



BGS Managing Director Michael Allen Discusses Recent Shifts In The National Security Landscape And How They Will Effect Business Leaders And Policy Makers

The Shifting Threat Landscape

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By Michael Allen

From Russia's reemergence as a top U.S. adversary to Iran's reentry into the global market place, the 2016 national security landscape is fraught with challenges and opportunities guaranteed to impact industry, government, and their intersection. Looming questions—Will China cooperate on cyber security? What wider impact will Venezuela's economic collapse have on South America? — make shifts in the national security landscape impossible to predict. Yet by recognizing potential areas of volatility, policy makers and business leaders alike can reduce their risk exposure.

To begin, terrorism is once again a top national security concern in the U.S. and Europe. However, whereas one-year ago, when the global community's focus was on stemming the flow of foreign fighters going to Syria and Iraq, today the concern is making sure they, and those they inspire, don't return. Going forward, expect preventing another Paris or San Bernadino styled terrorist attack to shape Western policy debates and budgets.

In Europe, the debate will center around addressing the ongoing refugee crisis and combating radicalization. Stark differences over the

appropriate response will put further stress on a European Union already at risk of fragmentation and policy paralysis. Across Europe and the Middle East, key allies will continue to bolster their counterterrorism, intelligence, and security investments in spite of budget constraints. Domestically, post-Snowden privacy concerns will be in conflict with security concerns resulting in a reemphasis on enhanced collection of intelligence.

Unlike in the past however, the pendulum's swing away from privacy and towards security comes at a complicated time in Washington's relationship with Silicon Valley. As part of its Third Offset Strategy and hoping to work with or recruit some of the nation's top computer talent, the Department of Defense is starting 2016 as it ended 2015, with an assertive outreach to the tech industry. While the DoD has had some success in fostering a relationship with the innovation capital of the world, bureaucratic hurdles will continue to frustrate Silicon Valley's non-traditional national security players.

Ultimately, the challenge for both industry and the government will be making sure any solutions they reach are able to keep pace with the threats they are intended to counter. This will be particularly true with cyber security. As the Internet of Things expands, so to does the "attack surface" for new waves of cyber threats. Over the coming year, spending on cyber security will continue to increase. What remains to be seen is if either private companies or the U.S. government will be able to translate cyber spending into actual cyber security.

On the hardware side of things, the global demand for drones is only growing. Everything, from commercially available small quadcopters to armed predators, are being sought after. As these technologies proliferate, the Obama Administration's still nascent drone export policy will be tested.

The final year of the President's term will also test the Administration's previous foreign policy investments. Most notably in the Middle East, where a supposedly cooperative Iran continues to assert its interests and

expand its regional influence. Although Asian and European firms are showing a tremendous interest in entering the Iranian markets, Iran's continued deviations from international norms (such as its recent ballistic missile test) are likely to result in U.S. Congressional and Administrative responses that will only further complicate Iran's business environment.

Looking to Russia, geopolitics and business will equally clash as the U.S.-Russian relationship further devolves. Specifically, while partial satisfaction of the Minsk Agreement may lead to a partial sanctions relief against Russia, Putin's aggression in both Ukraine and Syria is set to trigger further sanctions review. Sanctions may not be enough to reassure U.S. allies concerned with Russia's aggression however. As such, the U.S. is likely to provide its partners with new military capabilities, and adjust its own force posture.

If history is any indicator of what is to come, the national security challenges ahead will be anything but static. Successfully navigating this ever changing landscape will require not only contingency planning and preparation, but understanding the subtle interconnectivity of world affairs and their second-order effects.