Introduction:
World Order or Disorder?

Hilary Matfess and Michael Miklaucic

T he world order built upon the Peace of Westphalia is faltering. State fragility or failure are endemic, with no fewer than one-third of the states in the United Nations earning a "high warning"—or worse—in the Fragile States Index, and an equal number suffering a decline in sustainability over the past decade.[1] State weakness invites a range of illicit actors, including international terrorists, globally networked insurgents, and transnational criminal organizations (TCOs). The presence and operations of these entities keep states weak and incapable of effective governance, and limit the possibility of fruitful partnerships with the United States and its allies. Illicit organizations and their networks fuel corruption, eroding state legitimacy among the governed, and sowing doubt that the state is a genuine guardian of the public interest. These networks can penetrate the state, leading to state capture, and even criminal sovereignty.[2] A growing number of weak and corrupt states is creating gaping holes in the global rule-based system of states that we depend on for our security and prosperity. Indeed, the chapters of this book suggest the emergence of a highly adaptive and parasitic alternative ecosystem, based on criminal commerce and extreme violence, with little regard for what we commonly conceive of as the public interest or the public good.

The last 10 years have seen unprecedented growth in interactivity between and among a wide range of illicit networks, as well as the emergence of hybrid organizations that use methods characteristic of both terrorist and criminal groups. In a convergence of interests, terrorist organizations collaborate with cartels, and trafficking organizations collude with insurgents. International terrorist organizations, such as al-Qaeda and Hezbollah, engage energetically in transnational crime to raise funds for their operations. Prominent criminal organizations like Los Zetas in Mexico and D-Company in Pakistan have adopted the symbolic violence of terrorists—the propaganda of the deed—to secure their "turf." And networked insurgents, such as the Islamic State of Iraq and the Levant (ISIL), the Revolutionary Armed Forces of Colombia (FARC), and the Liberation Tigers of Tamil Eelam (LTTE), have adopted the techniques of both crime and terror.[3]

An Emerging Criminal Ecosystem

The unimpeded trajectory of these trends—convergence, hybridization, and state capture—poses substantial risks to the national security interests of the United States, and threatens international security. Illicit networked organizations are challenging the fundamental principles of sovereignty that undergird the international system. Fragile and failing states are both prey to such organizations, which feed on them like parasites, and Petri dishes

for them, incapable of supporting effective security partnerships. The Westphalian, rule-based system of sovereign polities itself is at risk of fraying, as fewer and fewer capable states survive to meet these challenges, and populations around the world lose faith in the Westphalian paradigm. The emergence of an alternative ecosystem of crime and violence threatens us all and much of the progress we have seen in recent centuries. This dark underworld weakens national sovereignty and erodes international partnerships.

We should not take for granted the long-term durability of the Westphalian system. It was preceded by millennia of much less benign forms of governance, and alternative futures are imaginable. This book describes "convergence" (the interactivity and hybridization of diverse illicit networks), the emergence of new networks and new domains or "battlespaces," and the threat illicit networks pose to national and international security. It examines dystopian visions of a world in which these trajectories go indefinitely unimpeded, and concludes by discussing possible countermeasures to be explored.

While some recognize the growing threat to the global system of governance that these new phenomena impose, others are skeptical. According to the conventional wisdom, TCOs and international terrorist organizations are unlikely candidates for partnership. Such analysis suggests that criminals are motivated by the pursuit of wealth in defiance of law, morality, or ideology. They typically prefer to remain undetected, and have little interest in the violence committed by, or risks taken by, international terrorists. Already pursued by law enforcement, criminals are not keen to receive the attention of the Central Intelligence Agency or SEAL Team Six. International terrorists and insurgents, on the other hand, are politically motivated; driven by ideological, religious, or nationalistic motives; and repelled by the vulgar materialism and greed of criminals. They have no desire to get on the radar of the Drug Enforcement Administration (DEA), or other national or international law enforcement agencies. This logic is understandable, and may have prevailed in previous times, but the evidence of extensive interconnectivity—if not explicit partnership—between TCOs, international terrorists, and globally networked insurgents is compelling. Recent research undertaken by the Combating Terrorism Center at West Point reveals that, "criminals and terrorists are largely subsumed (98 percent) in a single network as opposed to operating in numerous smaller networks."[4] In its Performance Budget Congressional Submission for FY 2014, the DEA stated that by "the end of the first quarter of FY 2013, 25 of the 67 organizations on the Attorney General's Consolidated Priority Organization Target (CPOT) List are associated with terrorist organizations."[5] According to a more recent DEA statement, roughly half of the Department of State's 59 officially designated foreign terrorist organizations have been linked to the global drug trade.[6] The six degrees of separation that may have once divided people is a relic of the past—today, international terrorists, insurgents, and criminals are merely a click away from each other.

It might be argued that terrorism, insurgency, and organized crime have existed since time immemorial, and that their modern iterations represent nothing new. Such an argument naively discounts modern enablers such as information and communication technology, transportation advances, and the unprecedented volumes of money generated in illicit markets. These are game changers. They permit illicit actors to avail themselves

of lethal technology, military-grade weaponry, real-time information, and professional services of the highest quality, including legal, accounting, technological, security, and paramilitary services. Cartels and gangs, as well as terrorists and some insurgents, can now outman, outspend, and outgun the governments of the countries where they reside. They can communicate across the globe in real time, using widely available and inexpensive technology. The November 2008 Mumbai terrorist attackers used satellite phones, internet communications, and global positioning systems, under the direction of Pakistan-based handlers to carry out an atrocious binge of murder and terror.[7] The string of ISIL attacks across Europe in 2015 and 2016 further illustrates the global consequences of this technological acceleration. International travel has never been easier or cheaper than it is today, and would-be terrorists, traffickers, launderers, and even assassins can fly nearly undetected from continent to continent, in the sea of traveling humanity.

Though it is clear that this connectivity is widespread and threatens global security, the details of the agreements or arrangements between terrorist, insurgent, and transnational criminal organizations remain murky. A partial exception to this is in instances where both organizations wish for new relationships to be known, such as the 1998 merger of Ayman al-Zawahiri's Egyptian Islamic Jihad organization with Osama bin Laden's al-Qaeda.[8] Other relationships, such as between the FARC and al-Qaeda in the Islamic Maghreb (AQIM), are opaque as neither organization has an interest in revealing the relationship. It is unclear in the majority of cases what kinds of partnerships these are, and we are often unable to discern whether such instances of cooperation are one-time affairs or longer-term arrangements. This lack of information handicaps our response and threatens global security.

The purposeful opacity of illicit organizations presents a vexing challenge to mapping and understanding these actors. Operating by intention outside the vision of regulators or researchers, their activities and revenues are hidden. So how do we determine the magnitude of their operations, or the harm they inflict? How do we know the value of their transactions? We extrapolate from extremely inexact evidence, such as seizures, arrests, convictions, and the associated testimony of witnesses, often themselves members of such organizations and motivated to dissemble. Analysts still rely on the nearly 20-year-old "International Monetary Fund (IMF) consensus range," of "$1 to $3 trillion" or "two to five percent" of global product. In 1998, Michel Camdessus, then managing director of the IMF, provided that estimate of the amount of money laundered annually across the globe. Given what we know about global trafficking in drugs, persons, weapons, counterfeits, and other contraband it seems unlikely that the value of illicit trade has decreased over the past 20 years. Even at a "mere" two to five percent of global product, Camdessus described the magnitude of the problem as "almost beyond imagination…."[9]

Less difficult, but still challenging and far more visceral to calculate, is the cost of global terrorism in human lives. At publication, the most recent estimates suggest that 2014 saw an increase of 35 percent in the number of terrorist attacks globally, with total fatalities rising to nearly 33,000 by some counts; 2015 is likely to mark another increase, as ISIL continues its brutal global campaign, and Boko Haram terrorizes the Lake Chad

Basin.[10] This does not take into account nonfatal injuries, the destruction of families and communities, and the economic costs. These cannot be monetized, but few would deny that the opportunity cost of the "global war on terror" (GWOT) has been huge. A 2008 estimate by Nobel Laureate Joseph Stiglitz and Linda J. Bilmes put the long-term costs of the Iraq War at $3 trillion.[11] The Cost of War Project puts the total economic cost of America's post-9/11 campaigns at $4.4 trillion through FY 2014.[12]

These two sets of costs—the global illicit market plus the costs associated with the GWOT—comprise a staggering portion of global product, and give a plausible indication of the magnitude of the emerging alternative ecosystem. Consider the drag on global productivity and development if so much of human activity is dedicated to transnational crime and terrorism. Adding to this, the cost of networked insurgencies in countries such as Afghanistan, Colombia, Sri Lanka, and South Sudan, suggests that an unconscionable proportion of global resources is being expended by efforts to undermine the well-being of citizens worldwide. Imagine what might be accomplished for all mankind if those resources were available for more constructive investment.

Net Systemic Costs

Not only do these networks divert economic resources globally, but they also reduce the capacity of states to govern, rendering them incapable of effectively governing their territory or borders, let alone exercising a monopoly of the legitimate use of force, or providing other vital public services. The net systemic harm is imposed at four levels:

- the inability of states to govern their populations and territories, which creates seedbeds for international terrorism, networked insurgency, and transnational crime, causing immense human suffering;
- the regional spillover effect from state fragility and instability, that sometimes penetrates key U.S. allies and partners;
- the growing feral regions that serve as launch pads for attacks against U.S. national security interests worldwide, as well as potentially direct attacks on the homeland, as occurred on September 11, 2001; and
- the cost associated with the decline of the global, rule-based system and the shrinking Westphalian domain.

A cursory examination of a few key states shows the toll illicit networks take on our national security interests. Though Mexico's death rate has subsided somewhat over the past two years, the wars between the narcotics cartels and state authorities, and between the cartels themselves, are thought to have caused as many as 130,000 deaths between 2007 and 2013, or over 20,000 per year.[13] Mexican cartels today work hand-in-hand with the criminal gangs of Central America's Northern Triangle—comprised of El Salvador, Honduras, and Guatemala—resulting in some of the highest homicide rates in the world. El Salvador's official forensic unit estimated the homicide rate in 2014 at nearly 70 per

100,000.[14] Despite their collaborative intentions, these countries are under such duress that their security partnership contributions cannot yet inspire confidence. Indeed, in 2014, nearly 70,000 unaccompanied children from Central America and Mexico made their way through Mexico to the United States to escape the tormented lands of their births.[15]

Another key security partner, Nigeria is the most populous African state with the largest economy, and a major oil producer. Nigeria could and should play a stabilizing role throughout the continent. In fact, Nigerian forces were critical in staunching the civil wars that hemorrhaged West Africa in the 1990s through the 2000s. Yet today, Nigeria is hobbled by the burgeoning Boko Haram insurgency in the north, and resurgent gang insurgency in the Niger Delta. Moreover, the Boko Haram scourge has bled into the neighboring countries of the Lake Chad Basin.

The once-hopeful suppositions that Iraq and Afghanistan could act as U.S. security partners now seem to be wishful thinking. Despite the investment of hundreds of billions of dollars to bolster the capacity of these two potential partners, effective collaboration seems extremely unlikely for the foreseeable future. Afghanistan today struggles to survive the attacks of al-Qaeda, the Taliban and Haqqani networks, and more recently ISIL. Though the Government of Afghanistan welcomes U.S. engagement, its effectiveness as a security partner remains questionable. Similarly, Iraq struggles to survive as an autonomous state, depending on Kurdish and Shia nonstate militias in its fight with ISIL. Afghanistan and Iraq may continue to act as incubators for terrorist groups planning attacks against the United States well into the future.

Though the nature or extent of the connections between these terrorist and criminal organizations is not transparent, what is clear is that when they desire to interact, they are able to do so. Joint training, learning, and sharing of experience are certainly likely, if not yet joint operations. While states unwillingly and unwittingly act as safe havens for destabilizing global actors, even more troubling are instances in which there is clear collusion between such groups and elements of sovereign states. For example, Iran's Quds Force, a special forces unit of the Islamic Revolutionary Guards Corps, has been both directly engaged in terrorist acts around the world, and is supportive of other terrorist organizations. Ominously, in 2011, an attempt by the Quds Force to collaborate with the Los Zetas cartel to assassinate the Saudi Arabian ambassador to the United States was intercepted.[16] That this effort was interdicted by the vigilant DEA is extremely fortunate— at that particular moment in time, with the combustible tension between Iran and Saudi Arabia, and between Sunni and Shia throughout the Islamic world, the consequences of the intended assassination are difficult to imagine. One need only consider the consequences of the assassination of Archduke Ferdinand in Sarajevo just a century ago to put this into perspective. This effort by the Quds Force to conspire with Los Zetas, now fully documented in U.S. case law, demonstrates beyond a reasonable doubt the potential collusion of sovereign states and terrorist organizations with criminal organizations.

This type of collusion is not limited to the Middle East. As Douglas Farah has written, Venezuela has utilized the state's diplomatic tools to support criminal and terrorist activity.[17] North Korea has long been known as a hub of illicit activity, allegedly including

smuggling, counterfeit trade, production of controlled substances, illegal weapons trafficking, and money laundering. Pyongyang's infamous Bureau 39 is thought to generate between $500 million and $1 billion per year from such illicit activities.[18]

The Stakes Are High

To succeed in meeting the international security challenges of the 21st century, the United States and its allies need capable and legitimate partners. Today, ISIL's assault on Syria and Iraq is being vigorously resisted by a coalition that includes many American partner countries, including Saudi Arabia, the United Arab Emirates, Jordan, Qatar, and Bahrain, among others. Imagine a world in which the United States had no partners. No partners in the Middle East or Africa would leave only U.S. boots on the ground to combat ISIL, al-Qaeda, al-Shabaab, and Boko Haram. But capable and legitimate partners are hard to find, and getting harder.

The global community of democracies from which America prefers to choose its partners has shrunk, as the domain of freedom is much diminished in recent years.[19] Many potential partners have shown deep fault lines leading to instability. Consider for example Egypt, Mali, and Thailand; each so consumed with internal fissures that effective partnership is beyond their current capability. Though some argue the world has actually become gradually safer over time, many countries once thought to be stable and safe have recently experienced the trauma of indiscriminate terrorism.[20] The Global Peace Index reports that, "The world has become less peaceful every year since 2008."[21] Attacks in countries as diverse as Kenya, India, France, Belgium, and the United States show that there is no nationality, religion, or terrain immune from this onslaught.

The Westphalian system of global governance has always been an aspirational model—and a geographically limited one at that. Despite its limitations, however, it is unclear if a better model of governance exists. Under the Westphalian system, economic growth has surged and the quality of life has flourished. In the 368 years since the Peace of Westphalia established this rule-based system based on sovereign equality, the world has experienced an unprecedented surge across a range of quality of life indicators: life expectancy has surged from below 40 to over 70 years, per capita gross domestic product increased from around $600 to over $10,000 per year, and literacy has increased from less than 10 percent to over 80 percent of the global population. Rather than abandoning the Westphalian system in favor of an untested, and likely less capable, system, we must cultivate global partnerships to reform and strengthen the system.

A chain is only as strong as its weakest link, and a growing number of weak and corrupt states leaves alarming gaps in the global rule-based system of states. This book aspires to act as a roadmap for those seeking to understand the forces—both the external pressures and the internal failings—that have led us to the current global crisis of governance. The text is organized in four sections.

The first section, "Slouching Toward Dystopia," offers a vision of a world unmoored from the organizational principles of the Westphalian order. This part imagines the worst-case scenarios if current assaults on the international system go unchecked. It includes Phil

Williams' discussion of the crisis of the international order, arguing that global governance has failed because of the inability of states to govern themselves. Nils Gilman describes the state under pressure from "twin insurgencies," plutocrats and criminal networks, both detached from any loyalty to the state, and both limiting the capacity of the state. Scott Atran reveals the profound and widespread alienation from the global status quo that leads to violent extremism as a redeeming virtue. Francis Fukuyama and Hilary Matfess examine emerging alternative forms of governance, emulating antidemocratic norms, that are cropping up globally, complicating the American search for willing partners abroad. Jay Chittooran and Scott Helfstein explain how criminality has affected equity market returns, illustrating the tangible economic effects that new criminal actors have had on economic stability and development.

Section II, "One Network," examines the expansion of existing criminal networks and explores their operational characteristics and policy implications. Christopher Dishman describes the extent and interconnectivity of criminal networks, terrorist groups, and other violent actors that enable the external corrosion of the state. Matthew Levitt explores the global reach of Hezbollah, detailing how the group's global networks have allowed it to exploit "Useful Idiots, Henchmen, and Organized Criminal Facilitators." Douglas Farah discusses the spread of criminality and anti-system norms in Latin America, suggesting that an anti-American coalition is on the rise south of the border. Jessica Stern describes the rise of ISIL as a global threat—highlighting the group's mixture of ideological and material interests that has propelled it to the forefront of national and international security discussions.

Section III, "Pandora," describes recent innovations that complicate the global threat landscape. Tuesday Reitano and Andrew Trabulsi discuss the role of social media in bolstering the appeal of antistate actors, allowing them to establish "cult-like" followings and to facilitate "intimate connections to an individual which can be used to raise funds, identify and cultivate associates and victims."[22] Mark Shaw describes the rise of "protection economies," particularly in West Africa, where jihadist networks are increasingly a part of the drug smuggling business in the region. Describing a massive and nefarious parallel economy, Karl Lallerstedt adds to this discussion through an exploration of global counterfeit and smuggling networks, and the growing gray space between licit and illicit commerce. Weak state capacity hampers efforts to counter this trend, threatening to allow the region to descend into alternatively governed spaces. Raj Samani shows how the technological innovations that have made our lives and work so much easier have produced disconcerting vulnerabilities in the cyber domain that are increasingly being exploited by criminal groups, terrorists, and hostile states alike.

Section IV, "A Toolbox for the 21st Century," offers responses to these challenges; the authors offer tangible policy options to mitigate the threats. Clare Lockhart and Michael Miklaucic discuss the critical role of state-building as a remedy to the rise of illicit actors and tempting but toxic ideologies. Celina Realuyo explains how public-private partnerships (P³) can be leveraged to form effective alliances against antistate forces.

Sebastian Gorka details the remarkable appeal of ISIL's destructive ideology, the ways in which this affects the nature of the fight to counter violent extremism worldwide, and how armed forces can adapt. Christopher Fussell and D.W. Lee build upon General (Ret.) Stanley McChrystal's "Team of Teams" approach to offer an organizational solution to the rigidity of governmental bureaucracy, rendering it nimbler and more effective in the face of a metastasizing threat.

Throughout the book, a number of common threads emerge, which should be considered by leaders seeking to preserve and strengthen the liberal world order. The first is that American confidence that the end of the Cold War also denoted the end of the global ideological struggle was premature. As this collection shows, across the globe, the contemporary paradigm of governance consisting of democracy and liberalization is being challenged. This challenge emanates not only from China, despite the media attention focused on this purported rivalry, but also from gangs and cartels in Latin America and nonstate actors in Africa, the Middle East, and elsewhere. The "new brand" of global jihadist terrorism traffics not just in weapons, oil, and people, but also in a profound sense of communal marginalization. And it has global reach—the arc of connectivity spans from the cartels in Mexico to the insurgents in Mindanao, and encompasses the gangs of Central America, the cartels of Colombia, al-Qaeda affiliates in the Maghreb, Boko Haram in Nigeria, al-Shabaab in Somalia, al-Qaeda in the Arabian Peninsula, the Taliban in Afghanistan, Lashkar-e-Taiba in Pakistan, the LTTE in Sri Lanka, and the Jemaah Islamiyah in Indonesia. Hovering over many of these is the specter of a new caliphate, ISIL.

The second is that new technology not only reduces the "capacity gap" between conventional and unconventional forces, but also introduces new vulnerabilities to America's security and that of its allies. Communications technology, which has been a force for democratic change, has also proven to be a powerful enabler for recruitment to groups like ISIL, and facilitated its ability to coordinate attacks in Paris, Brussels, Istanbul, and across the Levant. The rise of social media has allowed remote groups to have a global presence; consider, in an age before propaganda videos could "go viral," would Abubakar Shekau, the leader of Boko Haram, have a presence outside of the Lake Chad Basin? Further, the innovations that have made life easier for affluent Westerners, including personal computers and web- or cloud-based technologies, are increasingly being exploited by criminal groups to gather funds and collect valuable personal information. Even more troubling than the rise of internet scams, however, is the looming possibility of major hacks and cyber warfare. The "Sony Hack" in the fall of 2014 was quickly relegated to a late-night punch line, overlooking the significance of North Korean operatives having the capacity to hack into a multibillion dollar company. The following summer, news broke that the U.S. Office of Personnel Management had been hacked. The records of an estimated 21.5 million people who had worked for, or had applied for positions within the U.S. federal government were compromised in the breach, which was traced to China.

Third, many of the states within the international community are at a severe handicap in their efforts to mitigate the unprecedented threats to their sovereignty. Their weakness is

exacerbated by networked adversaries, of either the terrorist, insurgent, or criminal types, which eat away at state institutions—and more importantly, erode the social contract between governments and the governed. The proliferation of weak, fragile, and failed states leaves big holes in the rule-based system of sovereign states, thus weakening the system, and rendering vulnerable all the gains that flow from that system. An alternative model of global disorder is emerging in which the public good or public interest is a constant casualty. In this alternate global disorder, pure self-interest, violence, and deceit are the major currencies, and the vulnerable of the earth are the constant victims.

Finally, strong states, led by trusted, capable governments that are accountable to their populations, are the most effective line of defense against these threats. While "state-building" has become anathema in some circles, it is clear that improving state governance is a necessary corrective measure in the fight against endemic insecurity. Learning from our previous endeavors and identifying effective means of building partner capacity is necessary if the United States is to remain a global leader. Exporting democracy, defined merely by elections, without corresponding rule of law and economic development, will likely exacerbate the disruptive dynamics already at play.

Though these themes are addressed by all of the authors, the correct "solution" to the problems described is elusive, and remains a source of disagreement even among the most reasonable people. What role should America play in global ideological conflicts, how legal and regulatory systems should adapt to technology, and how best to promote state-building globally are all thorny questions with no obvious answers. Undeniable, though, is that the discussions surrounding how America and its allies must respond to these challenges should be well-informed, nuanced, and timely.

Ultimately, our purpose is not to offer a comprehensive review of every threat facing the United States and its allies or to prescribe solutions. Rather, it is to provide insight for understanding the contemporary threat environment, and offer strategies to mitigate the accelerating trends and forces that threaten us. If this book contributes to a reorientation away from our siloed, traditional approach to analyzing national security, to a more holistic understanding of the threat landscape we face in the 21st century, we will count ourselves successful. Most importantly, we hope that this book will generate discussions recognizing the gravity of these threats among those with the power to affect change in our current policies for addressing the challenges on the horizon, in our backyards, in our bureaucracies, and in our future.

Notes

[1] The Fund for Peace, a nongovernmental organization, ranks the stability of 178 countries each year based on 12 key political, social, and economic indicators (which in turn include over 100 sub-indicators). The ranking categories are "sustainable," "stable," "less stable," "low warning," "warning," "high warning," "alert," "high alert," and "very high alert." The Fund for Peace, "Fragile States Index 2015," available at <http://library.fundforpeace.org/library/fragilestatesindex-2015.pdf>.

[2] Michael Miklaucic and Moises Naim, "The Criminal State," in *Convergence: Illicit Networks and National Security in the Age of Globalization*, ed. Michael Miklaucic and Jacqueline Brewer (Washington, DC: National Defense University Press, 2013).

[3] Stanford University, "Liberation Tigers of Tamil Eelam," *Mapping Militant Organizations Project*,