ideology and involved in or collaborating with criminal organizations. Skilled security and intelligence operatives would sell their services to local actors and/or foreign states and criminal organizations. Racial, regional, and generational factions would develop and struggle for control of territory and resources. Armed street gangs and militias would emerge among the island's urban population as they have done in many places. Foreign and domestic armed groups of all types, including drug traffickers, would seek to use Cuba as a base of operations for the region. Diaspora elements would also become involved. Almost certainly, there would be

mass migration to the United States. The interests of foreign governments would deeply conflict (e.g., United States and Venezuela) and confrontations of various types should be expected in and around Cuba.

* * *

The first months of Raul Castro's tenure appear to signal regime consolidation. Yet dealing with Cuba's major demographic and economic and political challenges could splinter the regime. Raul Castro's performance will be important. But other variables will strongly affect Cuba's future. The armed forces and security forces are among the most important of them.[59]

Significant Variables

The Military. Since 1959 the Revolutionary Armed Forces (FAR) has been among the most powerful and competent institutions in Cuba. What happens to the army's command and control will likely be the most important variable affecting Cuba's future. Some observers suggest that FAR's major role in lucrative sectors of the dollar economy, such as tourism, reinforces the already-strong commitment of its leadership to the status quo.[60] However, there appear to be a number of fault lines within the institution. These include tension between older generals (in their sixties and seventies) and ambitious younger officers, and between "traditionalists" devoted to military matters and "mercantilists" interested in earning hard currency from private enterprise. As top commanders realign commands, promote younger officers, and adapt missions, tensions could develop over choices on policy, resources, and promotions.[61]

Succession. Absent democratic governance, the question of whom or what faction will succeed Raul's regime will be a source of potential intrigue, instability, and conflict within the power structure.[62] Tension could arise between those who

favor continuing the tradition of *caudillismo* set by Fidel Castro and others who favor some form of collegially or shared institutional power.[63]

Intelligence services. Personnel of the General Intelligence Directorate (DGI) of MININT could become a rogue wild card, especially under scenarios II and III. Should organizational discipline break down, or if these personnel foresee changes that would spell trouble for them, they could sell their services to a variety of antidemocratic and opportunistic actors, from inside the region and among the adversarial external actors.

Generational Tensions. Cuban youth are alienated. The existing system provides few opportunities and little inspiration. About one-fifth of the population—born since 1980—has come of age during extreme economic hardship and isolation from much of the world.[64] This youthful disaffection may not necessarily work to the benefit of democratic forces. Some observers suggest that large numbers of youth have effectively withdrawn from interest in political life. They might not participate in any civil society that develops. Given the chance, they could opt for emigration rather than the task of building a democratic society. Mass emigration of youth would also have adverse effects on economic development. [65]

Cuba also faces an aging problem. Its population of 65 years and older will become the most rapidly growing segment over the next two decades, while younger cohorts entering the workforce will decrease. As a consequence, demand for social services for the elderly, such as retirement pensions and health care, will increase. The workforce needed to support these services will itself be aging. [66]

Racial Tensions. According to some, the economic crisis of the 1990s had major adverse effects on the island's Afro-Cuban population. "Whipsawed by both the economic crisis itself *and* the measures taken to ameliorate the crisis during the Special Period, Afro-Cubans—especially blacks—became most vulnerable and

suffered disproportionately more than did white Cubans." One factor was loss of government jobs and programs because of retrenchments. Another was the "racially differentiated effects" of reforms introduced by the government, such as the "dollarization" of the economy in 1993. Afro-Cubans have substantially less access to remittances, a major source of dollars. (According to the 1990 US Census, 83.5 percent of Cuban-Americans identified themselves as white.) Blacks have also found it difficult to find employment in the tourist sector, another major source of dollars. They are also less likely to be peasant farmers able to sell produce. Afro-Cubans were disproportionately represented in the 1994 disorders in Havana.[67]

Regional Disparities. Any successor government also faces the problem of uneven regional development. The eastern half of the island is poorer and less developed than the western half of Cuba—Havana and the region around it are the most economically developed. This situation is linked to the potential racial problem, since the rural eastern provinces also have the heaviest concentrations of blacks and mulattos. There is a history of regional tension on the island and plans for regional development could increase them. Diversion of already scarce public resources to the eastern region could be perceived as coming at the expense of the rest of the population.[68]

Disenchanted Civilian Elites. Cuba's civilian ruling class—upper echelons of the communist party, government bureaucracy, mass organizations, and assemblies—became obedient under Fidel. What change they seek and how they intend to get it will be key. Will they try to make change themselves peacefully, or might some resort to armed force?[69]

Triggers of Instability and Chaos. Fidel may have been the glue that held Cuba together. In his absence, a number of triggers could cause the regime to unravel and open the way to weak democratic transition or spiral into chaos. Likely possibilities include catastrophic miscalculation by Raul in important decision

making, a serious challenge from a rival that splits the civil-military coalition, factionalism between *Fidelista* hardliners and reformers, open defiance by lower level officials, and violent popular unrest that leads to tough repression or major liberal reform.[70]

Democratic Forces. Some observers believe that in the longer term more Cubans will overtly dissent and a weak civil society will develop. A 2006 report by a Miami-based exile organization claimed that the number of overt acts of civil disobedience has been increasing dramatically. There are tentative indications that dissidents are having an impact on public opinion. A 2005 "poll" conducted in 13 of Cuba's 16 provinces by a Spanish NGO found that 53 percent of those responding prefer democracy to dictatorship. The younger the person being interviewed, the more he or she believes that the situation is bad and the greater the support for some type of change.[71]

The *Fidelista* Residue and Polarization. A potentially large and influential faction that insists on keeping a reformed version of the current order will likely exist under any scenario. Even if there is progress toward a democratic opening, this *Fidelista* faction will likely be a source of conflict and subversion.[72] There will likely be strong polarization between this faction and those "outside of the revolution" who suffered repression and exclusion.

Adversarial Actors. Cuba now has close relationships with Venezuela, China, and Iran.

Venezuela's Chávez is now the most important external driver of Cuba's future. The subsidies and investments he provides are crucial to the current viability of the Cuban economy. Venezuelan subsidies are currently valued at more than two billion dollars annually. About 100,000 barrels a day of refined petroleum is provided virtually free of charge, along with diesel and aviation fuel, some

investment, and agricultural commodities. Although Venezuelan support is less than half of the 5 to 6 billion dollars in annual subsidies provided by the old Soviet Union, it is now critical.[73]

Also, many, perhaps thousands of skilled Cuban officials—including military, intelligence and security officers—are stationed in Venezuela, bolstering the Chávez regime. They are likely strengthening and advising Venezuelan intelligence and security agencies along Cuban lines.[74]

China has recently become one of Cuba's important allies. Chinese investment, credits, and sales of transportation, heavy equipment, and other commodities to Cuba have soared. Total bilateral trade rose about 36 percent between 2004 and 2005 to $401 million, and has grown since.

Cuban leaders are also developing ideological ties with China. Raul Castro and other high-ranking officials have visited China repeatedly since 1989. Raul is reported to have "spent long periods learning" the Chinese development model, and to have invited Chinese experts to lecture on that model to hundreds of top Cuban officials and executives.[75]

Cuba and *Iran* have also "drawn closer together" in recent years. [76] When Fidel Castro visited Tehran in 2001, he stated that "Iran and Cuba, in cooperation with each other, can bring America to its knees. The United States regime is very weak, and we are witnessing this weakness from close up."[77] Among other things, in 2006, Cuba—along with Venezuela and Syria—voted down the International Atomic Energy Agency's recommendation to refer Iran to the Security Council for noncooperation. Iran extended trade credits of some $90 million to Cuba in 2006. The two countries signed a pact promising to increase their trade, which is reported to have grown from $20 million a year in 2004 to over $50 million in 2006.

Trends, Issue, and Conditions to Be Monitored (under three scenarios)

I. Regime consolidation:

- **Command and control of the army and security forces.** The key factor in this scenario is the leadership of Cuba's army and security forces. Who among them has succession ambitions? How will various elements react to pressures for economic and political liberalization—will they use force against mass demonstrations or disorder? Will existing fissures—e.g., between strict militarists and entrepreneurial officers—intensify? What new factions and tensions will develop? What generational pressures are there?
- **Democratic resistance.** These range from single "noncooperators" to organized movements (open and clandestine). Who are they? What are their goals and objectives? What actions are they willing to take?
- **Disenchanted civilian elites.** What will be the attitudes and ambitions of upper echelons of party, bureaucracy, and mass organizations? Will they cooperate or confront a consolidated regime?
- **Youth and other disaffected population segments.** How will the large population of alienated youth and disadvantaged Afro-Cubans react to a continuance of the status quo? Will they turn inward and become apathetic? Or will they become aggressive and perhaps disorderly?

II. Weak democratic transition:

- **Democratically oriented parties, groups, and leaders.** What organized pro-democratic groups emerge? Who are their leaders? What are their agendas? What networks will they create? Will they conflict or cooperate with each other?

- **Cuban diaspora.** What role will the Cuban diaspora population play? Will diaspora leaders return and seek positions of leadership? To which factions is the diaspora providing funds or other material support?
- **NGOs.** What other nongovernment groups, domestic and external, will be active in Cuba? What will their agendas be? Whom will they support and what resources will they provide?
- **Military and security forces.** What are the attitudes of the often competent and experienced leaders of these forces to democratically oriented groups and to the democratic government? What factions and fissures will develop within these forces?
- **Displaced regime elements.** What happens to displaced members of military and security elements? What do members of the DGI, for example, do? What happens to the legions of Cuban spies and agents throughout the Americas?
- **Bureaucracy**. What form will the Cuban bureaucracy take? What happens to those in the current bureaucracy who may be displaced by reform measures? Will assets of the government be looted (converted to private use or clandestinely exported)?
- ***Fidelista* party or movement.** Will a *Fidelista* faction emerge? Will it be armed? Will it be actively subversive—how will it act?
- **Youth and other disaffected population segments.** How will alienated youth and other disaffected segments react to a democratic opening? Will they be supportive, indifferent, or take advantage of the opening to emigrate? What leaders and organized groups will be able to attract their enthusiasm?
- **Armed groups.** Do other movements and leaders form overt or clandestine armed groups, such as militias? Will organized criminal groups emerge, including street gangs? What role will external groups—such as regional drug cartels and other smuggling networks—play? Will they seek to build cooperative links with local groups or take over? Will

violent "turf wars" ensue as armed groups compete for territory and resources?

III. Instability and chaos

- **What support for democratic government exists and what form does it take?** Do pro-democratic groups organize? Do any of them form militias or other armed groups? What support will they seek and from whom?
- **Armed groups.** Under this condition, domestic armed groups of all types would likely thrive in Cuba. In addition, external armed groups would seek to use Cuba as a sanctuary or a platform—a base of operations or transit point to the region. Organized criminal groups already see Cuba as an irresistible stage for smuggling drugs and other contraband to and from the United States. Terrorists may see Cuba as a safe haven, training ground, and marshaling point from which to mount operations against their targets. These groups and their leaders would need to be identified and monitored: What groups will emerge? What will be their internal and external links? What will be their capabilities?
- **Youth and other disaffected population segments.** What will the large populations of alienated youth and other disaffected segments do under conditions of chaos? Will violent youth or racially based neighborhood gangs form and fight for control of territory? What will be their attitudes toward their recruitment by democratic forces or opportunistic and antidemocratic forces—as has been the case in weakly governed Jamaica?

Granularity. A high level of granularity will be required under all these scenarios. For example, under Scenario I the attitudes and behavior of command and control elements of the military will need to be known in sufficient detail to

identify developing fissures and likely reaction to unrest or other stressful developments. Likewise, it will be necessary to identify existing and merging pro-democratic leaders and groups. Should the fragile democracy envisioned in Scenario II develop, detail will be needed about points of strength (such as emerging leaders and pro-democracy groups) and dangers (such as the existence of antidemocratic groups, their leaders, and agendas, as well as armed groups). If the situation begins to spiral into the chaos of Scenario III, granularity will be most necessary because all elements—political, economic, military, and social—will be rapidly evolving and moving into unknown territory.

6. Adversarial External Actors in the Region

There are important state and nonstate forces outside of the region that are in various types of conflict with the United States, its allies, and liberal democracy. These players have demonstrated that they can think strategically. They search out the strengths and vulnerabilities of their adversaries, and act accordingly.

It would be natural for these actors to think about gaining advantage in the Western Hemisphere, as other adversaries did in the past (e.g., the Germans in World Wars I and II). One avenue for these adversaries would be to secure allies in the region. Another would be to find vulnerabilities of the United States and other democracies in the region, and take advantage of them when it suits their purposes.

Two major state players present in the region are the People's Republic of China and Iran. Both have significant regional conflicts with the United States that could lead to various types of military conflict in other regions. The other players are Sunni jihadists and Shia extremists; the latter have close ties to Iran.

What are the perspectives of these players on the Americas? What trends, issues, and conditions will need to be monitored regarding them?

China (PRC)

Between the early 1990s and 2000, changes within the PRC led to renewed engagement with the world.[78] China's increased global activism has since evolved along both strategic and economic tracks.[79] As China's economy grew it needed oil, gas, and other resources such as copper, nickel, and iron ore. Securing these resources has been an important part of the economic track of China's reengagement with the world. Latin America's commodity economies fit China's needs.[80]

China's strategic track now appears to be driven by a balance between two objectives. First, it wishes to avoid immediate conflict in order to give itself time to develop and catch up with the other great powers. China is particularly interested in avoiding containment by the United States, and a corollary is to reduce US influence in Asia. Second, it ultimately wishes to assert itself as a global power. In the near term, an important objective is paring diplomatic support for Taiwan, particularly by plying small countries with financial and development inducements.[81] The Americas fit both the short- and long-term aspects of China's strategic tracks as a region in which to develop alliances, diminish support for Taiwan, and pressure and/or distract the United States.

Currently, Chinese leaders probably do not think that many Latin countries would come to China's side in the case of a conflict with the United States. However, they appear to believe that if China can gain leverage in the Americas, it could force the United States to devote economic, diplomatic, and even military resources to the region. This would detract from the United States' ability to deploy resources to regions closer to China, such as Southeast and Central Asia.[82]

China's rapid emergence in the Western Hemisphere has shocked many Latin American and US policymakers. Beijing has not demonstrated an interest in supporting liberal democratization in the region. Among other things, it has shown little respect for competitive bidding, transparency in contracts, and corporate governance.[83]

- *China's goals in The Americas.* [84]

- **Access to critical commodities.** The PRC appears to be pressuring state-linked oil and gas firms to increase acquisitions overseas. It also seems to be cultivating nations astride important shipping lanes in the Americas.
- **Opportunities for investment and trade for Chinese multinational companies.** China desires markets for its exports, particularly manufactured goods.
- **Military-military relations.** Building stronger military ties could allow Beijing to increase its ability to gather intelligence on the United States, to create opportunities for Latin military officers to train in China, to develop a domestic weapons industry that competes on world arms markets, and potentially to participate in future multinational peacekeeping operations. In the longer run, Chinese strategic thinkers believe, closer military-military relations would make the region a valuable resource in dealing with the United States.[85]

  In forging regional military to military relationships, China's preference seems to be to first find one country with which they can build a substantial relationship. It can then use that developed relationship as evidence to other countries in the region that there are benefits in having closer ties to China. An "obvious" country in the region for developing such a leading relationship would be Venezuela.[86]

In the next decade, some experts believe key military and civilian Chinese leaders see as a pressure point against the United States in the case of future conflict, in addition to a commercial asset. China could also want to push out other major oil and gas consumers or make it difficult for them to maintain close relations with Venezuela, Ecuador, Bolivia, and other resource-rich nations. [87]

China may seek long-term formal alliances in the Hemisphere. These would signify to the region that China can become a security guarantor. Some Chinese

strategic thinkers believe that strategic partnerships or formal alliances in Latin America (and elsewhere) would allow China to react more effectively to possible conflict with the United States. Beijing will have developed a web of relationships in which countries are, if not committed to siding with China in a conflict, at least conflicted as to their alliance structures.[88] The PRC as ally and economic partner—as the Burmese found facing US and British sanctions—would also give actors like Morales and Chavez more leeway to push back against US-led initiatives, and undermine efforts in crucial neighbors such as Colombia.[89]

Strategies. Beijing enunciates a "win-win" doctrine—that both Latin American nations and China benefit from their relationship. China claims not to make demands upon Latin American nations' sovereignty, economic models, governance, or political culture. By contrast, Chinese officials portray the United States as unwilling to listen to or understand the region's concerns and needs.[90] China appeals to business elites in Latin America by allowing them to negotiate deals directly with Chinese political leaders and heads of Chinese state companies. This eliminates worries about legislators or popular anger they would have to consider in doing business with the United States.[91]

China also promotes its socioeconomic model of top-down control of development and poverty reduction. Political reform is sidelined for economic reform. This model particularly appeals to rulers in authoritarian or semi-authoritarian nations.[92] China may also develop close links to young opinion leaders in the region, building networks of political sympathizers. This would help it to influence domestic politics.[93]

Tools. China has developed increasingly more sophisticated tools of influence. It has aggressively scouted new infrastructure projects to assist, such as railways in Jamaica and other infrastructure in the Caribbean. Chinese aid tends

to be opaque, unreported in China's official statistical yearbooks. It targets nations where Taiwan has traditionally been an aid donor.[94]

Nearly half of Taipei's remaining diplomatic allies are in Latin America. Ultimately, China would like to convince every nation in the region to switch recognition from Taipei to Beijing, as it has succeeded in doing with Dominica and Granada. In addition, China wants to make sure all nations that already recognize Beijing not only adhere to the One China policy but also prevent Taiwanese officials from participating in nongovernmental regional forums such as the Organization of American States.[95] Isolating Taiwan would achieve a long-term Chinese objective, and a setback for US influence and power in Asia.

China has created significant visitor programs for foreign military officials,[96] and clearly wants to increase military-military cooperation in the Americas. It may have chosen Venezuela for arms sales, joint exercises, and shared platforms as a positive example to other countries in the region.[97]

Beijing's formal diplomacy in the region has also become more sophisticated. Part of this entails simply sending better-trained diplomats. For example, Beijing has sent 110 young Chinese officials to a university in Mexico to learn Spanish and deepen their understanding of the region. During visits to the region, senior Chinese officials and diplomats also tend to have numerous meetings with local business associations and chambers of commerce.[98]

Blowback. Despite its initial successes, China's rising influence could also lead to blowback. Disbursements of aid announced during visits by Chinese leaders are not always matched by real funds afterwards. Chinese aid has also often come tied to commitments to provide contracts to Chinese construction firms—a strategy similar to unpopular Japanese assistance programs in the past. Some Mexican and Brazilian opinion leaders see China as an unfair competitor, due to labor practices,

dumping, currency undervaluation, and state subsidies. Latin American opinion leaders fear that the Chinese focus on extractive industries adds little to the skills of the region's workforce.

Iran (and its friends)

Iran, Venezuela, and Cuba are developing a united front in the region characterized by confrontation with the United States, increased trade and economic development, and assertion of themselves as models for so-called nonaligned nations. The concurrent presence in Venezuela of operatives from both Cuban and Iranian intelligence, and Cuban political advisers underscores the potential for regional mischief. Venezuela has threatened to sell F-16 aircraft to Iran.

Whether or not Venezuela represents a serious state to state military threat, the concern is that Venezuela could become a regional platform through which Iran exerts influence against US interest in the region. This could include terrorism. (Iran's close ties to the Lebanese Hezbollah, which also has a presence in the region and in Venezuela specifically, are discussed below.) Venezuela is listed by the State Department as "not cooperating fully" in counterterrorism efforts. Already, Colombian insurgent groups FARC and ELN use Venezuelan territory more or less as a safe haven, and move drugs, people, and arms through it. Venezuelan officials have issued travel and identity documents to persons not eligible for them, in order to advance its political and foreign policy goals. The government's system for issuing travel and identity documents is corrupt and easily manipulated by alien smuggling rings, freelancing bureaucrats, and forgers, who obtain and alter passports and other documents. Increasing numbers of third-country aliens carrying Venezuelan documents are being intercepted at the US border.[99]

Cuba and Venezuela are also strengthening trade ties with Iran. In September 2006 Chávez and Iranian President Mahmoud Ahmadinejad signed a series of

accords for economic development projects. The two countries set up a $2 billion investment fund. The package promises Iran's aid in exploring for oil, direct flights between Iran and Venezuela, student exchanges, and building cement, petrochemical, steel, and auto factories.[100] In recent months Iran has also called for strengthened trade ties with Cuba,[101] and convened a conference in Tehran with Mexico, Cuba, Venezuela, Uruguay, and Brazil.[102]

Sunni Jihadists and Shia Extremists

Sunni jihadists and Shia extremists, principally the Lebanese Hezbollah/Iran alliance, have different approaches to the use of terrorist operations. They share two common characteristics, however. Both have expressed interest in acquiring weapons of mass destruction, and both identify the United States as their main enemy.[103]

Hezbollah

Hezbollah is a highly disciplined, hierarchical organization. However, it operates in three different manifestations, almost as if it were three different organizations:

- **A Middle East regional power, in effect a state within the state of Lebanon.** It has its own highly competent political apparatus, militia, intelligence units, and media propaganda arm. It provides extensive social services to the Shia community. Supported principally by Iran, and to some extent Syria, Hezbollah provides military and intelligence training to members of like-minded groups from other states. It could, for example, provide professional militia training to Venezuela, whose president Chávez has called for the creation of a home guard corps to resist US "invasion."

- **A transnational criminal network.** Hezbollah raises funds and acquires dual use technology through a worldwide network using a variety of criminal enterprises. These include trafficking in contraband (drugs, cigarettes, "blood diamonds"), multiple types of financial fraud (credit card, bank fraud, identity theft), and theft of intellectual property (trademarks, software). Hezbollah uses sympathetic members of the large and widely dispersed Lebanese Shia diaspora in these criminal operations. It also enlists the aid of sometimes unwitting locals.

- **A terror organization with global reach.** Integrated with and supported by sophisticated and professional covert elements of Iran, Hezbollah is capable of using the Lebanese Shia diaspora in terror operations. (Diaspora Lebanese Shia have conducted surveillance and provided logistical support, such as acquiring vehicles and documents in the course of such operations.) However, it is also capable of dealing with foreign governments or inserting its operatives directly without using the local diaspora.

Hezbollah has had a well-documented presence in Latin America, principally in the Tri-Border Area, but also on Venezuelan territory.

Hezbollah/Iran Operations

Structure. Hezbollah's global terror apparatus is intimately linked—organizationally and operationally—to the government of Iran. Hezbollah's experienced and effective terror chief, Imad Mugniyah, has commanded a small elite unit located within the al Quds force of the Islamic Revolutionary Guard Corps. There is substantial evidence in open source, official public records documenting these links in detail. This includes sworn testimony in US courts by former senior US military and law enforcement officials describing the results of

signals intelligence and investigations of the 1983 Marine barracks and 1996 Khobar Towers bombings. Major Hezbollah terror operations are at a minimum closely coordinated with the highest levels of the government of Iran.

Method of Operation. The Hezbollah/Iran terror operation is highly disciplined and has developed a contingent capability to strike a variety of targets. The principal characteristics of its operational methods are:

- **Discipline**. Terror attacks are restricted to targets that relate to specific, timely goals at the time they are implemented. Attacks are not random or opportunistic. Hezbollah and Iran do not see terrorism as "their first weapon of choice." Rather, it is a tool to be used for precise and specific policy objectives, calibrated to secure Iranian/Hezbollah objectives, only under the "right conditions and circumstances." Hezbollah and Iran appear to have suspended global attacks on US interests since 1996, primarily to give Iran breathing room and resources to develop its nuclear capability. (That is, an attack against the United States could have precipitated a retaliation affecting the nuclear energy program. Iranian intelligence has been preoccupied with supporting the country's nuclear weapons program.)
- **Professional skill.** Hezbollah's terror operatives are professional, highly competent, and adept at working undercover. Their "legends" and backup documents are excellent. Hezbollah also makes use of converts to Islam for undercover operations, since they are less likely to draw attention.
- **Careful planning.** All attacks are planned "prudently according to long-range plans drafted in Teheran," based on "painstaking intelligence." There is intensive advance surveillance of a variety of potential targets. It is likely that Hezbollah has contingent plans for a variety of potential future attacks. Mugniyah's unit was prepared to attack during the 2006 Israeli/Hezbollah conflict but was not activated.

These contingencies should be neither exaggerated nor ignored. The plans and capabilities of these adversarial actors need to be ascertained. Democratic government need to monitor a range of indicators—trends, issues, and conditions—in great detail in order to develop early warning, act preemptively, and disrupt or respond to plans and actions by these actors.

- **Strategic objectives.** What are the perspectives of these actors in the region? How do the PRC and Iran expect to use the Hemisphere as leverage against the United States in conflicts outside of the region?

    A. **Trade, finance, and other economic activities.** What agendas, secret protocols, or covert relationships lie beneath the surface of these activities? How do these actors influence key persons and segments in the region?

    B. **Arms sales and military-to-military relations.** What are the non-public details of arms transfers, training, and other military-to-military missions? What networks are being formed? What relationships is the PRC, for example, developing within regional armed forces and why? What do the region's leaders and militaries expect or hope to gain from these relations?

- **Relationships with armed groups—support, alliances, networks.** What clandestine relationships do external state and nonstate actors have with armed groups in the region? Do they provide covert material support (diplomatic cover, arms, funds)?
- **Relationships with diasporas—ethnic, racial, and religious.** How are external actors cultivating their diasporas in the region? Are covert organizations, networks, or agents of influence being developed? Why?
- **Covert links with governments or key government officials.** What secret relationships do external actors have with governments or key government officials? What are the objectives of these relationships?

- **State-to-state alliances and "special relationships."** What are the objectives of alliances or "special relationships" (such as those favored by the PRC) between external states and states in the region? Are there secret protocols, agreements, or agendas?

Granularity. The degree of required detail varies. In the case of state-to-state relations, the focus will be at the diplomatic and governmental decision-making level. In addition, it will be necessary to monitor the role of Iranian "diplomats" in specific Shia diaspora communities? What happens to students, business leaders, and military personnel during and after they train in or visit China? In the case of relationships between external actors and armed groups in the region, some detail will be required.

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