

Deterring Terrorism

It Can Be Done

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Can deterrence work against contemporary terrorists? Many prominent international relations scholars and analysts have argued that deterrent strategies have no significant role to play in countering the new terrorist threat. Richard Betts, for example, writes that deterrence has “limited efficacy . . . for modern counterterrorism.”¹ A RAND study asserts, “The concept of deterrence is both too limiting and too naïve to be applicable to the war on terrorism.”² And the belief that deterrence is inadequate as a counterterrorist strategy is also shared by President George W. Bush and his administration, whose National Security Strategy states, “Traditional concepts of deterrence will not work against a terrorist enemy.”³

The case against the use of deterrence strategies in counterterrorist campaigns appears to rest on three pillars. First, terrorists are thought to be “irrational,” and therefore unresponsive to the cost-benefit calculation required for deterrence.⁴ Second, as Robert Pape argues, many terrorists are said to be so highly motivated that they are “willing to die, and so not deterred by fear of punishment or of anything else.”⁵ Third, even if terrorists were afraid of punishment, they cannot be deterred because they “lack a return address against

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1. Richard K. Betts, “The Soft Underbelly of American Primacy: Tactical Advantages of Terror,” in Demetrios James Caraley, ed., *September 11, Terrorist Attacks, and U.S. Foreign Policy* (New York: Academy of Political Science, 2002), p. 46.

2. Paul K. Davis and Brian Michael Jenkins, *Deterrence and Influence in Counterterrorism: A Component in the War on al-Qaeda* (Santa Monica, Calif.: RAND, 2002), p. xviii.

3. George W. Bush, *The National Security Strategy of the United States of America* (Washington, D.C.: U.S. Government Printing Office, September, 2002), p. 15.

4. The claim that terrorists are irrational is more commonly found in the popular press, but it is also a key argument against deterrence strategies generally, and therefore must be addressed in any discussion of the use of deterrence in counterterrorism.

5. Robert A. Pape, *Dying to Win: The Strategic Logic of Suicide Terrorism* (New York: Random House, 2005), p. 5.

which retaliation can be visited.”⁶ (The claim that terrorists are “fanatical” appears to represent a combination of the first and second pillars.)

If these arguments are correct, not only will deterrence prove ineffective but the world—and the United States in particular—faces a grim and unpreventable onslaught of terrorist attacks. If terrorists cannot be found, the use of force against them is ineffective. Counterterrorist strategies that attempt to address root causes, such as “winning hearts and minds” and economic aid and democratization, are strategies for the long run. In the meantime, religious terrorism is on the rise,⁷ and the rate of suicide terrorist attacks has increased significantly: from 41 in the 1980s, to 100 in the 1990s, to 174 in 2000–03 alone.⁸ These trends are particularly dangerous because many scholars, analysts, and policymakers increasingly worry that terrorists could acquire and use mass casualty weapons, arguably the gravest threat to developed countries and to world order.⁹

In this article, we argue that the claim that deterrence is ineffective against terrorists is wrong. Many terrorists can be deterred from actions that harm targeted states, and deterrence should remain an important weapon in the counterterrorism arsenal. Moreover, even seemingly fanatical terrorists, intensely motivated by religious beliefs, are not irrational in a sense that makes them impossible to deter. Further, some essential elements of terrorist support systems are likely to be less motivated and therefore vulnerable to traditional forms of deterrence, particularly at early decision nodes in the lengthy process of preparation required for major attacks.

Even the most highly motivated terrorists, however, can be deterred from certain courses of action by holding at risk their political goals, rather than life or liberty. We show that this is possible for two reasons: (1) terrorist-state rela-

6. Betts, “The Soft Underbelly of American Primacy,” p. 45.

7. According to the U.S. State Department’s classification, the number of religiously motivated foreign terrorist organizations rose from nearly zero in 1980 to almost half of all such organizations by 1998. See Mark Juergensmeyer, *Terror in the Mind of God: The Global Rise of Religious Violence* (Berkeley: University of California Press, 2000), p. 6; and Bruce Hoffman, *Inside Terrorism* (New York: Columbia University Press, 1999).

8. Compiled from data in Pape, *Dying to Win*, app. 1, pp. 253–264. From 2000 to 2003, 20 of the 174 total attacks were perpetrated by Iraqi rebels against U.S. and allied forces.

9. Jessica Stern has argued that terrorists or their state sponsors could obtain nuclear and chemical materials from poorly guarded former Soviet facilities as well as the expertise of underpaid nuclear scientists. See Stern, *The Ultimate Terrorist* (Cambridge, Mass.: Harvard University Press, 1999). Graham Allison states that “a nuclear terrorist attack on America in the decade ahead is more likely than not.” Allison, *Nuclear Terrorism: The Ultimate Preventable Catastrophe* (New York: Times Books, 2004).

tionships, while adversarial, are often not zero sum; and (2) although terrorists are difficult to find, powerful states still have the ability to influence their political aims. From a policy perspective, the ability to hold political ends at risk is a crucial point, because doing so stands by far the best chance of fracturing the global terrorist network, one of the most important objectives of counterterrorism policy. Policymakers should be sensitive to this central objective of grand strategy, namely, preventing terrorist adversaries from cooperating with one another.

This article has six main sections. In the first, we define deterrence in the context of the interactions between states and nonstate actors and examine why critics believe that it is an ineffective means of counterterrorism. The next three sections address each of the purported impediments to deterring terrorists. In the section on terrorist motivation, we develop a framework based on terrorist goals and levels of motivation that clarifies the strategies available to states to associate costs and benefits with courses of action of different types of groups. In the fifth section, we illustrate the effectiveness of coercion even against highly motivated groups by analyzing the results of its use against elements of terrorist networks in the Southern Philippines. We argue that the current approach of the U.S. and Philippine governments vis-à-vis the Moro Islamic Liberation Front (MILF)—accommodating some of the group’s political goals and then holding that accommodation at risk to prevent the MILF from cooperating with al-Qaida and Jemaah Islamiah—is the best means of achieving the principal U.S. objective of denying all forms of support to groups intent on mass casualty attacks against the United States. In the concluding section, we apply our theoretical framework to current U.S. efforts to counter global terrorism and provide policy recommendations based on our findings.

The Meaning of Deterrence in the Context of Counterterrorism

Deterrence approaches are only one of several classes of strategies for countering terrorism. Other strategies include persuasion (or “winning hearts and minds”), economic aid and democratization, appeasement, and military force.¹⁰ A deterrence strategy, by contrast, consists of the following two ele-

10. Our focus on deterrence does not imply that other strategies do not have important roles to play as well. On the contrary, the realm of ideas will be a key battleground over the long run. On persuasion, see, for example, Helena K. Finn, “The Case for Cultural Diplomacy: Engaging For-

ments: (1) a threat or action designed to increase an adversary's perceived costs of engaging in particular behavior, and (2) an implicit or explicit offer of an alternative state of affairs if the adversary refrains from that behavior.¹¹ Additionally, to be called a deterrence strategy, this increase in the adversary's perceived costs must be the result of costs imposed, at least in some contingencies, by the deterrer itself.¹²

This definition of deterrence subsumes what Glenn Snyder has called "deterrence by punishment" and "deterrence by denial."¹³ Generalizing these concepts so that they apply to the interactions between state and nonstate actors as well as to interactions among states, we take deterrence by punishment to

eign Audiences," *Foreign Affairs*, Vol. 82, No. 6 (November/December 2003), pp. 15–20; Peter G. Peterson, "Diplomacy and the War on Terrorism," *Foreign Affairs*, Vol. 81, No. 5 (September/October 2002), pp. 74–96; and Michael Mousseau, "Market Civilization and Its Clash with Terror," *International Security*, Vol. 27, No. 3 (Winter 2002/03), pp. 5–29. On economic aid and democratization, see Carol Graham, "Can Foreign Aid Help Stop Terrorism? Not with Magic Bullets," *Brookings Review*, Vol. 20, No. 3 (Summer 2002), pp. 28–32; Ivo H. Daalder and James M. Lindsay, "Nasty, Brutish, and Long: America's War on Terrorism," *Current History*, December 2001, pp. 403–408; and Alan B. Krueger and Jitka Maleckova, "The Economics and the Education of Suicide Bombers: Does Poverty Cause Terrorism?" *New Republic*, June 20, 2002, pp. 27–33.

11. This second element defines the magnitude of the political objectives sought by the coercing state. Other works that also address this issue include Barry M. Blechman and Tamara S. Cofman, "Defining Moment: The Threat and Use of Force in American Foreign Policy," *Political Science Quarterly*, Vol. 114, No. 1 (Spring 1999), pp. 1–30; and Alexander L. George, *Forceful Persuasion: Coercive Diplomacy as an Alternative to War* (Washington, D.C.: United States Institute of Peace, 1991).

12. This last requirement distinguishes deterrence from other forms of diplomacy, such as persuasion, where no costs are imposed. Although we regret the need for yet another definition of deterrence, existing definitions are inadequate because they do not encompass both deterrence by punishment and deterrence by denial; they are too closely tied to the interstate context; or they do not clearly distinguish deterrence from persuasion. For classic writings on coercion and deterrence, see Thomas C. Schelling, *The Strategy of Conflict* (New York: Oxford University Press, 1963); Thomas C. Schelling, *Arms and Influence* (New Haven, Conn.: Yale University Press, 1966); Glenn H. Snyder, *Deterrence and Defense: Toward a Theory of National Security* (Princeton, N.J.: Princeton University Press, 1961); Alexander L. George and Richard Smoke, *Deterrence in American Foreign Policy: Theory and Practice* (New York: Columbia University Press, 1974); Patrick M. Morgan, *Deterrence: A Conceptual Analysis* (Beverly Hills, Calif.: Sage, 1977); Robert Jervis, Richard Ned Lebow, and Janice Gross Stein, *Psychology and Deterrence* (Baltimore, Md.: Johns Hopkins University Press, 1985); John J. Mearsheimer, *Conventional Deterrence* (Ithaca, N.Y.: Cornell University Press, 1983); and Herman Kahn, *On Escalation: Metaphors and Scenarios* (New York: Frederick A. Praeger, 1965). Recent works on coercion include Robert A. Pape, *Bombing to Win: Air Power and Coercion in War* (Ithaca, N.Y.: Cornell University Press, 1996); and Daniel Byman, *The Dynamics of Coercion: American Foreign Policy and the Limits of Military Might* (New York: Cambridge University Press, 2002).

13. Snyder, *Deterrence and Defense*, pp. 14–16. Thomas Schelling, *Arms and Influence*, pp. 70–71, contrasts deterrence (the threat to take hostile action *if* the adversary acts) with compellence (the threat to take hostile action *unless* the adversary acts). Because of the close relationship between these two terms, much of what we say about deterrence by punishment can be applied to compellence as well. See Patrick M. Morgan, *Deterrence Now* (New York: Cambridge University Press, 2003), p. 3; and Robert J. Art, "To What Ends Military Power?" *International Security*, Vol. 4, No. 4 (Spring 1989), pp. 3–35.

refer to the threat of harming something the adversary values if it takes an undesired action. Such a threatened trigger of punishment might be a terrorist attack, but it might also be an action believed to be a precursor to an attack.¹⁴ Deterrence by denial involves “hardening” targets in the hope of making an attack on them too costly to be tried and convincing terrorists of the state’s determination not to make concessions in the face of terror tactics. Thus, it is generally true that “where punishment seeks to coerce the enemy through fear, denial depends on causing hopelessness.”¹⁵

For both deterrence by punishment and deterrence by denial strategies to be successful, two conditions must hold: the threatened party must understand the (implicit or explicit) threat, and decisionmaking by the adversary must be sufficiently influenced by calculations of costs and benefits. Because terrorists can appear fanatical, some analysts believe that, in general, neither of these conditions can be met. We term this the “problem of irrationality.”

Deterrence by punishment also requires that several additional conditions hold: the deterrer must be able to hold something the adversary values at risk; the adversary must value what is held at risk over the expected value of taking action; and both the threat of retaliation and the deterrer’s promise not to take action if its conditions are met must be credible. These conditions depend on the capabilities of the two sides; the deterrer must be able to carry out its threat. They also depend on the deterrer’s having an incentive to follow through; the deterrer must not be made worse off by carrying out a threat than if it had simply not responded to the provocation.¹⁶ Thus, the conditions for deterrence by punishment strategies depend on the existence of a state of the world that both sides prefer to the state in which the deterrer takes action against the adversary and the adversary responds as best it can, often by doing

14. According to Glenn Snyder, deterrence by punishment primarily affects “the aggressor’s estimate of possible costs,” rather than “[the aggressor’s] estimate of the probability of gaining his objective.” Snyder, *Deterrence and Defense*, p. 15. A question thus arises: How should threats to take offensive action against groups in response to precursors to terrorist acts be classified? Although such threats may primarily influence terrorists’ calculations of the probability of attaining an objective later on, we call this “deterrence by punishment” because it involves a choice of triggers for actions whose credibility must be demonstrated.

15. David Johnson, Karl Mueller, and William Taft V, *Conventional Coercion across the Spectrum of Conventional Operations: The Utility of U.S. Military Forces in the Emerging Security Environment* (Santa Monica, Calif.: RAND, 2002), <http://www.rand.org/publications/MR/MR1494/>, pp. 16–17. Defense is distinct from deterrence by denial because it merely aims at “reducing . . . costs and risks in the event deterrence fails,” rather than influencing the behavior of the adversary. Snyder, *Deterrence and Defense*, p. 3.

16. This last condition must hold over the long run. Deterrence is consistent with, and often requires, short-term sacrifice.

its worst against the deterrer. This in turn requires that there be some overlap in the preferences of both sides over states of the world. If their preferences are precisely opposed, deterrence is impossible.¹⁷ As Thomas Schelling puts it, "If his pain were our greatest delight and our satisfaction his greatest woe, we would just proceed to hurt and frustrate each other."¹⁸

Viewed in this way, deterrence resembles a bargain: both sides agree to cooperate on a state of affairs that both prefer to alternatives. Deterrence, therefore, is not just about making threats; it is also about making offers. Deterrence by punishment is about finding the right combination of threat and offer that meets the conditions listed here.¹⁹

In the case of state-terrorist interaction, these conditions seem difficult or impossible to meet. Because of their ideological and religious beliefs, many terrorists place extreme value on their political objectives relative to other ends (e.g., life and property). For this reason, it appears impossible that a deterrer could hold at risk something of sufficient value to terrorists such that their behavior would be affected. Similarly, deterrence by denial strategies seem destined to fail for the same reason, because they require that terrorists prefer the status quo to taking action given the dangers. Put differently, if the terrorists' motivation is high enough, then even a small probability of a successful operation and a high probability of punishment will not deter them. Further, because the interests of terrorists and states seem so opposed, it also appears impossible that the two sides could agree on a state of affairs that both prefer

17. When preferences are nearly opposite, relations are adversarial, but when preferences are precisely opposed, relations are zero sum. See Robert Axelrod, *Conflict of Interest: A Theory of Divergent Goals with Applications to Politics* (Chicago: Markham, 1970).

18. Schelling, *Arms and Influence*, p. 4.

19. Whether in a terrorist context or not, this highlights the need for the second element in our definition of deterrence. When analysts have attempted to study threats but ignored the offer implicit in any threat, they have been led astray. To take one example from the Cold War: Would additional nuclear capabilities be more likely to deter a first strike? When we consider only the severity and credibility of the threat, the answer appears to be that at least additional capability can do no harm. When we also consider the credibility of the offer in the event the adversary complies, however, our conclusions may change radically. Increased capability may give the deterrer a greater incentive to strike first, decreasing the credibility of the offer not to attack. This in turn may give the adversary an increased incentive to strike first itself, reversing our original conclusion that increased capabilities would aid in deterring a first strike. See Snyder, *Deterrence and Defense*, p. 10. For related literature on provocation and deterrence, see, for example, Richard Ned Lebow, "Provocative Deterrence: A New Look at the Cuban Missile Crisis," *Arms Control Today*, Vol. 18, No. 6 (July/August 1988), pp. 15–16; Janice Gross Stein, "Reassurance in International Conflict Management," *Political Science Quarterly*, Vol. 106, No. 3 (Autumn 1991), pp. 431–451; and Robert Jervis, "Rational Deterrence: Theory and Evidence," *World Politics*, Vol. 41, No. 2 (January 1989), pp. 183–207.

to that in which each does its worst against the other. We call these issues the “problem of terrorist motivation.”

Even if this problem were solved, and targets for retaliation valued by terrorists discovered, a practical problem for deterrence by punishment strategies seems to remain. The capability to impose sufficient costs such that terrorists are deterred may require the ability to find the members of the terrorist group responsible. We call this the “return address problem.”

Other doubts about the efficacy of deterrence strategies are still subject to ongoing debate. Even during the Cold War, analysts pointed out numerous difficulties with deterrence strategies, as well as a variety of factors that could lead to deterrence failure.²⁰ Although we disagree with the stronger claims against the efficacy of conventional deterrence, we do not try to resolve these debates here.²¹ Instead, we focus on the three arguments that pertain particularly to deterrence in the terrorist context.²²

The Problem of Irrationality

The assertion that terrorists are highly irrational is contradicted by a growing body of literature that shows that terrorist groups (though not necessarily every individual who engages in terrorist activities) usually have a set of hier-

20. As Edward Rhodes wrote in his review of empirical studies of conventional deterrence, “The nature of conventional deterrence is that it will regularly fail, even in cases where commitments to respond are ‘clearly defined, repeatedly publicized, and defensible, and the committed state [gives] every indication of its intention to defend them by force if necessary.’” Richard Ned Lebow, “Conclusions,” in Jervis, Lebow, and Stein, *Psychology and Deterrence*, p. 211, quoted in Rhodes, “Can the United States Deter Iraqi Aggression? The Problems of Conventional Deterrence,” 2002, Rutgers University, p. 4. See also Lebow, “Miscalculation in the South Atlantic: The Origins of the Falklands War,” in Jervis, Lebow, and Stein, *Psychology and Deterrence*, pp. 89–124; Lebow, “The Deterrence Deadlock: Is There a Way Out?” in Jervis, Lebow, and Stein, *Psychology and Deterrence*, pp. 180–202; and Joseph Lepgold, “Hypotheses on Vulnerability: Are Terrorists and Drug Traffickers Coercible?” in Lawrence Freedman, ed., *Strategic Coercion: Concepts and Cases* (New York: Oxford University Press, 1998).

21. For a review of methodological difficulties that have beset past studies of deterrence, see Christopher Achen and Duncan Snidal, “Rational Deterrence Theory and Comparative Case Studies,” *World Politics*, Vol. 41, No. 2 (January 1989), pp. 143–169; James Fearon, “Signaling versus the Balance of Power and Interests,” *Journal of Conflict Resolution*, Vol. 38, No. 2 (June 1994), pp. 236–269; Curtis S. Signorino and Ahmer Tarar, “A Unified Theory and Test of Extended Immediate Deterrence,” working paper, University of Rochester, December 7, 2001, <http://www.rochester.edu/college/psc/signorino/papers/SigDeter.pdf>; and Bear F. Braumoeller, “Causal Complexity and the Study of Politics,” *Political Analysis*, Vol. 11, No. 3 (Summer 2003), pp. 209–233.

22. Throughout we also focus attention on deterrence strategies that target classes of individuals who are essential for the functioning of a terrorist group as a whole. Deterring specific individuals retards the capacity of groups only when the supply of individuals willing to fill their roles is a constraining factor. In contemporary terrorist networks, this is often true to only a limited degree.

archically ordered goals and choose strategies that best advance them.²³ The resort to terror tactics is itself a strategic choice of weaker actors with no other means of furthering their cause.²⁴ Suicide tactics in particular, as Pape shows, are practiced in the context of coercive campaigns and were adopted because they proved to be remarkably successful for coercing liberal democracies.²⁵ In addition, terrorist groups have often put interest ahead of strictly interpreted ideology, for instance, in cooperating with groups and states with opposed beliefs.²⁶

Therefore, even though terrorist decisionmaking processes are certain to consist of both rational and nonrational elements, this is neither peculiar to terrorists nor precludes deterrence. Deterrence requires only that terrorists be sufficiently influenced by cost-benefit calculations. As Robert Jervis argued more than a quarter century ago, "Much less than full rationality is needed for the main lines of [deterrence] theory to be valid."²⁷

The Problem of Terrorist Motivation

The issue of terrorist motivation is the most serious difficulty facing powerful states attempting to implement deterrence strategies. To address this issue, we have developed a framework that specifies the types of deterrence strategies that can be effective against particular classes of groups and elements of terrorist networks.²⁸ This framework is represented in Figure 1, where the intensity of the terrorists' motivation is on the vertical axis.²⁹ We define "motivation" as

23. See Martha Crenshaw, "The Causes of Terrorism," in Charles W. Kegley, ed., *International Terrorism: Characteristics, Causes, Controls* (New York: St. Martin's, 1990), p. 117; Betts, "The Soft Underbelly of American Primacy"; Robert A. Pape, "The Strategic Logic of Suicide Terrorism," *American Political Science Review*, Vol. 97, No. 3 (August 2003), pp. 343–361; Jonathan Schachter, *The Eye of the Believer: Psychological Influences on Counter-terrorism Policy-Making* (Santa Monica, Calif.: RAND, 2002), p. 96; and Andrew Kydd and Barbara Walter, "The Politics of Extremist Violence," *International Organization*, Vol. 56, No. 2 (Spring 2002), pp. 279–289.

24. Betts, "The Soft Underbelly of American Primacy."

25. Pape, *Dying to Win*, pp. 44–45.

26. Consider, for instance, al-Qaida's decision before the 2003 Iraq war to cooperate with Iraqi Baathists against the United States.

27. Robert Jervis, "Deterrence Theory Revisited," *World Politics*, Vol. 31, No. 2 (January 1979), p. 299.

28. Other authors have suggested a variety of taxonomies of terrorist groups, based on different criteria, that may prove useful for particular applications. In general, experts have identified the following types of terrorism: nationalist, religious, anarchist, state sponsored, left wing, and right wing.

29. We have drawn four categories, but each axis is better thought of as representing a continuum. The more motivated the group, for instance, the less susceptible it will be to the deterrence strategies listed in quadrants 1 and 2.

Figure 1. Potential Deterrence Strategies Based on the Intensity of Terrorist Motivation and the Similarity of Preferences over Outcomes

| | | Goals that can be accommodated? ^a | |
|-------------------------|--|---|---|
| | | Yes | No |
| Intensity of motivation | Low (terrorists value life over goals) | <p>1</p> <p>deterrence by punishment: political and nonpolitical ends held at risk; deterrence by denial</p> | <p>2</p> <p>deterrence by punishment: political ends held at risk; deterrence by denial</p> |
| | High (terrorists value goals over life) | <p>3</p> <p>deterrence by punishment: political ends held at risk; temporary deterrence by punishment;^b deterrence by denial</p> | <p>4</p> <p>temporary deterrence by punishment; deterrence by denial</p> |

^aSome terrorist groups have objectives that could be at least partially accommodated either by the deterring state or by actors over whom the deterring state has leverage. In this sense, the relationship is not zero sum.

^b“Temporary deterrence” implies that groups can be influenced to refrain from taking action while they build capability for larger strikes. This is sometimes to the advantage of the deterrer because it provides a greater window of opportunity for the use of offensive strategies against the group.

the extent to which terrorists value their political goals over nonpolitical ends. Examples of the latter may include life, liberty, property, and social standing (when not derived directly from terrorist activity). The degree to which terrorist groups have some political goals that could be accommodated by deterring states is on the horizontal axis.

We first discuss the potential of deterrence by punishment strategies targeted at less motivated elements of terrorist networks at stages in the terror process when they are most susceptible to influence. This corresponds to quadrants 1 and 2 in Figure 1. We show that by considering only the possibility of deterring a suicide terrorist the moment before he (or, more rarely, she) commits the act, analysts have overlooked deterrence strategies that could prove effective. We then consider the possibility of deterring the most highly motivated terrorists, that is, those willing to run any risk in pursuit of their

goals (quadrants 3 and 4). We show that by holding at risk political ends, states can deter such terrorists from certain courses of action. We then argue that despite the problem of terrorist motivation, deterrence by denial strategies can be effective against all classes of terrorist groups, and conclude the section by applying the theoretical framework developed here to the issue of deterring multiple groups at once.

DETERRING LESS MOTIVATED ELEMENTS OF TERRORIST NETWORKS

The higher the value terrorists place on what is not gained through terror relative to what is, the more compelling is a threat against the former, and the more likely deterrence will succeed. It is less obvious that, through careful attention to the many different elements of terrorist systems and an understanding of the processes that lead to attacks, even apparently highly motivated groups may be susceptible to the deterrence strategies listed in quadrants 1 and 2.

To produce a large-scale attack, terrorists must constitute a system of actors fulfilling specific functional roles. As Paul Davis and Brian Jenkins characterize it, such a system “comprises leaders, lieutenants, financiers, logisticians and other facilitators, foot soldiers, supporting population segments, and religious or otherwise ideological figures.”³⁰

Some elements of the terrorist system are more difficult to deter than others. Financiers, for example, are sometimes less fanatically motivated than other elements of the system and thus easier to deter. Although states often have difficulty tracking them down,³¹ they have had success when making this a priority.³² The greatest difficulties are often political rather than a matter of finding perpetrators, and the resolution of political difficulties usually depends on the level of diplomatic resources that states are willing to commit. Although finding all financiers of all groups prior to terrorist attacks is impossible, once large-scale attacks are committed, it is sometimes possible to con-

30. Davis and Jenkins, *Deterrence and Influence in Counterterrorism*, p. xi.

31. See, for example, Louise Branson, “Cutting Off Terrorists’ Funds,” *Straits Times*, September 26, 2001.

32. For instance, the U.S. government has closed down several important sources of terrorist financing since the attacks of September 11, 2001; and in November 2002, the CIA together with financial investigators announced that they had traced tens of millions of dollars flowing to al-Qaida, mostly from Saudi sources. See, for example, “U.S.: Al Qaida Funded by Only 12 Individuals, Most Saudis,” *WorldTribune.com*, October 20, 2002, <http://www.hvk.org/articles/1002/194.html>. See also *The 9/11 Commission Report: Final Report of the National Commission on Terrorist Attacks upon the United States* (Washington, D.C.: U.S. Government Printing Office, July 2004), p. 382.

concentrate investigative resources and uncover the source of financing in particular cases. A demonstrated policy of committing significant resources to find and punish financiers may therefore deter an essential part of the system from engaging in terrorist activity.

This example highlights an underrecognized contrast between brute force and deterrence strategies. When a government weighs the benefits of using force against the costs of diplomatic and material concessions to states whose assistance is required to punish terrorist militants and financiers, it may decide that the price is too high. The possibility of deterring future terrorists, however, provides a strong additional incentive. Thus, a deterrence approach implies an even more aggressive policy than a brute force approach if deterrence is unsuccessful in a particular case.

State sponsors represent another element of terrorist systems that many view as less motivated and easier to find, and therefore susceptible to deterrence.³³ Scholars and policymakers who are skeptical of using deterrence against terrorists often believe that, on the contrary, their state sponsors are deterrable. The Bush administration's National Strategy for Combating Terrorism contains a long discussion of the administration's policy of deterring state sponsors of terrorism, though it makes no other explicit reference to a deterrence approach.³⁴ Other scholars argue, however, that failing states may be highly motivated to sell their capabilities and provide other assistance for financial gain. Nevertheless, because the response of a powerful state to a terrorist attack will likely be proportional to the scale of the attack, even highly motivated potential state sponsors with advanced capabilities and other countercoercive instruments will be forced to exercise restraint. The capabilities of state sponsors may enable them to avoid being deterred from supporting smaller-scale international terrorism, but powerful states will likely retain the ability to deter would-be state sponsors from supporting larger-scale attacks.³⁵

In addition to paying attention to the diverse elements that make up terrorist systems, as Michael Powers has argued in the context of WMD terrorism,

33. Currently Cuba, Iran, Libya, North Korea, Sudan, and Syria are on the U.S. list of states that sponsor terrorism. Office of the Coordinator for Counterterrorism, U.S. Department of State, *Country Reports on Terrorism, 2004* (Washington, D.C.: U.S. Government Printing Office, 2005), pp. 88–90.

34. *National Strategy for Combating Terrorism*, (Washington, D.C.: U.S. Government Printing Office, February 14, 2003), http://www.whitehouse.gov/news/releases/2003/02/counter_terrorism/counter_terrorism_strategy.pdf.

35. We are not implying that all terrorist groups have state sponsors or that the Bush administration's focus on states over nonstate actors is appropriate.

deterriers should think of terrorist activity as a process, or series of actions culminating in violence, rather than a single act or event such as the terrorist attacks of September 11, 2001.³⁶ Consider, for example, the process that culminated in those attacks. As early as 1996, Mohammed Atta began planning and recruiting for them in Hamburg. Over the next five years, he and his associates arranged for financing, visas, accommodation, and flight lessons; selected targets; continued to recruit; and ultimately carried out the attacks.³⁷ Each stage presents an opportunity for detection by intelligence networks and law enforcement or for a military response. When, at a particular stage in the process leading to an attack, the risks of detection and punishment outweigh the benefits of a successful attack multiplied by the probability of success, the terrorist or terrorist supporter will be deterred. Deterrence is possible when the benefits of a successful attack are not too high, as in quadrants 1 and 2 of Figure 1.

In analyzing the decision calculus of elements of terrorist systems at each point in the process, we can see the usefulness of developing a deterrence strategy that sets triggers for action that occur early in that process. Even though the early stages are often the most difficult to detect, the punishment need not be as severe, nor the probability of detection as high, to have an equivalent deterrent effect. This is because, in the early stages, the prospects of achieving a successful attack are more uncertain. Even those willing to give their lives when the success of an attack is assured may be unwilling to begin a process that may not, in the end, advance their cause. Thus, to deter terrorists, states should search for less motivated or more visible elements of terrorist networks and threaten retaliation at early or more easily detectable stages of the terror process.

DETECTING TERRORISTS WHOSE GOALS CAN BE PARTIALLY ACCOMMODATED

In some cases, terrorists are so motivated that deterrence by punishment strategies that target the nonpolitical ends of terrorists are insufficient. Nevertheless, overlap in the preferences of terrorists and deterring states can still create a range of agreements that deterrence strategies can enforce (see quadrant 3). This is a type of deterrence by punishment where political ends are held at risk. Whereas the previous discussion emphasized the potential of the deterrer

36. Michael J. Powers, "Deterring Terrorism with CBRN Weapons: Developing a Conceptual Framework," occasional paper no. 2, CBACI (February 2001), <http://knxas1.hsd1.org/homesecc/docs/nonprof/nps08-091704-01.pdf>, p. 5.

37. See, for example, "Al-Jazeera Offers Accounts of 9/11 Planning," *CNN.com*, September 12, 2002, <http://www.cnn.com/2002/WORLD/meast/09/12/alqaeda.911.claim>.

to harm members of the terrorist group, here we also consider the alternative to the threat, that is, the deterring state's offer made to the group in the event it refrains from the undesired behavior.

Terrorists usually have a range of objectives, some dearer than others. States also have preferences over these same objectives. When the preference orderings of terrorists and states are precisely opposed, deterrence is impossible.³⁸ Even a small overlap in the preferences of the two sides, however, can be exploited in the cause of deterrence. We highlight this possibility by focusing on two areas of common ground.

First, many terrorist organizations with global objectives have local concerns even closer to heart. In fact, some organizations merely advance the agenda of other groups in return for resources and expertise they can apply locally. For instance, three members of the Irish Republican Army (IRA) arrested in Colombia in 2001 were "suspected of training the Revolutionary Armed Forces of Colombia (FARC) in how to conduct an urban bombing campaign."³⁹ It is unlikely that the IRA had taken up the cause of Marxist insurgency in Colombia. Rather, some trade must have occurred between the IRA and the FARC, such that the interests of both were furthered. In the jargon of the U.S. National Strategy for Combating Terrorism, the two must have achieved synergies.

Terrorist preferences of this sort are represented in the upper half of Figure 2. Such terrorists would like to cooperate with groups intent on striking the deterring state, or they might like to strike the deterring state themselves. There are several reasons why this might be the case: a strike might further the goals of groups directly; the response of the deterring state might be thought likely to galvanize support for their cause; or assistance on the part of one group might have been traded for another form of assistance from the other. The group whose preferences are represented in Figure 2, however, is even more interested in advancing a local agenda through acts targeted at a domestic audience. Of the forty-two foreign terrorist organizations (FTOs) currently designated by the U.S. Department of State, the vast majority fall into this category to a greater or lesser degree.⁴⁰

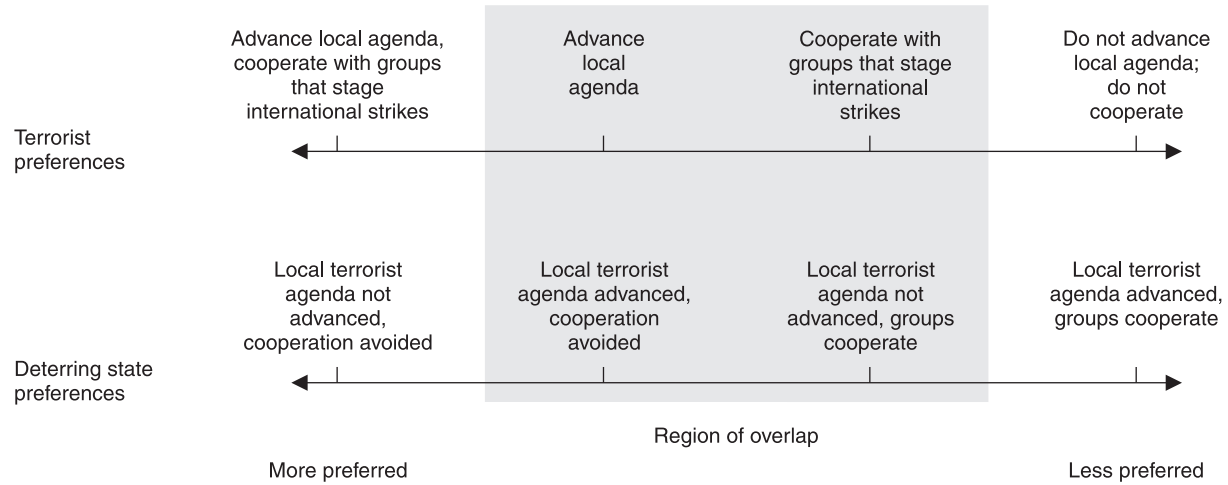
The terrorists' local agenda may have nothing in common with the foreign policy goals of the deterring state, but if some aspects of this agenda can be

38. We discuss one partial exception to this rule below, which we term "temporary deterrence."

39. *National Strategy for Combatting Terrorism*, p. 8.

40. See Office of Counterterrorism, U.S. Department of State, "Fact Sheet: Foreign Terrorist Organizations," March 23, 2005, <http://www.state.gov/s/ct/rls/fs/37191.htm>.

Figure 2. An Example of Overlapping Preferences between Terrorists and a Deterring State



even partially accommodated, there is overlap between the preferences of the two sides. This presents the state with strategic opportunity. Consider, for instance, the interests of the United States vis-à-vis terrorist groups such as Sendero Luminoso (Shining Path), the Liberation Tigers of Tamil Eelam, Hamas, and the Basque Fatherland and Liberty. While the interaction between these groups and the local states may be zero sum—one's pain is strictly the other's gain—their relationship with the United States may not be.⁴¹ Each of these groups may be able to achieve synergies through cooperation with other transnational groups, but they may prefer not to cooperate with such groups if that induces the U.S. government to refrain from devoting significant resources to intervening in their local conflicts. The United States, in turn, may prefer not to devote significant resources to targeting groups that do not cooperate with those it considers most threatening.

Thus, if the local agenda does not sufficiently conflict with the interests of the deterring state, the local interests of the terrorist group can serve as an effective hostage for a policy of deterrence. Often, the deterring state can threaten to tip the scales in the local conflict. Terrorist groups whose primary concern is the local theater may be willing to refrain from certain actions (e.g., cooperating with groups considered more dangerous by the deterring state) in return for less interference by the deterring state in the local conflict. In such cases, terrorists would be coerced into courses of action not just out of fear for their lives and property, but also out of fear for their cause. This in turn implies that designing an effective strategy for combating terrorism requires an in-depth understanding of terrorist adversaries, not only their capabilities and intentions toward a particular state but also their stakes in other configurations.

If, instead, force is actually used by a state against the terrorist group, this can create a harmony of interest between the group and more dangerous terrorist organizations or even change the preferences of the group such that local concerns seem less important. If the local agenda is put out of reach, members of the group may even turn their focus to international terrorism. More important, by using force against terrorist groups, states give these groups every incentive to cooperate with other groups and organizations whose interests are similarly opposed by the target state. This is a dangerous possibility because local terrorist groups can provide "intelligence, personnel, expertise, resources, and safe havens" to groups and individuals who may be even more

41. For a discussion of the bargaining relationship between terrorist groups and local states, see Paul Pillar, *Terrorism and U.S. Foreign Policy* (Washington, D.C.: Brookings, 2001), pp. 145–148.

threatening.⁴² A policy that makes action by the deterring state contingent on the creation of such links would have the opposite effect. Rather than creating a harmony of interests among terrorist groups opposed to the deterrer, such a policy would help to fracture the global terrorist network. In fact, in addition to being deterred from cooperating, some groups might even be coerced into providing local intelligence on other groups, as in the case of the MILF discussed below.

A second example of overlapping preferences that can produce a deterrence equilibrium occurs when both sides prefer bounding the scope of violence to the state of affairs when each side does its worst against the other. Sometimes, by tacitly permitting smaller-scale attacks, or those of a particular type, a state can deter those of larger scale, or of an alternative variety. Suppose a state can credibly threaten to inflict substantial damage on the capabilities of the terrorist group, in the event the group carries out an attack. If the state makes such a threat, so that its actions are contingent on the actions of the terrorist group, what would be the likely response of the group? If the threat is sufficiently credible, and if lower levels of violence also advance the group's aims but do not elicit such a strong response from the target, then the group's best option would be to moderate the destruction it causes. The group would be partially deterred, not for fear of losing life or property, but for fear of losing the ability to prosecute its cause altogether.⁴³

The conflict between the Israeli Defense Forces (IDF) and the South Lebanon Army (SLA), on the one hand, and the Lebanese liberation movement Hezbollah, on the other, may provide an example of these dynamics.⁴⁴ Throughout the first half of the 1990s, both sides retaliated following successful attacks on their forces by targeting civilians identified with the opposing

42. *National Strategy for Combatting Terrorism*, p. 9.

43. This is similar to the argument in the literature on intrawar deterrence and limited war that, even in intense conflicts, states may limit the severity of their attacks to avoid provoking retaliation in kind. On the abstention of both sides from using chemical weapons in World War II, see, for example, Jeffrey W. Legro, *Cooperation under Fire: Anglo-German Restraint during World War II* (Ithaca, N.Y.: Cornell University Press, 1995), chap. 4, especially p. 201. On the geographical limits on fighting during the Korean War, see Stephen J. Cimbala, *Military Persuasion in War and Policy: The Power of Soft* (New York: Praeger, 2002), pp. 100–101.

44. See Clive Jones, "Israeli Counter-insurgency Strategy and the War in South Lebanon, 1985–97," *Small Wars and Insurgencies*, Vol. 8, No. 3 (Winter 1997), pp. 82–108; Daniel Sobelman, "Hizbollah Two Years after the Withdrawal: A Compromise between Ideology, Interests, and Exigencies," *Strategic Assessment*, Vol. 5, No. 2 (August 2002), <http://www.tau.ac.il/jcss/sa/v5n2p4Sob.html>; and Augustus Richard Norton, "Hizballah and the Israeli Withdrawal from Southern Lebanon," *Journal of Palestinian Studies*, Vol. 30, No. 1 (Autumn 2000), pp. 22–35.

side. In 1994 Hezbollah even attacked Jewish targets in London and Buenos Aires. In 1996 Israel hoped to use force to “break Hezbollah,” in the words of an Israeli general, in an extensive operation code-named Grapes of Wrath.⁴⁵ As a result of Israeli air and artillery bombardment, 400,000 Lebanese fled north, creating a massive refugee problem for the Lebanese government. Many Lebanese civilians were also killed, including 102 sheltered in a United Nations compound. Israel’s attacks put pressure on Hezbollah through several channels: group members were killed during the operation; refugees created difficulties for the Lebanese government, which in turn pressured Hezbollah to make concessions to end the violence (or pressured Damascus to pressure Hezbollah); there was also a danger that the Lebanese population would cease its support of Hezbollah to halt the violence.

As a strategy of brute force, the operation was a failure, as hundreds of Katyusha rockets launched from Southern Lebanon continued to fall on Northern Israel throughout the conflict. The operation also failed to deter Hezbollah from future actions against Israeli interests in Southern Lebanon. Thus, because of Hezbollah’s high level of motivation, Israeli coercion was insufficient to compel Hezbollah to give up its objectives entirely. The escalating cycle of violence was broken, however, by an agreement in 1996, brokered by former U.S. Secretary of State Warren Christopher. In it, Hezbollah agreed to refrain from attacking targets inside Israel, and the IDF and SLA committed to refrain from attacking Lebanese civilians. This agreement appears to have been generally successful in bounding the scope of the conflict to the present day. Thus, although Hezbollah could not be deterred from pressing its interests by violent means, it was deterred from terrorist activities within Israel.

A limited strategy of this sort may be optimal for states that have the capability to retaliate effectively but also have other pressing uses for intelligence and operational and other material resources, or whose retaliation would be associated with extreme costs, such as inflaming resentment against the state. This approach might be the best strategy against some of the terrorist groups that Ian Lustick has labeled “solipsistic.”⁴⁶ Such groups use terror partly or primarily as a means of affecting the behavior of groups and individuals with whom the perpetrators identify. Thus, because their use of terror is not meant

45. Eitam Rabin, “Interview with IDF Major-General Amiram Levine, OC Northern Command,” *Haaretz*, August 7, 1996.

46. Ian Lustick, “Terrorism in the Arab-Israeli Conflict: Targets and Audiences,” in Martha Crenshaw, ed., *Terrorism in Context* (State College: Pennsylvania State University Press, 1995), pp. 514–552.

to coerce, lower levels of violence may sufficiently advance their objectives, and they may not wish to incite the retaliation that a large-scale attack would bring.⁴⁷

The sort of preference overlap represented in Figure 2 is also a plausible description of the state of affairs for the United States and other nations vis-à-vis certain terrorist groups prior to September 11. Consistent with this interpretation, the U.S. response to the 2,400 anti-U.S. terrorist incidents from 1983 to 1998 was fairly moderate: the United States retaliated militarily only three times.⁴⁸ In the 1990s, the United States experienced a series of terrorist attacks, some of which were allegedly tied to Osama bin Laden and al-Qaida. Among these were the attack on the USS *Cole* off the coast of Yemen in 2000, the Khobar Towers bombing in Saudi Arabia in 1996, and the first World Trade Center bombing in 1993. The U.S. response focused primarily on pursuing the individuals directly involved in the attacks rather than the group responsible.

Although U.S. actions may have been consistent with a policy of deterring more serious threats, they may also have been interpreted as a sign of unwillingness to bear the costs of a more vigorous response. Bin Laden may have interpreted U.S. withdrawals from Beirut in 1983, following the bombings of the U.S. embassy and marine barracks, and from Somalia in 1993, six months after eighteen U.S. soldiers were killed in a fierce firefight in Mogadishu, in this way.⁴⁹ If this interpretation is correct, it may be that deterrents must demonstrate capability and resolve before deterrence can function effectively. The implications of an adversary developing a perception that a deterrer lacks the willingness to respond are serious because, once established, such reputations are difficult to change.⁵⁰

From a theoretical perspective, the discussion here highlights the importance of the offer made to the challenging state or terrorist group if it complies with the deterrer's demands, and the possibility of using leverage over one po-

47. Determining which groups should be classified as "solipsistic" requires intensive analysis. Ian Lustick, "Terrorism and the Arab-Israeli Conflict," pp. 514–552, convincingly argues that Palestinian violence in the 1970s and Zionist violence in the 1940s deserve this title.

48. Michele Malvesti, "Explaining the United States' Decision to Strike Back at Terrorists," *Terrorism and Political Violence*, Vol. 13, No. 2 (Summer 2001), pp. 85–106.

49. See Osama bin Laden, "Declaration of War against the Americans Occupying the Land of the Two Holy Places," August 23, 1996; and John Miller, "To Terror's Source," interview with Osama bin Laden, Afghanistan, *ABC News*, May 28, 1998.

50. As Robert Jervis argues, "One of the basic findings of cognitive psychology is that images change only slowly and are maintained in the face of discrepant information. This implies that trying to change a reputation of low resolve will be especially costly." Jervis, "Deterrence and Perception," *International Security*, Vol. 7, No. 3 (Winter 1982/83), p. 9.

litical end for leverage over the actions a group takes in pursuit of another. By altering the offer, such as by refraining from intervening in local conflicts or even tacitly permitting lower-level violence, states can wholly or partially deter even highly motivated groups. At times, therefore, deterring states should consider limiting their demands.

Furthermore, certain sorts of accommodations are likely to be more effective than others. In particular, accommodations that can be held at risk serve the cause of deterrence. Those that do not may reduce terrorist grievances and therefore motivation, but they do not serve deterrence directly. As an example, consider a state's decision to release captured militants. On the one hand, this strengthens the capabilities of the militants' organization but does not address their core concerns. On the other hand, if the group is highly motivated, it is by definition undeterred by fear of capture. Thus, in many cases, the release of militants will not provide any leverage over the organization's behavior because this accommodation, unlike the two other examples given above, cannot be held at risk.

Any accommodation also carries the risk that it will encourage other groups to demand similar treatment. The deterring state must therefore be clear in signaling the different approach it intends to use with different groups. Groups that fall into quadrant 1 in Figure 1 should not be treated like those that fall into quadrant 3, and the groups must be made to understand this. States will have to weigh the risks associated with (publicly observable) accommodation in individual cases.⁵¹

DETERRING TERRORISTS WITH PRECISELY OPPOSED PREFERENCES

Highly motivated terrorists whose preferences are precisely opposed to those of the deterring state cannot be deterred, though they can be influenced.⁵² They cannot be deterred because their high level of motivation means that no matter what threat is leveled against them, they will always pursue their objectives, and because their preferences are precisely opposed, no bargaining space exists. Such terrorists cannot be made to refrain from taking hostile action.

Different groups fall into this category for different states, but in general few groups belong in quadrant 4. From the perspective of the United States, because the vast majority of terrorist groups are primarily concerned with lo-

51. On the trade-offs between clarity and ambiguity in signaling, see Snyder, *Deterrence and Defense*, pp. 246–249.

52. Davis and Jenkins make a similar point in *Deterrence and Influence in Counterterrorism*, p. 9.

cal conflicts, only certain parts of the al-Qaida network seem to fit this classification.

When states attempt to deter such groups, there is a significant danger that deterrence may appear to succeed in the short run, lulling the state into complacency. If the state has even a chance of retaliating effectively, the terrorist group may have incentive to bide its time, building its capabilities in preparation for a more massive strike.⁵³ The radicalization of terrorist discourse in the 1990s may therefore explain both the higher number of casualties per attack and the decrease in the number of individual attacks.⁵⁴ Still, in some cases, such “temporary deterrence” can be useful if it provides the deterring state with time to apply offensive strategies. Unfortunately, the temporary lull in attacks is likely to be followed by attacks of greater severity.

USING DETERRENCE BY DENIAL

Deterrence by denial strategies have the potential to be effective against all four types of terrorist groups. By hardening targets (e.g., fortifying embassies, reinforcing cockpit doors, upgrading border security, and tightening immigration controls) and demonstrating resolve not to make concessions, the deterring state can lessen terrorists’ motivation by reducing the benefits of terror tactics. Thus, although defensive strategies cannot protect every target, they can minimize the terrorists’ power to hurt, thereby lessening the coercive power of terrorist action. This in turn reduces terrorist motivation, increasing the effectiveness of many of the strategies described above.

As some analysts have pointed out, one of the reasons for the 1998 attacks on U.S. embassies in Tanzania and Kenya was that terrorists believed that U.S. assets in Africa were easier targets compared with better-secured facilities in

53. Terrorists are unlikely to wait too long before striking because the process of building greater capability runs the risk of being discovered before it is utilized. A failed deterrence strategy, however, is consistent with low levels of terrorist activity in the near term.

54. On the radicalization of terrorist groups, see Rex A. Hudson, *The Sociology and Psychology of Terrorism: Who Becomes a Terrorist and Why?* (Washington, D.C.: Federal Research Division, Library of Congress, 1999), pp. 1–3; and Ian Lesser, Bruce Hoffman, John Arquilla, David Rondfeldt, Michelle Zanini, and Brian Michael Jenkins, *Countering the New Terrorism* (Santa Monica, Calif.: RAND, 1999), <http://www.rand.org/publications/MR/MR989/>. On trends in international terrorism, see U.S. Department of State, *Patterns of Global Terrorism: 2001*, app. 1: Statistical Review, <http://www.state.gov/s/ct/rls/pgtrpt/2001/html/10265.htm>; and Bruce Hoffman, “The Confluence of International and Domestic Trends in Terrorism,” working paper (Edinburgh: Center for the Study of Terrorism and Political Violence, St. Andrew’s University, 1996), <http://www.ciaonet.org/wps/hob01/>.

the Middle East and elsewhere.⁵⁵ This has been taken as a sign of the futility of defensive strategies, but in some ways it is just the opposite. Terrorist motivation, and with it terrorist actions, would likely increase if the terrorists were able to strike higher-value targets more easily. Thus, although defensive strategies are inadequate in themselves, they form an important component of a deterrence approach.

DETECTING MULTIPLE GROUPS AT ONCE

During the Cold War, deterrence was mainly considered in the context of the interaction between the United States and the Soviet Union. Today, however, governments are faced with the challenge of deterring multiple groups at once. This presents both difficulties and strategic opportunities. Investigating and targeting multiple groups in disparate areas of the globe that use different languages and operating procedures will severely tax the intelligence, diplomatic, administrative, and military resources of deterring states. States' activities in different countries require separate negotiations with local authorities. These factors limit the ability of the deterrer to threaten focused retaliation against terrorist groups. In fact, a deterrence by punishment policy that would be successful against a single group may not be credible against multiple groups because of the resource constraints of the deterring state.⁵⁶

Rather than attempting or threatening to use force against all terrorist groups at once, a more credible policy might produce the desired result by committing to focus resources only on those considered the most dangerous. Suppose there are two groups that a state wishes to deter. Both are highly motivated, but they do see intermediate levels of violence as furthering their cause. The deterring state has several options. First, it might threaten both of them, but the groups might realize that if they both attack, the state's resources would not be sufficient to retaliate effectively against the two at once. Second, the state could threaten only one, in which case the other would be completely undeterred. A third option is more attractive, though not without practical difficulties. The deterring state could threaten to concentrate its resources against whichever group shows itself to be more dangerous. Each group

55. Richard A. Falkenrath and Philip B. Heymann made a similar argument that soft targets in U.S. cities would be attacked if embassies were fortified. Falkenrath and Heymann, "We'd Better Be Ready for an Escalation," *Boston Globe*, August 27, 1998.

56. For a discussion of the problem of deterring multiple adversaries, see Daniel S. Treisman, "Rational Appeasement," *International Organization*, Vol. 58, No. 2 (April 2004), pp. 345-373.

would then have an incentive to be slightly less violent than the other. To plan operations that the deterrer would perceive as less worthy of retaliation, each would have to guess the actions that the other group is likely to take. If the two groups thought of coordinating, they would have no reason to trust each other. Therefore, because each would be evaluating the likely actions of the other, and expecting to be evaluated in turn, both would be forced to significantly moderate their behavior.

In practice, policymakers' resource allocation decisions require considerable judgment, and different terrorist groups must be dealt with in different ways. In attempting to deter multiple groups at once, the deterring state might decide to signal an intention to focus resources on several of the most dangerous groups. There may also be relatively low-cost actions, such as blocking assets and restricting the travel of individuals, that could be taken against many terrorist groups. But in other cases, effective measures against groups may require significant intelligence, diplomatic, and special operations resources. When signaling dynamics allow, these resources should be reserved for a smaller set of groups, as described here. Inclusion on this short list should be as fluid as possible so that even groups that are not on it are still under threat.

The Return Address Problem

Terrorists are usually difficult to find, which reduces the degree of coercive leverage of certain sorts of threats. It does not follow from this, however, that attempts at deterrence by punishment will fail. Rather, this observation highlights the importance of matching the demands that states make of particular terrorist groups with the level of threat that can credibly be brought to bear against them. The question then is whether significant demands can be made. We submit that they can be, despite terrorists' lack of a "return address."

First, when states devote sufficient resources, they can find members of terrorist organizations. Many terrorist groups operate partly or wholly out of known base areas—for instance, al-Qaida in Afghanistan (before the 2001 war), Abu Sayyaf on the Philippine islands of Basilan and Jolo, and the Mujahedin-e Khalq in Iraq. The armed forces of the Philippines, assisted by the United States, were able to find and kill many Abu Sayyaf Group members. Other terrorist organizations, however, do not have large and identifiable bases. Some have broad areas of operation, or they may be dispersed in particular populations. Examples include Aum Shinrikyo, Sendero Luminoso, and

al-Qaida after the Afghan war. These groups tend to be smaller and, because they are dispersed among the population, are more difficult to find.⁵⁷ Still, members of such groups have been found in the past and punished for their activities when states have made this a priority.⁵⁸ A deterrence approach that reserves intelligence and other resources for use in cases of deterrence failure would only increase the ability of states to find group members.

Second, even though targeted states cannot find every terrorist and terrorist facilitator, they almost always have the ability to increase the costs to terrorist groups of achieving their political goals.⁵⁹ States therefore can put these political goals further from reach, decreasing the likelihood that the group will achieve any of its objectives. Some mechanisms for frustrating a group's political goals require that its members be found; others do not. Counterinsurgency and law enforcement operations are principal examples of the former. Examples of the latter include a deterring state providing economic and military aid to governments targeted by insurgents, pressuring targeted states not to make concessions to terrorists, aiding other groups with goals that are opposed to those of the terrorist group, and imposing travel and fund-raising restrictions on terrorist group members.⁶⁰

Furthermore, uses of force such as counterinsurgency operations need not result in the capture of every terrorist to seriously harm both the political and

57. Al-Qaida is an exception to the rule that baseless groups are relatively small, partly because it did have a base in Afghanistan until the 2001 Afghan war.

58. The U.S. response following the hijacking of the *Achille Lauro* cruise ship in 1985 is instructive. Although the hijackers were found and captured, Italian authorities released the leader of the group responsible because the U.S. government was unwilling to pay the diplomatic costs of prevailing upon the Italians to act differently. Following the September 11 attacks, however, the United States began to dedicate more resources to this area and, as a result, has achieved some successes in the war on terror. See Federal Bureau of Investigation, "War on Terrorism," <http://www.fbi.gov/terrorinfo/counterterrorism/waronterrorhome.htm> (accessed April 2003); and "Al Qaeda's Most Wanted," *USAToday.com*, March 2, 2003, http://www.usatoday.com/news/world/2003-03-02-alqaeda-list_x.htm. According to President Bush, nearly half of al-Qaida's leadership had been captured or killed by May 1, 2003. See "President Bush Announces Combat Operations in Iraq Have Ended," speech delivered on the USS *Abraham Lincoln*, May 1, 2003, <http://www.state.gov/p/nea/rls/rm/20203.htm>.

59. Scholars who have doubted the efficacy of deterrence strategies have concurred in this. Robert Pape, for example, notes that "military action can disrupt a terrorist group's activities temporarily." Pape, *Dying to Win*, p. 239.

60. Because terrorists depend on support from the communities they live in, it might also be possible to target the community as a whole, which would also not require finding individual terrorists. Individuals who terrorists hold dear, such as family members, might also be threatened. We do not explore these options further except to note that, in many cases, they stand a significant chance of galvanizing support for the terrorists' cause.

nonpolitical interests of the terrorist group. In fact, uses of force that fail to obtain a state's political objectives may still hurt the interests of the group and its members. Once again, the Balikpapan Operation against the Abu Sayyaf Group is a telling example.

This point is particularly important because it is in cases where other strategies such as force cannot achieve the ends of states that a "bargaining range" exists. In these situations, the sides may agree to refrain from doing their worst against the other because terrorist-state interaction is not zero sum, making a deterrence equilibrium possible. Conversely, if deterrence strategies are ineffective in particular cases because terrorists cannot be found, the use of force will be ineffective as well. Therefore, deterrence strategies that threaten the use of force are productive when the effectiveness of force occupies a middle range, when force cannot easily achieve the ends of states but can at least disrupt terrorist group operations.

Third, the difficulty of finding terrorists poses a problem for deterrence only when their motivation is high, and high levels of motivation often make terrorists more susceptible to deterrence strategies that target political ends. Less motivated potential terrorists will be deterred just as less motivated potential criminals are deterred, even though the police cannot catch every one. Highly motivated terrorists, because they hold their political goals so dearly, are loath to run even lower-level risks to these goals. This magnifies the coercive leverage of strategies that target political ends.

A related argument made by some scholars is that because terrorists easily blend into the local population, collateral damage caused by attempts at retaliation against them inflames hatred of the retaliating state and galvanizes support for the terrorists' cause. Indeed, inciting such retaliation may be an explicit terrorist objective, so threatened retaliation would hardly deter.⁶¹ States have a variety of retaliatory options, however, and some of these are more narrowly focused on terrorists than others. Although lessons from the Israeli-Palestinian conflict are difficult to draw, it seems intuitively clear that tactics that harm or kill large numbers of noncombatants have radicalized more mod-

61. For a similar argument, see David Lake, "Rational Extremism: Understanding Terrorism in the 21st Century," *Dialogue-IO*, Spring 2002, pp. 15–29. Also, as Andrew Kydd and Barbara Walter show, extremist Palestinian violence against Israelis often occurred when the prospects of peace seemed highest. One possible interpretation is that Palestinian extremists actually desired Israeli retaliation (either direct or indirect through halting the peace process) to win Palestinian moderates to their side. Kydd and Walter's interpretation is slightly different: in their view, extremist violence reveals information about the trustworthiness of the other side. Kydd and Walter, "The Politics of Extremist Violence."

erates than tactics that focus squarely on the perpetrators of violence. As an example of a more focused approach, consider the Israelis' reaction to their athletes being taken hostage by the Palestinian Liberation Organization at the 1972 Summer Olympics in Munich: two of three surviving PLO members were assassinated without significant collateral damage.⁶² Interestingly, it is often resource constraints that prevent states from adopting a more focused response, and critics have argued that the Israeli response to the Munich attack "came with considerable costs in terms of manpower, [and] resources."⁶³

The danger that, in some instances, punishment could be counterproductive applies equally to the use of force. Further, deterrence does not require that retaliation be in the near-term interests of the side that undertakes it. Rather, as discussed above, retaliation must hurt the individuals to be deterred, and the threat of retaliation must be credible. Credibility requires that the benefits of a successful deterrence policy (postretaliation), in addition to the direct benefits of retaliating, outweigh the near-term costs of retaliating. Thus, if Israeli retaliation hurts the perpetrators of terrorist acts, this can serve a policy of deterrence even if near-term Israeli interests are also hurt.

Fracturing the Global Terrorist Network in the Southern Philippines

In this section, we test our central argument that important elements of the global terrorist network can be deterred from actions that harm states. In particular, groups that have provided essential training and other assistance to the most dangerous terrorists can be deterred from doing so in the future. We accomplish this by examining one case where coercion is being attempted—against the Moro Islamic Liberation Front—and one case where force was tried—in the 2002 Operation Balikatan against the Abu Sayyaf Group. These cases offer useful lessons for U.S. counterterrorism policy because, as one study suggests, "the Philippines has become the model for additional fronts in the war on terrorism," and George W. Bush's administration intends to use similar strategies in Indonesia and elsewhere.⁶⁴ By comparing the outcomes in

62. The other kidnapers were killed by German police at the Munich airport.

63. Schachter, *The Eye of the Believer*, p. 109; and Dan Raviv and Yossi Melman, *Every Spy a Prince: The Complete History of Israel's Intelligence Community* (Boston: Houghton Mifflin, 1990), pp. 184–194.

64. Gaye Christofferson, "The War on Terrorism in South East Asia: Searching for Partners, Delimiting Targets," *Strategic Insight*, Vol. 1, No. 1 (March 2002), <http://www.ccc.nps.navy.mil/rsepResources/si/mar02/eastAsia.asp>; John Gershman, "Is South East Asia the Second Front?"

the MILF and Abu Sayyaf Group cases, we illustrate some of the critical dynamics of the policy choice.

The MILF case avoids methodological problems commonly associated with empirical tests of deterrence theories. Testing theories of general deterrence (where the actions taken by the deterrer are not in the context of an ongoing crisis) is difficult because adversaries that seem to have been deterred may not have wanted to take action in the first place. Examining cases of immediate deterrence (where a deterrent threat is made in the context of a crisis) ameliorates the problem of evaluating the intentions of the adversary but creates a new difficulty: actual adversaries are unlikely to be representative of the class of potential adversaries. Thus, inferences drawn from immediate deterrence cases may not apply to cases of general deterrence. Similarly, the very existence of a terrorist group marks the group as different from the class of potential terrorists. So the experience of deterring existing groups that have already demonstrated a willingness to carry out attacks may not provide lessons that are immediately transferable to questions concerning the whole class of terrorists and potential terrorists.

Because the MILF is known to have cooperated with al-Qaida and Jemaah Islamiah in the past, we can infer that, under some circumstances, it would do so again. The case thus avoids the problem of testing for general deterrence because we know that the action to be deterred is desirable in some instances. At the same time, the U.S. and Philippine governments began an aggressive campaign to coerce the MILF to sever its ties to Jemaah Islamiah and al-Qaida only after September 11 and the string of attacks in 2002 linked to these two other groups.⁶⁵ Thus, the case also avoids the problem of testing for immediate deterrence because of both the unanticipated change in policy by the deterring governments and the increased resources these governments could credibly threaten to deploy to enforce compliance.

The MILF case demonstrates each aspect of our argument. First, governments often have the ability to impose costs on terrorist groups or elements of terrorist support networks, even those that are highly motivated. Second, such groups/elements respond to these incentives. Third, states can achieve important goals, such as preventing cooperation among terrorist groups, through de-

Foreign Affairs, Vol. 81, No. 4 (July/August 2002), pp. 60–74; and Walden Bello, “A ‘Second Front’ in the Philippines,” *Nation*, March 18, 2002, pp. 18–22.

65. Among the 2002 attacks by Jemaah Islamiah and al-Qaida in Asia are the Bali bombing, which killed more than 200 people, the Zamboanga bombings (in the Southern Philippines), and the Metro Manila bombings.

terrence. The Abu Sayyaf Group case illustrates both the capacity of states to harm terrorist groups, and the limitations of force in achieving the true ends of states that employ it.

DETERRENCE OF THE MORO ISLAMIC LIBERATION FRONT

In 1977 Hashim Salamat challenged Nur Misuari for leadership of the Moro National Liberation Front (MNLF), a group that views itself as carrying on a several-hundred-year struggle for the rights of Muslims in the Southern Philippines.⁶⁶ Although Salamat's bid for leadership was unsuccessful, several thousand fighters remained loyal to him, calling themselves the "new MNLF." In 1984 this group renamed itself the Moro Islamic Liberation Front. In the 1980s and early 1990s, the MNLF negotiated with the Philippine government as the representative of the Moro people, while the MILF concentrated on building its capabilities and support at the grassroots level. In 1996 the government and the MNLF signed a peace agreement, still in place, that promised greater autonomy for Muslim regions. Within a month, however, fighting broke out between the MILF and government forces.⁶⁷ Battles of varying intensities between the two sides, punctuated by several cease-fire agreements, have continued almost to the present day.⁶⁸

In March 2000, President Joseph Estrada ordered all-out military action against the MILF that culminated in July when government forces overran the group's main base, Camp Abubakar. Despite this use of massive military force, the group continued to pursue its objectives (principally greater autonomy for Moros), indicating a high level of motivation. Thus, if the MILF is to be coerced

66. See "Guide to the Philippines Conflict," *BBC News*, <http://newsvote.bbc.co.uk/mpapps/pagetools/print/news.bbc.co.uk/2/hi/asia-pacific/1695576.stm>; Anthony Davis, "Attention Shifts to Moro Islamic Liberation Front," *Jane's Intelligence Review*, April 2002, pp. 20–23; Kristina Gaerlan and Mara Stankovitch, eds., *Rebels, Warlords, and Ulama* (Quezon City, Philippines: Institute for Popular Democracy, 2000); Alonto Norodin Lucman, *Moro Archives: A History of Armed Conflicts in Mindanao and East Asia* (Quezon City, Philippines: FLC Press, 2000); Abaton Macapado Muslim, *The Moro Armed Struggle in the Philippines: The Nonviolent Autonomy Alternative* (Marawi City, Philippines: Mindanao State University, 1994); and Hilario M. Gomez, *The Moro Rebellion and the Search for Peace: A Study on Christian-Muslim Relations in the Philippines* (Zamboanga City, Philippines: Silsilah, 2000).

67. See, for example, "Chronology for Moros in the Philippines," Minorities at Risk Project (College Park: Center for International Development and Conflict Management, University of Maryland, 2004), <http://www.cidcm.umd.edu/inscr/mar/chronology.asp?groupId?84003>.

68. After a brief suspension of the peace talks in 2005, the Philippine government and the MILF have started work on a preliminary draft of a peace settlement. The final draft is expected by mid-2006. See, for example, Barbara Mae Decaney, "Negotiators Begin Work on Initial Peace Pact," *Gulf News*, September 24, 2005. Negotiations between the Philippine government and the MILF have been ongoing since November 2001, when the two entered into a cease-fire agreement.

into ending its rebellion, either greater force than the Philippine government can muster alone must be brought to bear, or some political demands of the group must be accommodated and the accommodation held at risk.

The Philippine government has repeatedly accused the MILF of terrorist activities,⁶⁹ including bus and airport bombings and numerous hostage takings.⁷⁰ But the validity of these reports is difficult to determine because the government also has incentive to undermine the legitimacy of the group. The rebels themselves have repeatedly denied these charges.⁷¹ Still, independent sources have also accused the group of using terror tactics, mainly against the Christian community and businesspeople refusing to pay “tolls” for travel in areas controlled by the rebels.⁷² Therefore, it appears likely that the MILF or some affiliated elements have engaged in some level of terrorism.

There is less doubt that elements of the group have cooperated with other terrorist organizations.⁷³ Reports of MILF cooperation with al-Qaida and Jemaah Islamiah come not just from Philippine intelligence sources,⁷⁴ but also from many other analysts.⁷⁵ According to Western and Asian intelligence sources, “Al Qaeda’s relationship with the Moro Islamic Liberation Front was . . . fruitful. At Mr. bin Laden’s request, the front opened its Camp Abubakar to foreign jihadists, which meant they did not all have to go to Afghanistan.

69. Most of the violence perpetrated by the MILF has been against government forces.

70. See, for example, Rajiv Chandrasekaran, “Military Finds 2 Beheaded by Philippine Rebels,” *Washington Post*, May 7, 2000; “Philippine Officials Link Bombings to Muslim Rebels, as Third Hostage-Taking Unfolds,” CNN, *World News*, May 3, 2000; “A Hostage Crisis Confronts Estrada,” *Economist*, May 6, 2000, pp. 42–43; and Ellen Nakashima, “Five Detained in Philippine Bombing,” *Washington Post*, March 6, 2003.

71. See MILF press releases from May 13, May 8, April 3, and February 15, all in 2003; June 21 and May 3, 2002; June 9, 2001; and July 12, 2000, <http://www.luwaran.com/press.htm>. The case of Koronadal City is one of many examples of the differing accounts of specific incidents. See, for example, “Government Nearing Decision on Whether to Tag MILF as Terrorist, Says GMA,” <http://www.news.ops.gov.ph/archives/2003/may13.htm#MILF>

72. See, for example, “Muslim Separatist Movements in the Philippines and Thailand,” in Angel Rabasa and Peter Chalk, *Indonesia’s Transformation and the Stability of Southeast Asia* (Santa Monica, Calif.: RAND, 2001).

73. See, for example, Daljit Singh, “The Terrorist Threat in Southeast Asia,” in Russell Heng and Denis Hew, eds., *Regional Outlook, 2003–2004* (Singapore: Institute of Southeast Asian Studies, 2003), p. 4.

74. Philippine sources have in fact reversed themselves on the question of MILF links with other Southeast Asian Islamic groups, seemingly as Manila’s political needs change. See Patrick Goodenough, “Links between Al Qaeda and Filipino Militants Probed,” September 19, 2002, <http://www.cnsnews.com/ForeignBureaus/Archive/200209/FOR20020919a.html>.

75. For a detailed discussion of links among these groups, see Barry Desker and Kumar Ramakrishna, “Forging an Indirect Strategy in Southeast Asia,” *Washington Quarterly*, Vol. 25, No. 2 (Spring 2002), pp. 161–176.

Three other camps for foreigners were opened in the 1990's—Camp Palestine, primarily for Arabs; Camp Vietnam and Camp Hudaibie, for Malaysians and Indonesians.⁷⁶ MILF officials have themselves acknowledged that members of their group trained in Afghanistan and fought against the Soviets there.⁷⁷

Singaporean officials have detailed kinship ties between MILF and Jemaah Islamiah members,⁷⁸ as well as an attempt by Jemaah Islamiah operations chief, Riduan Isamuddin (also known as Hambali), to establish a coalition of Southeast Asian Islamic groups that included the MILF. According to these officials, "The alliance sought to promote cooperation among the separate militant groups in obtaining arms, training and financial support, as well as conducting terrorist attacks."⁷⁹ In 2003 Fathur Rohman al-Ghozi, a member of Jemaah Islamiah known to have "trained terrorists from all over the Islamic world in bomb-making at a camp run by the Moro Islamic Liberation Front," was captured and killed by the Philippine military.⁸⁰ Interrogations of captured Jemaah Islamiah terrorists, such as Hambali in 2003, though unreliable in themselves, confirm the evidence of cooperation between the two groups.⁸¹

Differences between groups such as the MILF, on the one hand, and Jemaah Islamiah and al-Qaida, on the other, make the former more susceptible to certain kinds of deterrence strategies. Despite MILF cooperation with Jemaah Islamiah and al-Qaida in the past, the global objectives of these two groups are not part of the MILF's core agenda. The MILF explicitly rejected the Taliban's call for a jihad against the United States and its allies after the terrorist attacks on the World Trade Center and the Pentagon.⁸² It specifically condemned the attacks, as well as the Abu Sayyaf Group and the other "terrorists" in the Southern Philippines.⁸³ Further, the Philippine government appears willing to

76. Raymond Bonner, "Threats and Responses: Foreign Correspondents; Southeast Asia Remains Fertile for Al Qaeda," *New York Times*, October 28, 2002.

77. See "Philippines: Island under Siege," PBS, *Frontline*, <http://www.pbs.org/frontlineworld/stories/philippines/thestory.html>.

78. Helmi Yusof, "Nabbed: Two Groomed to Head Jemaah Islamiah Group," *Straits Times*, December 19, 2003.

79. Alan Sipress and Ellen Nakashima, "Militant Alliance in Asia Is Said to Seek Regional Islamic State," *Washington Post*, September 20, 2002.

80. Richard C. Paddock and Al Jacinto, "Bomb Maker Gunned Down in Philippines," *Los Angeles Times*, October 13, 2003.

81. Sol Jose Vanzi, "Jamaah Islamiyah Still Working with MILF," Philippine Headline News Online, October 7, 2003, <http://www.newsflash.org/2003/05/ht/ht003782.htm>.

82. The Taliban, which was in close alliance with Osama bin Laden, ruled Afghanistan from 1996 to 2001, when it was overthrown by U.S. troops in response to the September 11 attacks.

83. See Christina Mendez, "MILF Rejects 'Holy War' vs. US," *Philippine Star*, September 17, 2001,

accommodate many of the goals the MILF is seeking in the ongoing negotiations, and the group's goals can certainly be accommodated by the United States, which has little stake in the conflict. Thus, despite the relatively high level of motivation of MILF members, there appears to be an opportunity to deter the group from particular courses of action, such as pursuing an independent state and using terror tactics. Even if an ultimate resolution of the conflict cannot be reached, however, the threat of U.S. involvement could deter MILF cooperation with al-Qaida, Jemaah Islamiah, and the Abu Sayyaf Group.

Following the September 11 attacks, the U.S. and Philippine governments used the threat of inclusion on the U.S. FTO list as a means of coercing the MILF.⁸⁴ In early May 2003, the United States explicitly linked this threat to the cessation of MILF violence against civilians. As the U.S. ambassador to the Philippines, Francis Ricciardone, stated, "If they continue with acts of terrorism, everybody will consider them terrorists."⁸⁵ He further warned the rebels that they would lose \$30 million earmarked by the U.S. Congress for their area if they did not cut their links to Jemaah Islamiah.⁸⁶ Other threats were likely communicated to the MILF through channels that have not yet been documented or made public, and the coordinated U.S.-Philippine use of force against the Abu Sayyaf Group must have been at least implicitly threatening. The MILF has probably been under threat (implicitly and explicitly) from the United States and the European Union for several years.

The positive turn that peace talks appear to have taken in the last couple of years may be the result of a combination of promised rewards and the increased severity of the threats that Philippine negotiators can credibly bring to bear in an environment of heightened U.S. concerns about terrorist activity. However, because sporadic peace talks began several years prior to the Sep-

cited in Larry Nicksch, "Abu Sayyaf: Target of Philippine-U.S. Anti-terrorism Cooperation," CRS report (Washington, D.C.: Congressional Research Service, January 25, 2002), p. 5; and MILF press release, February 14, 2003.

84. "GMA Inclined to Tag MILF Terrorist," Philippine Headline News Online, May 11, 2003, <http://www.newsflash.org/2003/05/pe/pe002597.htm>. As discussed above, inclusion on the U.S. FTO list places restrictions on the ability of a group to raise funds abroad.

85. Norman Bordadora and Carlito Pablo, "Ricciardone: U.S. May Declare MILF a Terrorist Group," Inquirer news service, May 6, 2003, http://www.inq7.net/nat/2003/may/07/nat_2-1.htm; and "U.S. Wanted MILF on Terror List," Sun.Star Network Online, November 6, 2002, <http://www.sunstar.com.ph/static/net/2002/11/06/us.wanted.milf.on.terror.list.official.html>; and Carlito Pablo, Norman Bordadora, and Armand N. Nocum, "RP Won't Ask U.S. to Recall Terrorist Tag," Inquirer news service, January 28, 2003, <http://ebalita.net/go/news/news.php?id=861>.

86. "U.S. to MILF: Cut Terror Ties or Lose Aid," October 2, 2003, Sun.Star Network Online, <http://www.sunstar.com.ph/static/net/2003/10/02/us.to.milf.cut.terror.ties.or.lose.aid.html>.

tember 11 attacks, we can only speculate about this. But on the issue of deterring cooperation between the MILF and Jemaah Islamiah, the Abu Sayyaf Group, and al-Qaida, a significant change in the MILF's position does appear to have occurred, with its causal roots in the changed post-September 11 environment. In November 2002, as a result of negotiations between the U.S. and Philippine governments and the MILF, the latter promised to help local authorities arrest about 100 suspected al-Qaida and Jemaah Islamiah operatives. As one of the negotiators explained, the MILF "is more than willing to provide concrete proof that it's not a terrorist group by helping us root out terrorists in the country."⁸⁷ The group also agreed to assist the Philippine government in fighting the Abu Sayyaf Group. To this end, it warned the group's members against entering the territories the MILF controls and directed its armed forces to go after "bandits" and other criminal elements in these areas.⁸⁸

Cooperation against the Abu Sayyaf Group continues, and according to Philippine Maj. Gen. Raul Relano, the government, "will not stop tracking [the Abu Sayyaf Group] down with the help of our MILF friends."⁸⁹ The Philippine government and the MILF have also coordinated in strikes against the Abu Sayyaf Group and the "Pentagon Gang" (a Filipino terrorist group that broke away from the MILF in 2001 and has continued its involvement in kidnappings and extortion and is currently on the U.S. State Department's Terrorist Exclusion List⁹⁰). What is significant about these latest examples of cooperation with the government is not only that the targeted area is an MILF stronghold, but that the rebels provided the Philippine military with critical intelligence, including information on former MILF members, and even with operational support.⁹¹

Antiterrorist cooperation between the Philippine government and the MILF was formalized in May 2002 with the creation of the Ad Hoc Joint Action

87. Quoted in Carlito Pablo, "More Rebels to Hunt Jemaah Islamiah Agents," *Inquirer* news service, November 5, 2002, http://www.inq7.net/nat/2002/nov/06/nat_1-1.htm.

88. Keith Bacongo, "MILF to Help Government Crush Abu Sayyaf," *MindaNews.com*, June 12, 2002, <http://www.mindanews.com/2002/06/3rd/nws12abu.html>; and Florante Solmerin, "AFP, MILF Team Up vs. Sayyaf," *Manila Standard*, September 16, 2005.

89. "GMA Adviser Sees No Obstacle to Pact with MILF," *Philippine Daily Inquirer*, December 1, 2004.

90. U.S. Department of State, *Patterns of Global Terrorism—2003*, <http://www.state.gov/s/ct/rls/pgrtrpt/2003/31747.htm>, app. D.

91. "Philippine Military Chief: Abu Sayyaf Leader Hiding in Moro Rebel Area," BBC, December 6, 2004; and BBC, "Philippine MORO Group Confirms Support for Operation against Kidnap Gang," August 15, 2004. See also Raymond Bonner and Carlos H. Conde, "U.S. and the Philippines Join Forces to Pursue Terrorist Leader," *New York Times*, July 22, 2005.

Group, which is tasked with carrying out a joint operation to isolate “criminal syndicates, kidnap-for-ransom groups and other criminal elements within MILF-controlled areas.”⁹² At that time, negotiations failed to establish guidelines for action, but in late December 2004, this hurdle was overcome. According to MILF spokesman, Eid Kabalu, “The joint effort to fight terrorism” now includes “comprehensive coverage of the Southern Philippines.”⁹³

This case illustrates the potential of coercion even against nonstate actors and highly motivated groups that have engaged in terrorist activities. The case also demonstrates the importance of tailoring the coercive approach to the goals and situation of particular groups. It is therefore essential that faraway powers understand local conflicts intimately before becoming involved.

JOINT MILITARY ACTION AGAINST THE ABU SAYYAF GROUP

To fully understand the dynamics of deterrence in the MILF case, it is helpful to consider both sides’ evaluations of a counterfactual, namely, what the state of affairs would be if the U.S. and the Philippine governments used force against the MILF. As discussed above, for a deterrence equilibrium to exist, both sides must view this outcome as less preferable to the terms of a negotiated solution. Such counterfactuals are always difficult to know. We can gain some insight into these questions, however, by briefly considering a case known to all parties to the negotiations: the joint U.S.-Philippine military operation against the Abu Sayyaf Group.

Like the MILF, the Abu Sayyaf Group also split from the MNLF, and the region of its basing areas is known. Definitive information is difficult to obtain, but the group appears to number in the hundreds and to be motivated primarily by the profit it gains from kidnapping ransoms.⁹⁴ Its ties to bin Laden date back to fighting in Afghanistan in the 1980s. From January to July of 2002, the U.S. and Philippine armed forces conducted Operation Balikatan against the Abu Sayyaf Group. Approximately 1,300 U.S. troops, including 160 special forces, and more than 3,000 Philippine soldiers participated in the operation,

92. See “Joint Communique between the Government of the Republic of the Philippines and the Moro Liberation Army,” signed on May 6, 2002, <http://www.mindanews.com/peprcs/milf/may6.shtml>.

93. Barbara Mae Dacanay, “Manila and Moros Step Up Campaign against Terrorists,” *Gulf News*, December 31, 2004.

94. U.S. Department of State, *Patterns of Global Terrorism—2003*, app. B.

whose main goal was to neutralize the group and to free three hostages (two Americans and one Filipino).⁹⁵

This operation exemplifies some of the inherent limitations of using force against terrorists, even though states can harm terrorist groups. Although several hundred Abu Sayyaf Group members were killed, its leadership remained largely intact and capable of planning and conducting new attacks. One of the American hostages was rescued, but the other two (an American missionary and a Filipino nurse) were killed. Basilan island, a stronghold of the group, was pacified, but the Abu Sayyaf Group moved to Jolo island, which became the new center of violence.⁹⁶ Following the operation, Abu Sayyaf Group activities included a series of bombings, one of which killed a U.S. Green Beret.⁹⁷ The presence of U.S. troops in the Philippines also "caused widespread resentment and apprehensions that the U.S. presence may become permanent as it was before 1992."⁹⁸ This presence may radicalize some moderate Muslims in the area, who have historically been supportive of the United States.⁹⁹

For the past several years, the U.S. and Philippine governments have been considering further joint operations against the Abu Sayyaf Group, undertaking one in July 2005.¹⁰⁰ Like previous operations, these are likely to kill some militants, but not all. Those remaining may become more radicalized, and they may seek to join global terrorist groups when their local objectives are put out of reach.

Were coordinated U.S.-Philippine military action to be taken against the MILF, the results would likely be similar, though on a much larger scale given its greater size. When President Estrada declared "all out war" on the group in January 1999, 90,000 civilians lost their homes; the operational capabilities of

95. For more details, see C.S. Kuppaswamy, "Abu Sayyaf: The Cause for the Return of U.S. Troops to Philippines?" *South Asia Analysis Group*, No. 417 (February 2002); and C.S. Kuppaswamy, "Philippines: The U.S. Campaign against Abu Sayyaf," *South Asia Analysis Group*, paper no. 498, July 2002.

96. Eric Schmitt with Carlos H. Conde, "U.S. and the Philippines May Start New Training Mission," *New York Times*, December 1, 2002.

97. Ellen Nakashima, "Island in Philippines Poses Counterterrorism Challenge," *Washington Post*, December 21, 2002; and "Abu Sayyaf Launches New Attacks," *Inquirer news service*, July 4, 2003, http://www.inq7.net/reg/2003/jul/04/reg_9-1.htm.

98. Kuppaswamy, "Abu Sayyaf."

99. See, for example, Mark Landler, "A Nation Challenged: The Philippines; The Temperature's a Lot Warmer but the Mission's the Same: Hunting Down Terrorists," *New York Times*, November 4, 2001.

100. Bonner and Conde, "U.S. and the Philippines Join Force to Pursue Terrorist Leader," p. 4.

the group were retarded but not destroyed; and it was encouraged to adopt more extreme tactics, including an apparent alliance with another insurgent group, the New Philippines Army, in Southern Mindanao. (The two groups agreed to “conduct joint attacks and training exchanges and to share weapons.”¹⁰¹) The use of military force thus has both benefits and costs. Its periodic use may be necessary to make threats credible, but in particular situations, deterrence appears to be a preferred alternative.

Conclusions and Recommendations for U.S. Counterterrorism Policy

Our analysis leads to several conclusions for U.S. counterterrorism policy. First, when adequate resources are devoted to deterrence, traditional targeting of nonpolitical ends can sometimes deter critical elements of terrorist networks from participating in terrorist enterprises. Significant resources should therefore be devoted to pursuing all elements of terrorist systems responsible for attacks after the fact to demonstrate the capability and will to do so and thereby increase the likelihood of future deterrence success. This implies a higher level of resource commitment than would be the case if the policy objective were merely to bring individuals responsible to justice.¹⁰² Particular emphasis should be placed on terrorist financiers because they have targetable assets (nonpolitical ends) that stand a reasonable chance of being found.

Second, even the most highly motivated terrorist groups can be deterred from certain courses of action. Of principal importance to the U.S. campaign against al-Qaida and like-minded groups is the ability to prevent them from cooperating with each other to achieve synergies. As in the case of the MILF, groups that are primarily focused on local concerns can be coerced into denying sanctuary (and other assistance) to members of more dangerous groups.¹⁰³

When the United States moves beyond a deterrence posture and becomes even more deeply involved in local conflicts, it will confront a number of important costs and risks. As Robert Pape and others have shown, U.S. presence abroad can promote the spread of extremist ideologies.¹⁰⁴ The use of military

101. Antonio Lopez, “Mindanao’s Chance,” *AsiaWeek*, March 5, 1999, p. 1.

102. On the effects of demonstrations of force on conventional deterrence, see Snyder, *Deterrence and Defense*, pp. 254–258.

103. Denying terrorists sanctuary is a key recommendation of *The 9/11 Commission Report*, pp. 365–367.

104. Pape, *Dying to Win*. See also Evan Eland, “Does U.S. Intervention Overseas Breed Terrorism? The Historical Record,” Cato Institute Foreign Policy Briefing no. 50, December 17, 1998, <http://www.cato.org/pubs/fpbriefs/fpb50.pdf>; U.S. Department of State, *Patterns of Global Terrorism*:

force, in addition to carrying direct costs in lives and resources, can become a critical source of disagreement between allies, as the lead-up to the 2003 Iraq war showed. Similar disagreements in the future could jeopardize critical U.S. efforts to maintain a broad antiterrorist coalition. Further, the use of force against terrorists and insurgencies often fails to achieve political objectives (as the Abu Sayyaf case shows), and as Martha Crenshaw warns, “may radicalize the whole movement or some splinter faction.”¹⁰⁵

The application of force, and other aggressive policies, against a set of adversaries can also create powerful common interests, driving them to cooperate.¹⁰⁶ For instance, in apparent reaction to being branded a terrorist group and having its foreign assets frozen by Western governments, the communist New People’s Army of the Philippines announced it would combine forces with the MILF.¹⁰⁷ In fact, the very effectiveness of local antiterrorism efforts may even turn a local movement into a global one. When primary local goals are put out of reach, militants may shift their focus to secondary global goals. Thus, Egypt’s effectiveness in eliminating the threat posed by Islamic Jihad may have been a reason militants such as Ayman al-Zawahiri refocused their efforts on new targets,¹⁰⁸ linking up with bin Laden and al-Qaida.¹⁰⁹

In choosing among policy options, decisionmakers must bear these costs in mind. This is not to say that the United States should not consider strong measures, such as the use of military force, in the war on terror. By holding at risk the local agendas of local groups, however, the United States can often more effectively achieve its ends of preventing cooperation between groups and denying sanctuary to those against which force will have to be used. Because this sort of deterrence strategy is also less resource intensive, and less likely to

1997, Department of State Publication 10535 (Washington, D.C.: Office of the Coordinator for Counterterrorism, Office of the Secretary of State, April 1998), <http://www.state.gov/www/global/terrorism/1997Report/1997index.html>, p. 2; “Professor Chaos: Consultant Brian Jenkins Deconstructs Terrorism’s Big Picture,” *Washington Post*, June 1, 2003; and Christopher Marquis, “World’s View of U.S. Sours after Iraq War, Poll Finds,” *New York Times*, June 4, 2003.

105. “How Terrorism Ends,” special report no. 48 (Washington, D.C.: United States Institute of Peace, May 25, 1999). See also Ehud Sprinzak, “The Great Superterrorism Scare,” *Foreign Policy*, No. 112 (Fall 1988), pp. 110–124.

106. For the opposite argument, see James S. Robbins, “Freedom Eagle,” *National Review*, January 18, 2002, <http://www.nationalreview.com/contributors/robbins011802.shtml>.

107. Erin Prelypchan, “Manila’s Twin Nightmare,” *Newsweek*, March 24, 2003, p. 36.

108. The founder of Egyptian Islamic Jihad, al-Zawahiri allegedly played a key role in the 1988 bombings of the U.S. embassies in Tanzania and Kenya. He is believed to continue to serve as a doctor and close adviser to Osama bin Laden.

109. Nimrod Raphaeli, “Ayman Muhammad Rabi’ Al-Zawahiri: The Making of an Arch-Terrorist,” *Terrorism and Political Violence*, Vol. 14, No. 4 (Winter 2002), pp. 1–22.

cause disagreements among U.S. allies, spread extremism, and drive terrorist groups together, it is often likely to prove more effective.

Third, most terrorist groups can be deterred from cooperating with al-Qaida because it is not the archetypal terrorist group. The breadth of its reach, the fanaticism of its members, and the sweeping nature of its goals make it the exception rather than the rule. Policymakers should not assume that the experience of the fight against al-Qaida is transferable to other groups.

Fourth, the focus of applied resources in the antiterrorist campaign should be narrowly on al-Qaida and its few current and potential allies whose ideological affinity is so strong or whose gains from cooperation so great that they cannot be deterred. The threat that groups that target the United States directly will develop or acquire the means of causing mass casualties far outweighs all other terrorist threats the United States faces. Because of the magnitude of the resource commitment required to achieve U.S. objectives against these groups, and the gravity of the threat they pose, no resources should be unnecessarily squandered on less essential tasks (except perhaps for purposes of demonstrating capability and resolve in the event of deterrence failure). By deterring other groups from cooperating with those judged most dangerous, the United States can significantly decrease the capacity of groups such as al-Qaida, while still preserving its resources for use against al-Qaida directly.

Fifth, deterrence by denial strategies decrease the coercive leverage of terrorist tactics and therefore the motivation to carry out attacks. The United States should apply such strategies against groups that directly target it. Soft terrorist targets should be hardened, and resolve not to back down in the face of anti-U.S. terrorism should be demonstrated whenever possible.¹¹⁰

These conclusions and recommendations are particularly timely because of the debate within the Bush administration regarding the appropriate scope of the global war on terrorism. In the spring of 2005, the administration started a high-level review of its overall counterterrorism policy.¹¹¹ Taking into account the lessons from the last three years and changes in the nature of al-Qaida it-

110. Recent policy statements have recognized the deterrent potential of defensive measures. See, for example, Department of Defense, *The National Defense Strategy of the United States of America* (Washington, D.C.: U.S. Government Printing Office, March 2005), <http://www.defenselink.mil/news/Mar2005/d20050318nds2.pdf>.

111. See, for example, Susan B. Glasser, "Review May Shift Terror Policies; U.S. Is Expected to Look beyond Al Qaeda," *Washington Post*, May 29, 2005; Jim Hogland, "A Shifting Focus on Terrorism," *Washington Post*, April 24, 2005; and Linda Robinson, "Plan of Attack," *U.S. News and World Report*, August 1, 2005, p. 26.

self, the U.S. government is considering comprehensive changes in its counterterrorism strategy. Although it is too early to know for certain, early reports suggest the likelihood of several key shifts.¹¹² The new policy will emphasize the need to broaden the tools used to fight terrorism to more fully include the use of all instruments of power—diplomatic, economic, and political. This is all to the good, particularly as it will include resources to more directly confront the spread of extremist ideas. At the same time, however, a debate continues within the administration on the optimal scope of the antiterrorist campaign, especially once fewer military and intelligence resources are focused on Iraq. A significant broadening of the scope of the campaign to include more aggressive policies targeted at a wider range of terrorist groups will run the risks of high levels of U.S. involvement in local conflicts described above. To the extent the United States is able to minimize the resources required to achieve these additional objectives by working indirectly through partner nations, the risks will be reduced but not eliminated. Given that the central policy objective in targeting these groups is to prevent them from increasing al-Qaida's global reach, a deterrence policy may be a better option.

112. Important bureaucratic changes will also be made. See, for example, Hogland, "A Shifting Focus on Terrorism."