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Why Latin America Is Rearming

ADAM ISACSON

The 33 nations of Latin America and the Caribbean spent \$57.8 billion on their militaries in 2009, according to the Stockholm International Peace Research Institute. While this is but a fraction of the \$700 billion that the United States devoted to its own defense budget that year, it is far larger than it used to be. The Western Hemisphere's states, minus the United States and Canada, increased their defense spending by 8 percent over the previous year—and by 42 percent, in constant dollars, in comparison with 2000. While reliable estimates are not yet available for 2010, the growth trend most likely continued.

The increased military outlays have some observers talking about an arms race in the Americas, as several countries' high-profile purchases bear the hallmarks of a weapons spending spree. In 2009, for the first time in memory, the top two arms purchasers beyond the G-8 countries and China—displacing Saudi Arabia and Taiwan—were South American: Brazil and Venezuela.

Brazil is buying nuclear-powered submarines and other naval vessels from France, and is about to purchase a fleet of fighter aircraft. Venezuela has bought several billion dollars' worth of weapons from Russia, including Sukhoi fighter planes, T-72 tanks, and short-range missiles, and has contracted for a factory, currently under construction, to produce AK-103 rifles. Chile has completed a large purchase of F-16 fighters. Colombia and Mexico have ramped up defense spending to confront violent internal groups; Colombia now has the world's fifth-largest helicopter fleet and an army (though not an armed forces) larger than Brazil's.

With a few exceptions, though, this shopping spree hardly counts as an arms race. It makes little sense to argue that Chile's defense establishment is buying up fighter planes to keep up with Brazil, or that Colombia expects that its helicopters might somehow deter Mexico. The weapons buildup in the region is better explained by other factors.

PENT-UP DEMAND

A lot of what we are seeing is a wave of purchases that had long been delayed. The 1980s and 1990s were a time when a region known for strongmen and juntas underwent an important, though far from complete, demilitarization. Military dictatorships ended, and elected civilians struggled to reassert control over armed forces. The cold war ended as well, and most of the region's internal conflicts ended with it. The 1980s were a decade of economic depression for most nations, and the 1990s were a decade of sharp cuts to most countries' public sectors, including defense budgets.

This period of stagnant or reduced military spending ended after the turn of the century, as prices for commodities exported by Latin American nations shot sharply upward (driven largely by Chinese demand), creating healthy economic growth almost everywhere. States began increasing their weapons purchases to a degree not seen since the 1970s. While these increases have been sharp, they have largely kept pace with the region's overall economic growth during the 2000s boom.

However, while it is true that defense spending as a percentage of the Latin American and Caribbean GDP has remained low—below 2 percent—it is high by world standards when one takes into consideration states' tax revenues or social expenditures. As the Brookings Institution's Kevin Casas-Zamora has pointed out, South America spends 12.4 percent of its tax collections

ADAM ISACSON is a senior associate and director of the regional security program at the Washington Office on Latin America.

on defense, an amount equal to 45.2 percent of what it spends on public education. Both proportions are higher than in any region other than the Middle East.

Economic growth alone does not explain why Latin America's elected civilian governments are sharing the newfound prosperity so generously with their militaries. The more compelling reasons vary by country, but fit into four general categories: a perceived external threat, an internal armed conflict, citizen insecurity, or a desire to modernize old equipment either to project power or to placate the armed forces.

ENEMIES, ANYONE?

The perception of a specific external threat is the most traditional reason that a country maintains a robust military. When leaders invoke an external enemy to justify purchases, the result is something close to a true subregional arms race. But such cases are very rare.

Latin American nations very seldom fight each other. It has been over 70 years since the region has seen an interstate war last more than a month. Border disputes occasionally flare up (Nicaragua and Costa Rica; Peru and Ecuador; Peru and Chile; Bolivia and Chile; and others). Argentina continues to dispute the Falkland Islands with Great Britain. And leaders—especially when they are on opposing sides of an ideological divide—have been known to say very unkind things about each other. These disagreements, however, almost never come close to violence. In the worst of cases, they end up in The Hague.

The highest-profile, most severe interstate security disputes in the past few years have involved Colombia—particularly under the hard-right government of Álvaro Uribe (2002–2010)—and the left-leaning governments of Venezuela and Ecuador. Venezuelan President Hugo Chávez frequently alleges that the United States poses an immediate threat to his country's security. Especially since the 2009 revelation of a defense cooperation agreement, including use of military bases, between Colombia and the United States, Chávez has speculated that US aggression would likely come via Colombia.

Ecuador, for its part, increased its defense spending after the Colombian army carried out a March

2008 raid, about a mile inside Ecuadorian territory, which killed a top leader of the Revolutionary Armed Forces of Colombia (FARC), a guerrilla group. Although Ecuador has since scaled back some of its purchases, in particular reducing in size an order of Brazilian Super Tucano attack aircraft, the episode showed the extreme sensitivity with which countries in the region view any breach of sovereignty or territorial integrity.

Colombian President Juan Manuel Santos has worked to reduce tensions with Venezuela and Ecuador since assuming office in August 2010, and the country's defense agreement with the United States has been tabled for now following a Colombian court decision that the deal requires legislative approval. Still, Venezuela is proceeding with one of the region's most ambitious military buildups: Its \$11.3 billion in overseas arms purchases between 2006 and 2009 placed it fourth in the developing world during that period, according to the US Congressional Research Service.

Venezuela suffers one of the hemisphere's highest crime rates, but its arms buildup is aimed at an outward threat: the possibility of invasion or other destabilizing activity by the United States. Preparation for "asymmetrical warfare" involving guerrilla resistance following a US invasion, for instance, is a chief

pretext given for Venezuela's large-scale effort to organize citizen militias and provide them with tens of thousands of light weapons.

Colombia's disagreements with Venezuela and Ecuador, meanwhile, are heavily rooted in Colombia's own internal conflict with two 1960s-vintage, now drug-funded leftist guerrilla groups. This is the only traditional "political" armed conflict left in the hemisphere (unless one counts a much lower-level struggle with the drug-funded remnants of Peru's Shining Path guerrillas).

As mentioned, it was a cross-border Colombian raid against guerrillas that raised tensions with Ecuador. And troubles with Venezuela have been most strongly exacerbated by Colombian claims that Caracas tolerates or even assists guerrillas, with FARC and the National Liberation Army (ELN) operating in Venezuelan territory. (It remains unclear whether this guerrilla presence is due to Venezuelan policy or to a lack of territorial control.)

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In any case, Colombia's own military buildup, which has included a nearly threefold increase in defense expenditures since 2000, has been aimed far more at its internal war effort than at any scenario of conflict with its neighbors. Although the numbers coming out of Colombia and Venezuela may appear to point to an arms race, Colombia's focus is in fact overwhelmingly internal.

After a 1998–2002 peace process with the FARC and the ELN began to founder, Bogotá opted for all-out war, ramping up its military and police capacities, with the help of over \$5 billion in US assistance. Fighting since 2002 has killed more than 21,000 combatants and 15,000 civilians. Large battlefield gains against the guerrillas have resulted from the buildup. However, drug money and continued government neglect of the country's most remote regions guarantee that, unless a negotiated settlement is reached, the conflict will not end any time soon.

THREATS FROM WITHIN

At a time when few traditional armed conflicts are under way, internal threats continue to anchor the missions of most Latin American and Caribbean militaries, and especially underpin states' defense spending. The region suffers the highest levels of violent crime in the world, much of it perpetrated by organized crime syndicates, drug traffickers, and gangs. Even amid good economic times, murder, kidnapping, and extortion rates are worsening nearly everywhere.

The capacities of weak security sectors—civilian police and judiciary bodies—are overwhelmed in societies characterized by large numbers of unoccupied and undereducated youth, high income inequality, a ready availability of guns, and the promise of quick money through crime. Polls show citizen security to be a principal public concern, with many countries' populations calling for harder-line *mano dura* ("iron fist") strategies.

In response, much of the region—especially Mexico, Central America, the Andes, and the Caribbean—are changing laws and launching programs to put soldiers on the streets to combat common crime. The best-known case is Mexico, where President Felipe Calderón's December 2006 decision to deploy the armed forces against vicious drug cartels has yet to reduce violence, which has claimed about 30,000 lives in four years.

In El Salvador, where murder rates dwarf those of Iraq and Afghanistan, a government run by the Farabundo Martí National Liberation

Front—the 1980s guerrilla insurgency turned political party—has deployed its former adversary, the Salvadoran military, to the streets to join the police in fighting criminal gangs. Bolivia's leftist government is urging reluctant armed forces to fight crime in the cities. Even in Chile, where memories of Augusto Pinochet's repressive regime have kept the army strictly out of public security, Michelle Bachelet's left-of-center government used soldiers to keep order in the aftermath of a powerful February 2010 earthquake.

Using the armed forces for internal security missions is controversial in much of Latin America and the Caribbean. Since few "traditional" military missions (such as external threats) exist today, the region is struggling to define what its armed forces exist to do, and public security appears to provide a politically attractive answer. Yet the renewed focus on an internal enemy, mixed in with the population, threatens to erode the important civilianization that much of Latin America and the Caribbean achieved in the 1980s and 1990s. Sharp disagreements over the military's internal security role were a recurring theme of discussions among the region's defense ministers during their latest periodic meeting, a November 2010 summit in Bolivia.

GENERAL WELFARE

Crime-fighting missions provide militaries with budget increases and bigger arms purchases, but generally do not lead to medals or promotions. The greatest military prestige is still attached to preparing for traditional external threats, or projecting military power beyond borders. These goals, along with the high command's own demand for more sophisticated warships, aircraft, and weapons systems, underlie the costly military modernizations under way in Brazil, Chile, and—in a less clearly planned way—Venezuela.

Chile's recent purchases, including roughly \$1 billion in fighter aircraft from the United States and the Netherlands, are billed as replacements for aging 1960s- and 1970s-era equipment. The chief of Chile's air force claims that they fit "the concept of deterrence, which says 'don't mess with me because I can hit back hard.'" Chile's buildup also owes to a legacy of the Pinochet dictatorship: a constitutional provision that diverts a portion of state copper revenues—which have been running near all-time highs—into an armed forces procurement fund over which civilians exercise little control. The country's weapons-buying ambitions

have been reduced, however, by the high cost of rebuilding after the February 2010 earthquake.

Brazil, following a long period of growth that has made it the world's eighth-largest economy, is undergoing the region's most ambitious military modernization. With Latin America's largest population (nearly 200 million) and the region's largest armed forces, Brazil is abandoning its inward-looking ways and seeking to become the region's predominant power and a significant global actor. Evidence of this is Brazil's hosting of the 2014 World Cup and 2016 Olympics, its ambition to gain a permanent seat on the United Nations Security Council, and its ill-fated effort to broker a nuclear compromise with Iran, which enraged the Barack Obama administration.

The government of Luis Inácio Lula da Silva (2003–2010) concluded that military power is key to Brazil's rise to global prominence, and Brazil has led the region in arms purchases—among them a 2008 naval deal with France that included a nuclear-powered submarine and significant technology transfers. The naval purchase is not just about prestige; Brazil claims it wants to protect offshore oil discoveries that promise to make it one of the world's top petroleum suppliers. (Brazilian defense officials have begun referring to the country's Atlantic territorial waters as their “Blue Amazon.”) Meanwhile, led by manufacturers like Embraer, Brazil is becoming a global arms dealer in its own right.

In Brazil, Venezuela, Chile, and elsewhere, however, a little-discussed ulterior purpose lies behind the arms purchases: keeping the high command happy. Almost everywhere in the region, civilian control of the military remains far from complete. Especially where the military gave up power with its political standing more or less intact, or where leftist leaders rule uneasily over an ultraconservative officer corps, many elected governments are willing to yield to the armed forces on questions like pay raises and weapons procurement.

The most alarming recent example of such tensions occurred in Ecuador on September 30, 2010, when the national police staged an uprising to protest cuts to their benefits. The military command refused to restore order until it secured a presidential commitment to raise soldiers' pay.

Despite pressure from their high commands, some Latin American and Caribbean countries have refused to participate in the recent shopping spree. The most notable case is Argentina, where the military left power badly discredited after mismanaging the economy, losing the 1982 Falklands War, and “disappearing” as many as 30,000 people. The governments of Néstor and Cristina Kirchner (2003 to the present) have kept defense budgets low.

Uruguay and Paraguay have similarly resisted military budget hikes. In Peru, whose economic growth has been particularly healthy, the business community has been willing to see its taxes go to military pay raises, but not to large weapons purchases. The government of Alan García even canceled a proposed purchase of Chinese tanks, which the high command had wanted so badly that it included “test-drive” models in a 2009 Lima military parade.

In countries not making significant arms purchases, the military's desire to “keep up” is undoubtedly a source of tension with civilian leaders. In a region that has seen two uprisings or coups since June 2009 (Honduras and Ecuador), some countries' increased defense spending can spell danger for other countries' civil-military relations.

The rise in arms purchases also has troubling implications for regional security and economic development. A significant expansion of weapons stockpiles, particularly small arms and light weapons, increases the likelihood that, in some future scenario, they will be used. Meanwhile, especially in countries with high poverty rates and low tax collection, arms purchases carry a large opportunity cost. Hundreds of millions spent on defense systems means hundreds of millions not spent on health, infrastructure, and especially education. This may carry a long-term cost in lost competitiveness and productivity that is many times higher than the cost of the weapons themselves.

OUTSELLING WASHINGTON

Interestingly, the United States, which often gets blamed for beefing up the region's militaries, is not the main vendor in the current wave of arms sales. Richard Grimmett, who tracks weapons transfers to the developing world for the Congressional Research Service, has found that

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between 2006 and 2009 the United States slipped to number three from its accustomed first-place spot among Latin America's main arms vendors.

Washington has been outsold by the Russians and the French, who market weapons with fewer conditions and transparency requirements, and are more willing to transfer technology. Russia's largest customer has been Venezuela; France's has been Brazil. The United States, whose leading customers are Mexico and Colombia, has not increased over recent years the roughly \$1 billion to \$1.5 billion in arms and military equipment that it sells to the region annually.

The stagnation in US sales has been accompanied by an overall diminution of Washington's role in the region. Although the United States is still the hemisphere's dominant political and military actor, and the largest provider of aid, its influence is notably reduced. US leadership in the region was badly discredited during the years when the administration of George W. Bush pursued deeply unpopular policies. Ongoing wars elsewhere in the world have distracted Washington's attention. And the economic crisis that began in 2008 (while economies in Latin America have continued to grow) has crippled US influence. Meanwhile other countries, most notably Venezuela and Brazil, have pursued far more active regional foreign policies.

The region has seen an increased presence of and greater participation by extra-hemispheric actors as well—not just arms vendors like Russia and France, but also China, whose voracious demand for raw materials has contributed strongly to recent economic prosperity. Most Chinese interest in Latin America and the Caribbean has been purely economic, and has been driven by rising investment. But military cooperation has included increased arms sales—Chinese light weapons, tanks, and missiles are usually more affordable than competitors' similar products—as well as modest initiatives in military-to-military engagement and training.

The extra-hemispheric actor whose presence most concerns US officials is Iran, which has tightened relations with Venezuela, Bolivia, Nicaragua, Ecuador, and Brazil. While most cooperation to date has been diplomatic and economic, US intelligence agencies are doubtless watching for signs

of military cooperation. So far, officials maintain, they have seen little evidence of this.

US commentators do voice concerns, however, about Venezuela's fledgling nuclear program, which may involve the purchase of a reactor from Russia. Chávez insists that the goal is merely to produce peaceful nuclear energy, and Obama has made clear that the United States is not concerned about it as long as Venezuela abides by international nonproliferation commitments. Still, this plan, as well as Venezuela's supplies of uranium, are no doubt a top focus of US intelligence agencies' monitoring of Caracas and its ties to Tehran.

The nuclear issue is also salient in Brazil, which has two nuclear power plants and a third under construction, and which maintained a covert nuclear weapons program during its 1964–1985 military dictatorship. Although Brazil has recently limited the International Atomic Energy Agency's access to its uranium enrichment facilities, it is not believed to be developing a nuclear bomb, something that its constitution forbids. However, it is quite possible that Brazil's national ambitions include developing the capacity to assemble a nuclear weapon quickly should it feel the need to do so.

Ultimately, though, no country in the region wants at present to be the first to abrogate the Tlatelolco Treaty, which since 1968 has made Latin America and the Caribbean a region free of nuclear weapons.

COUNT THE WEAPONS

For now, the greater security concern is the proliferation of conventional arms in the region, including both light weapons and the acquisition of ever more costly and sophisticated weapons systems. Arms transfers and defense expenditures have been a principal topic of discussion at gatherings of the region's political, diplomatic, and defense leaders.

While these discussions have done nothing to halt military spending, they have reflected efforts to improve transparency, confidence building, and information sharing. Defense ministries, particularly in South America, have been encouraged to produce "white papers" explaining their threat perceptions, doctrines, military structures, and procurement plans. These have been help-

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ful and should be systematized and made more frequent.

The hemisphere's governments need to do far more than this, however, to declare their intentions and communicate their expenditures. As Lucila Santos of the Washington Office on Latin America has pointed out, it is shameful that in 2011 countries still must learn about their neighbors' defense capabilities from private outside sources like the Stockholm International Peace Research Institute or Great Britain's International Institute for Strategic Studies. A common methodology of reporting defense expenditures should be adopted, shared on the internet, and utilized to guide regional discussions of defense and security cooperation. This register should include purchases of small arms and light weapons, which may pose the greatest danger because they are the most likely to be used.

Institutions already exist to formalize this. The UN mechanism for standardized international reporting of military expenditures, and a similar mechanism in the Organization of American States (OAS), are weak and vague, and they carry no sanction for nonparticipation. However, a lack of region-wide consensus on transparency regarding weapons information may make an all-encompassing hemispheric agreement impossible in the short term. Peru found this in June 2010 when, as host of the annual OAS General Assembly meeting, it encountered stiff resistance to its effort to make arms transfers the principal agenda topic.

More hope exists at the subregional level, particularly in South America. There in 2008 a new organization, the Union of South American Nations, spawned a South American Defense Council. This body adopted a 2009–2010 action plan including a common methodology for reporting defense expenditures, which goes well beyond the region's previous attempts.

Unfortunately, while increasing transparency is a laudable and necessary goal, few good options exist for convincing countries to limit their arms purchases, which is ultimately a sovereign decision. Nations that seek to limit arms purchases in the region must continue to employ moral suasion and encourage multilateral discussions. Arms vendor countries, for their part, should show restraint and follow a code of conduct such as that envisioned by a proposed Arms Trade Treaty currently before the United Nations.

Latin American and Caribbean countries would also help matters by committing to an avoidance of secret—or even vaguely worded—bilateral military cooperation agreements with powers from outside the region. These agreements—such as the Colombia-US defense cooperation pact or Venezuela's secret agreement with Russia— increase tensions unnecessarily and should be curbed, or at least brought into the open.

ADDRESS THE CAUSES

For the time being, though, nations in Latin America and the Caribbean are likely to continue increasing their spending on weapons. And the regional security picture is likely to become still more complicated, as Washington's influence wanes, regional leaders like Brazil emerge, outside actors play a greater role, and democratic civilian control over the military faces new challenges.

For US policy makers confronting this complex picture, the experience of the twentieth century offers poor preparation. The United States is no longer able to act unaccountably as a dominant power, as it did during the “gunboat diplomacy” years. Nor can it treat the hemisphere like a two-player, “with us or against us” chessboard, as it did during the cold war.

Washington is still the most powerful country in the hemisphere, and that is unlikely to change any time soon. But it must adapt its approach and become more creative. The United States, while recognizing that it can no longer determine every outcome, must orient its policies toward reducing risks to regional security. This means looking beyond narrow “threats” to US interests like Venezuela or Cuba, drugs, or terrorism, and instead cooperating to help countries reduce the concerns—citizen insecurity, organized crime, regional distrust, uneasy civil-military relations—that are leading them to increase their defense expenditures.

Unlike in the twentieth century, the hallmarks of US policy should be encouraging demilitarization, strengthening civilian institutions, and fostering bilateral and regional dialogues to reduce threats and counteract the impulse to seek military solutions. This will be a difficult pivot for many in the US defense and foreign policy communities to execute, but today's complexity makes clear that there is really no other choice. ■