

RISKY BUSINESS: TERRORISTS, STATE SPONSORS, AND THE UNCERTAIN FUTURE
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Research question

State-sponsored terrorism is an important instrument of foreign policy for many states.¹ During the Cold War, both superpowers supported unconventional anti-state forces as a way of undermining their rival without direct military confrontation. Many other states have also been accused of sponsoring terrorist groups— including Sudan, Libya, Syria, Iran, Afghanistan, Pakistan, and India. Indeed, several of the most pressing foreign policy challenges facing the United States today are directly related to this phenomenon of state-sponsored terrorism.

States sponsor terrorism because it seems like a low-cost way for them to achieve policy goals, but terrorists have their own interests, and so states who use this tool run the risk that their terrorist agents will take actions that militate against the state's goals. Accordingly, states create institutional control mechanisms to bring the interests of the terrorist groups they sponsor, and constrain their actions. Even if these mechanisms of control all succeed in the present, however, there remains the uncertain future, when the terrorists lose their utility to the state.

My dissertation research thus proposes to answer two important questions about state sponsored-terrorism. First, what institutions (formal or informal) can states create in order to more effectively control their terrorist agents? Second, after state sponsorship ceases, which terrorist networks will persist and cause problems for the states that formerly gave them support?

Theory

State sponsorship of terrorism is an example of a principal-agent relationship. When states sponsor terrorist groups, they are delegating responsibility for part of their foreign policy to those groups. As with all principals, state sponsors are faced with an agency dilemma: how can they best align the agent's interests with the interests of the principal? How can they ensure that the agent's behavior advances the interests of the principal?

Information is the key to solving principal-agent problems. Knowledge of the agent's true

¹ Some states sponsor violent non-state actors which operate within their own borders, which would make them instruments of domestic policy. For example, Colombia has at times lent support to right-wing paramilitary groups like the AUC (United Self-Defense Forces of Colombia). However, this phenomenon is usually considered together with the phenomenon of 'state terror,' in which states employ official bodies (military, police, intelligence, and internal security forces), to terrorize their own citizens. This study examines only terrorists who operate outside the sponsoring state's borders— which makes them instruments of foreign policy.

interests and actual behavior makes control more likely. Secrecy, on the other hand, aggravates agency dilemmas— as has been studied in relation to military forces and intelligence agencies, which use rules of secrecy to avoid civilian oversight.² With state-sponsored terrorism, the problem is even worse. Terrorism is a clandestine and criminal enterprise, and states who support it seek to conceal their involvement. To better monitor terrorist agents, I hypothesize that states will facilitate networking between individual terrorist groups, which places the state in the position of an intermediary, where they have a better chance to monitor their agents. I further hypothesize that states will rely heavily on their ability to dispense or withhold material support from terrorists as a mechanism of control. In this way, sponsor states create an unequal, dependent relationship between themselves and their terrorist agents.

This strategy may be unsuccessful, however. Terrorist groups have their own interests, which may never fully align with the interests of the sponsor state. Further, the state may find that they are unable to eliminate terrorist groups which have either proven uncontrollable or simply fulfilled their original purpose. Like other institutions created by states to help them solve difficult problems, terrorist groups and networks may take on a life of their own and persist after state sponsors have withdrawn their support.

Research design

My research focuses on two important state sponsors of terrorism during the Cold War: East Germany, and Cuba. Both countries faced a dangerous international environment with powerful, hostile neighbors, and both sought to increase their prestige within the sphere of Communist states and gain favor from the Soviet Union. East Germany began supporting terrorism in the Middle East and Europe in the mid-1960s, and was, in the words of its interior minister, “an Eldorado for terrorists” in the decades that followed.³ Cuba sponsored terrorism and guerrilla war throughout Central and South America, almost from its inception. Today, East Germany is gone and its successor does not sponsor terrorist activity. Cuba, although still under the revolutionary leadership of Fidel Castro has largely ceased to materially support terrorism. Both cases thus provide a rich opportunity to examine the institutions (formal and informal) which states create in order to control their terrorists agents, and both provide an opportunity to see what happens to terrorist groups and networks after the collapse of state support.

My research will thus focus on these two case studies. I will be using secondary sources, and primary sources such as government archives (in the US and Germany) and interviews with former policymakers and retired intelligence personnel. Studying state-sponsored terrorism is always difficult because the participants seek to conceal their involvement, but given the age of the cases I am optimistic that I will be able to find good information.

² Peter D. Feaver, *Armed Servants: Agency, Oversight, and Civil-military Relations* (Cambridge: Harvard University Press, 2005): 70, 178.

³ Christopher Andrew and Vasili Mitrokhin, *The Sword and the Shield: The Mitrokhin Archive and the Secret History of the KGB* (New York: Basic Books, 1999), 298.