

**Remarks by Ambassador Jaime Daremblum, Director of the Center for Latin American Studies, Hudson Institute, at the symposium on “Terrorism in Latin America”, Rayburn House, November 2, 2005**

In a recent speech on the War on Terror, President Bush said that democracy is a first line of defense against this scourge. We fully agree. However, we must be keenly aware that democracy means much more than holding free elections. Of particular importance in today's Latin American context, and to say it in simple words, democracy must put bread on the table; it must provide opportunities to earn a decent living to the four out of every ten Latin Americans who have not yet been able to overcome their dire poverty. If democracy does not bring sustenance to millions of poor families, it could lead them to despair, to reject the democratic way and make this huge social sector vulnerable to the influence of radical groups that preach violence and terror as a morally valid option.

**Decades of Terrorism**

After all, terrorism is not alien to the region.

A bellwether in Latin America occurred in Venezuela, in 1962, when the Leftist Revolutionary Movement (MIR) launched a violent campaign of urban terror against the democratic government of President Rómulo Betancourt.

The phenomenon expanded thereafter to Argentina, Brazil, Chile and Uruguay in the mid-sixties, and soon, in the early seventies, terror fused with the rural armed movements in Colombia. Later, during the seventies and eighties, Nicaragua, El Salvador, and Guatemala experienced intense terror violence.

Throughout this period terrorism was clearly seen as part of the global challenge inherent to the Cold War. But contrary to what could have been expected, the demise of the Cold War and the flourishing of democracy in much of Latin America did not bring an end to terrorism in the region. It persisted in Argentina, Chile, Ecuador, Peru, Mexico, Venezuela, and Colombia, although with important differences in frequency and magnitude. In this regard, terrorism in Colombia and Peru has been especially harsh, and Argentina suffered two atrocious attacks with the bombings of the Israeli Embassy in 1992 and the Argentine-Jewish Mutual Association (AMIA) in 1994.

Indeed, it is a worrying fact that terrorism in the region did not dissipate along with the dust of the Berlin Wall.

**Change and Shortcomings**

Today, the picture in Latin America is, in any case, far more complex. To begin, let us recall that the region has undergone dramatic changes over the last two decades.

Twenty years ago only three countries had democratically elected governments. Today, only two countries do not have freely chosen leaders. Two decades ago, annual inflation was measured in high double—and sometimes triple— digits. Today, the average inflation runs somewhat less than ten percent. Fiscal deficits by now have dropped almost fifty percent in relation to GDP, down from where they stood two decades ago. Likewise, on average, trade tariffs have come down from forty to ten percent, while the reduction of non-tariff barriers has been even deeper.

Naturally, with free elections and often-difficult economic reforms, nations expected a commensurate improvement in their living standards.

Yet, more democracy, fiscal and monetary restraint, and increased foreign trade, did not bring about the economic growth or the reduction of poverty and inequality that were expected.

To the contrary, there is now more poverty in Latin America - in both absolute and relative terms - than in 1980 or 1990. According to the U. N. Economic Commission for Latin America and the Caribbean (ECLAC), in 2004 a total of 222 million people were living in poverty and 96 million of them suffered extreme poverty. This means a total poverty rate of about 43 percent and an extreme poverty rate of close to 19 percent. In comparison, total poverty rates were, respectively, 35 percent in 1980 and 41 percent in 1990 and kept rising.

Compounding this outcome, the spread of democracy did not generate either a corresponding increase in opportunities for most people as it was originally forecasted. Rather, as shown in a study by the Inter-American Development Bank (IDB), throughout the 1990's, inequality rates in Latin America remained the worst in the world, as the lowest fifth of the population received 4.5 percent of national income, while the highest fifth accounted for 55 percent.

With this background, it should not be surprising that the lack of improvement in living standards and the widening of socio-economic gaps are today the two most important single sources of political upheaval in Latin America.

### **Worrying Trends**

Lenin, in a rare moment of lucidity, said that facts are more stubborn than words. And despite all rosy claims to the contrary, the facts are telling us that we are facing a growing pool of citizens disappointed both with democracy and market oriented reforms that can be easy prey to demagogues and violence- preaching radicals. Unfortunately, this is actually happening as we speak.

The potential disaster was aptly described not long ago by General James T. Hill, Commander of the US Southern Command, before the House Armed Services Committee: “Radical populism is another emerging concern in the region. Populism in and of itself is not a threat. Rather, the threat emerges when it becomes radicalized by a

leader who increasingly uses his position and support from a segment of the population to infringe gradually upon the rights of all citizens”<sup>1</sup>. The reality is that in countries like Bolivia some populist leaders are hardening their radicalism, backed by President Hugo Chavez of Venezuela. Poverty and dissatisfaction are also feeding unrest in Ecuador and, until recently, in Peru. Again, President Chavez seems to have a spoon in each of these brews.

There are more reasons to worry. A study conducted by Andreas Feldman, based on data of 17 Latin American countries from 1980 to 1995, found that terrorism in the region “has been more likely to occur in weakly institutionalized regimes, characterized by some measure of political and civil liberties but concomitantly, by a deficient rule of law and widespread human rights violations.”<sup>2</sup> It is well known that profound deficiencies persist with regard to both the rule of law and respect of human rights in many countries of the region. Such deficiencies become steroids for terror where the rights of rural and/or indigenous populations are at stake. Again, the examples of Bolivia, Ecuador and to some extent Peru come to mind. Let us add corruption, and the recent history of Venezuela becomes clearer.

Another factor to take into account is that terror episodes tend to surface in cycles and to be more prevalent in countries that have long-established organizations with a history of violence. This characteristic explains not only the successive waves of terrorism during the sixties, seventies, eighties, and nineties, but can also lead us to expect a resurgence of terror in the region during the present decade.

### **The New Transnational of Terror**

It is a long established fact that Cuba has been a state-sponsor of terrorism for long decades, and thanks to Havana, many Latin American terrorists have been trained in Cuba, Lebanon, Libya and other countries in the Middle East and elsewhere. Let us also recall that in 1966, at the so-called Tricontinental meeting in Havana, the international net of terror was formally established. It grew and became more violent for years thanks to the cover and backing provided by Moscow and its client-states. The collapse of the Soviet Union in 1989-1990, disrupted such cooperation. Unfortunately, nowadays there are indications of renewed and expanding collaboration among regional terrorists and with terror groups outside the Hemisphere.

In the 1990’s, Iran-backed Hezbollah was responsible for the bombings of the Embassy of Israel and AMIA in Argentina with the cooperation of local terrorists. This first foothold of Islamic terror in the region has expanded since then with an ever growing presence in the Tri-Border Area (TBA) of Argentina, Brazil, and Paraguay, in Ciudad del Este, where funds and resources are raised for Hezbollah, Hamas, and Islamyya al Gama’at (IG). Indeed, terrorists who have planned and/or participated in attacks in the Middle East and the United States, such as the captured high-profile al Qaida chief, Khalid Shaihkh Mohammed, have spent time in that area.

As confirmed by various sources, Islamic- radical- groups' supporters from the TBA and the Caribbean have been funneling tens of millions of dollars every year to their respective organizations in the Middle East, thus immersing our region in the global support structure of international terrorism.

Although the Director General of Brazil's Federal Intelligence Agency –the equivalent of the CIA-, Mauro Marcelo de Lima e Silva, says that “no cells or training camps” have been found, the Islamic terrorist menace in the TBA is serious enough to have prompted the three countries involved –with assistance from and in cooperation with US authorities- to create a tripartite command which unifies their policing efforts there<sup>3</sup>.

Another source of concern is the extended involvement of Basque ETA terrorists in countries such as Argentina, Cuba, Dominican Republic, Ecuador, Mexico, Panama, Uruguay, and Venezuela, where they have members and/or underground supporters.

And last, but not least, all sort of red flags have been raised by the Colombian FARC-Irish Republican Army connection that was evidenced in 2001 by the arrest in Bogota of three members of the Provisional Irish Republican Army (IRA) with traces of explosives in their belongings.

According to security sources, two of them are among IRA's best explosive experts, and were providing training to members of the Revolutionary Armed Forces of Colombia (FARC), which subsequently started using tactics, strategy and equipment very similar to those used by the IRA. The IRA franchise has also been evidenced by links between the IRA and Palestinian terrorist groups, namely Hamas, which has adopted the dual political-military model of the IRA.

Aggravating the problem is the huge financial assets of terrorist groups in Colombia and Peru, derived from their involvement in drug trafficking. Organizations such as the FARC, the National Liberation Army (ELN), and the United Self-Defense Forces of Colombia (AUC), as well as Shining Path (SL) of Peru -that have been designated Foreign Terrorist Organizations (FTOs) by the US-, have reinvented themselves as narcoterrorist enterprises. They have the money and access to illicit channels to establish very lucrative and dangerous associations with terrorists from other parts of the world.

Concerns have also been raised by the growth of Muslim groups that resort to aggressive tactics to gain converts from Catholic or Evangelical roots, especially in Chiapas, Mexico. Furthermore, Central American governments and media are concerned by the possibility that violent, well-armed, and numerous gangs –the so-called “maras”, which are creating serious security problems in Guatemala, El Salvador, and Honduras, as well as in some parts of the US-, might be developing bonds with Islamic radicals in order to help them target US interests.

A distinct possibility exists that terrorists may seek safe-haven, financing, recruiting, illegal travel documentation, or access to the United States from the area, taking advantage of connections that Central American gangs have with their fraternal

colleagues in the US. In this regard, special attention must be given to the active recruiting by Islamic groups among members of Hispanic gangs in California's prisons.

### **Important Advances**

What has been done by Latin America against the treat of terrorism?

On September 11, 2001, Latin American nations strongly condemned the terrorist attacks at a special meeting held that very day in Peru to approve the Inter-American Democratic Charter. They also took action to strengthen hemispheric cooperation against terrorism.

Since then, Inter-American cooperation in this area has been very close and productive. Delivering on their promise, in June 2002, OAS members, including the United States, adopted the Inter-American Convention against Terrorism. It was submitted to the Senate by President Bush in November 2002 and recently received approval.

Meanwhile, the Inter-American Commission Against Terrorism (CICTE) has been working in close coordination with US authorities and the cooperation of Spain, to improve individual countries' legislation against terrorism, training authorities, enhancing security and migration controls, and developing special training projects on financial flows and on cyber security, financial flows and money laundering among other aspects of this complex and difficult battle.

At the same time, the US Southern Command has had strong military-to-military and police relations in all countries of the region in order to fight the terrorist threat. No doubt hemispheric cooperation is crucial in this endeavor.

### **Further Steps**

In many and different ways, the fight against terrorism in Latin America has been yielding substantial results, in no small measure thanks to the resolve shown by some key champions in this struggle –Colombia comes to mind immediately-, and the help provided by the US, all of which has strengthened Inter-American cooperation.

But as in all human undertakings there is room for our countries to improve their efforts in the ongoing battle against terrorism, an enemy which cannot be defeated unless we defeat first hunger, poverty and provide better opportunities and, above all, hope to the younger generations of Latin America. Allow me to point out some critical areas that must be addressed if we are to succeed in this difficult task:

- It is imperative to foster development and better living conditions. We must do our best to back Latin American efforts for growth and improvement in their living standards. In this regard, the Millennium Challenge Account (MCA) and the Millennium Challenge Corporation (MCC), created with bipartisan support, are a powerful and commendable idea. Equally important are CAFTA-DR, the Free Trade Agreements being negotiated with the

Andean countries, and the proposal of the U S Trade Representative, Robert Portman -in the context of the Doha Round negotiations- to reduce trade barriers affecting agricultural exports from Latin American countries.

- Institutions and government accountability must be strengthened The weakness of key institutions such as the Judiciary is at the root of the most serious cases of instability in Latin American. Institution building is always difficult, and more so after dictatorships have unwoven essential parts of the social fabric. This calls for:
  - An independent and capable judicial system, essential to encourage growth, fight corruption and ensure respect for human rights.
  - Property rights must be strengthened because they provide the bedrock for investment, entrepreneurship, and encourage asset leveraging by the poorer strata of society;
  - Education and health systems are basic to create better opportunities for new and older generations of Latin Americans.
  - Better Funding must be assured. for the Anti-Terrorism Assistance (ATA), being provided through the Department of State to Latin American countries in order to improve their capabilities in airport security management, bomb detection and deactivation, and countering terrorism financing. Such funding has been relatively short and most of it is consumed by aid to Colombia. Apart from that nation, funding was \$2.5 million for the entire Western Hemisphere in 2002. For 2004, it was \$5.3 million, including Colombia. In 2005, an estimated \$11.1 million has been budgeted, of which \$3.9 million is for Colombia and \$0.5 million for the TBA. The 2006 request is \$9.7 million, with the same amounts as 2005 for Colombia and the TBA. This is an effort that could and should be strengthened to allow improvements in anti-terrorism capabilities in Latin America.
- US can foster positive trends in the region. Inter-American cooperation in the fight against terrorism is a very positive and key trend that must be encouraged. Given the good military-to-military relations in the fight against terrorism, it is very important to find ways to make the American Service Members Protection Act more flexible, as suggested by Senator Coleman in recent presentations at Hudson and before the House Subcommittee on the Western Hemisphere, so that foreign military training in Latin America is not hindered by differences over the International Criminal Court. A way has to be found in order to preserve and promote the military cooperation that is and will be needed for the success of counterterrorism efforts in Latin America.
- Finally, I believe diplomacy needs to be improved both in the US and Latin America. The US has to become more engaged in the region, and President Bush's upcoming visit to the area is a very positive step in this direction. On the other hand, Latin American nations should overcome the traditional mode of flirting with antidemocratic leaders as a way of showing independence from Washington. To face the clear and present dangers, cooperation, not confrontation, is required.

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<sup>1</sup> General James T. Hill, Commander United States Southern Command, Testimony before the House Armed Services Committee, March 2004

<sup>2</sup> Andreas E. Feldmann, Latin American Politics and Society magazine, Summer 2004.

<sup>3</sup> Mauro Marcelo de Lima e Silva, Director-General of Brazil's Federal Intelligence Agency, "9/11, Terrorism and Brazil: Facts About The Tri Border Region", December 26<sup>th</sup>, 2004, [www.hacer.org](http://www.hacer.org)