

2011: A Strategic Surveyⁱ

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Summary

The year 2011 will stand out in history as the year of the Arab Spring, when people in Northern Africa and West Asia rose up against tyranny and revolted for political emancipation. The upheaval in the Arab world inspired similar uprisings and outpourings across the world from Russia to China, and even in the world's largest democracies. The gone year, which marked the 10th anniversary of the 9/11 attacks in the US, will also be remembered for Osama bin Laden's killing, which dealt a severe blow on the al Qaeda terror network, and raised hopes of an impending decline of Islamic Jihad. One immediate fallout of Osama's killing was the souring of US-Pakistan ties as Pakistan's duplicity in the War on Terror was exposed. Needless to say, Southern Asia, especially the Af-Pak region, remained volatile with Afghanistan struggling to move towards stability and reconciliation with the Taliban, while Pakistan is simmering in intense civil-military strife. 2011 will be known for the economic crisis which has gripped Western economies and is likely to spread to the economies in Asia. Many of these trends will, in all likelihood, continue in 2012.

i This report encapsulates the points made at an IDSA discussion on the strategic developments of 2011 and a forecast for 2012.

The Cascading Effects of the Arab Spring

The year 2011 can indisputably be termed as the year of the Arab Spring that saw a wave of anti-government, anti-incumbent and anti-autocratic popular movements sweep across the Arab world, from the northern frontiers of Africa to the heart of West Asia. Despots fell in quick succession, reeling under a torrent of popular uprisings which were driven primarily by a thirst for political emancipation and democratic aspiration, with a little fillip from external forces but largely facilitated by the power of information technology and the social media.

The implications were immediate and far reaching. From Tunisia to Yemen, people assembled in city squares, and the countryside, to demand their right to determine their own destiny, and to end decades of one-man, one-family, or one-party regimes. The marvel of the Arab Spring, though, was its cascading effect on to regions beyond the Arab world. An unprecedented public outpouring unsettled the hitherto invincible sovereign of Russian politics, Vladimir Putin, and threatens to disrupt his plans to preside over Russia for another decade. Even in Communist-controlled China, where dissent is tantamount to blasphemy, smaller towns have risen up in revolt against corruption, economic deprivation, and political subjugation. Democratic societies, too, were not insulated from this torrent as an Occupy Wall Street movement against corporate greed and an anti-corruption crusade shook the political establishments in the world's two largest democracies.

The Libyan uprising, which culminated in the killing of Muammar Gaddafi, also opened a global debate on the Right to Protect (R2P), which has emerged as an alternative to international military intervention in conflict-ridden sovereign nations. In March, the UN Security Council passed Resolution 1973, which sanctioned efforts to protect Libyan civilians from government-backed attacks. Although NATO abstained from sending troops to assist the anti-government forces in Libya, the constant aerial bombardment played a decisive role in the fall of the Gaddafi regime. Countries like Russia, China, and India abstained from backing this military intervention arguing that nations must determine their own political course, though without answers on how to deal with the gruesome violence unleashed by unrelenting despots upon their own populace.

Decline of the West and the Eurozone Crisis

The year that commemorated the tenth anniversary of the 9/11 attacks also showed signs of the much-predicted American decline. Still struggling from a stagnant economy and a historic downgrading of its sovereign debt, mandarins in Washington were scurrying to exit from one battle-zone after another, as prolonged and ill-conceived wars added to the woes of the US economy. After a hurried exit from Iraq despite continuing terrorist attacks, Washington is preparing for a phased withdrawal from Afghanistan, which is likely to push the already volatile country into greater chaos. Nothing illustrates

the gradual decline and erosion of America's global writ more than its souring ties with Pakistan, a strategic ally for nearly half-a-century. As it moves into an election year, the US political scene anticipates another tumult with the incumbent Barack Obama staring at the possibility of a close presidential race amidst declining popular appeal, even as the Republicans remain mired in the complexities of their conservative ideology.

In 2011, a contagious sovereign debt crisis threatened to destabilize the Eurozone and took the sheen off of the European Union, as the fiscal turmoil ignited by governmental imprudence permeated through Europe's major economies. Germany and France, as EU powerhouses, spearheaded salvaging efforts by pushing for greater financial reforms in affected economies including Greece, Italy, and Ireland. These were accompanied by major changes in the political dispensations in Greece and Italy. The coming year might determine the fate of the Euro and also whether the crisis in Europe will spread to the growing economies in Asia.

Terror's Final Frontier?

The global campaign against terrorism hit its mark in May when US Special Forces raided a compound in the Pakistani cantonment town of Abbottabad and killed Osama bin Laden. This was not just a tremendous blow to the al Qaeda network, but also exposed Pakistan's duplicity in the War on Terror. The Abbottabad raid brought to the fore the erosion of trust in the already strained US-Pakistan relationship, beginning with the Raymond Davis incident and raging anti-American sentiment following regular drone attacks on Pakistani territory. Following Admiral Michael Mullen's scathing remarks on the role of Pakistan's Inter-Service Intelligence (ISI) in buttressing Taliban groups, senior US officials pushed the Pakistani security establishment to terminate its support for terror groups. NATO's attack on a Pakistani border post in December, which killed 24 Pakistani soldiers, and Pakistan's decision to order US troops out of the Shamshi air base illustrated the irreparable levels to which US-Pakistan relations fell in 2011. Meanwhile, many feel that the al Qaeda will be unable to salvage itself from the recent setbacks and find it difficult to operate or exist in a highly securitized environment. The post-Osama period, therefore, might be the final phase of global Jihad, as perpetrated by al Qaeda, even as newer or splinter groups might emerge with the same ideology, though with lesser efficacy.

The Volatile Af-Pak Neighbourhood

The recent developments in Pakistan have been detrimental to a face-saving US exit from Afghanistan. The country continues to remain unstable and the Taliban's ability to further destabilize the Afghan government continues to increase. As the Karzai government struggled to consolidate its rule amid allegations of misgovernance and corruption, its parallel effort to engage the Taliban was derailed when the peace negotiator

Burhanuddin Rabbani was assassinated. The tumult that prevailed through 2011 raises considerable concerns about the direction in which the conflict-ridden country is headed, if and when the US withdraws, possibly leaving the burden of managing Afghanistan to Pakistan and other regional players.

Pakistan's ability to influence events and politics in Afghanistan could, however, be diminished as it struggles with internal political strife. The Pakistan Army, as the omnipotent colossus controlling the state, saw its credibility hitting a remarkable low after Osama bin Laden's safe haven was detected. Its dual policy of being a frontline ally in the War on Terror while also supporting key insurgent and terror groups in Af-Pak and Kashmir came under stress following Osama's killing. Amidst speculation of an impending coup to salvage its lost pride, the Army came under greater stress following revelations of an alleged attempt by the civilian government to secure Washington's help in preventing such an eventuality. As the civil-military face-off aggravated to unprecedented levels ever since the return of the democratic dispensation, the attempt to clip the powers of the Army and ISI leadership could turn out to be a game-changer at best, and could push the country to further turmoil at worst. Thus, 2012 will be crucial not just for the country's civil-military relations and political (in)stability, but would also determine the fate of the Army's writ over the state as well as the ability of democratic institutions to wrest absolute power. For a change, public support in favour of an Army takeover diminished considerably in 2011, notably after the raid in Abbottabad.

Thaw in India-Pakistan Relations?

A positive outcome of Pakistan's domestic turmoil was the civilian government's attempt to improve relations with India. American pressure on the ISI seems to have restricted its ability to orchestrate terror strikes in India, at least in the short term. Following Osama's killing, the Pakistan military also seems to have backed the dialogue process with India, which received a much-needed fillip this year. Both nations agreed on a new set of confidence-building measures to improve relations. Pakistan Prime Minister Gilani's visit to India during the cricket World Cup and the numerous high-level meetings on the sidelines of the SAARC summit, besides constant official-level interactions, were the highs of 2011.

Irritants persisted, however, as Pakistan remained noncommittal on prosecuting the 26/11 perpetrators, even as anti-India groups like the Jamaat-ud-Dawa (as a political incarnation of the Lashkar-e-Taiba) attains greater influence among Pakistan's extremist groups. The coming year will demonstrate how Pakistan's internal political turmoil affects its relationship with India, especially if the Army and the ISI were to attempt to re-invigorate the insurgency in Kashmir in order to regain lost ground. A potential coup in Pakistan could derail the dialogue if the Army resets its terms of engagement with India. Imran Khan's rise as a third alternative, purportedly with the Army's backing, might not be helpful as the former has raised the pitch on Kashmir in his recent campaigns.

China's Ascendancy

China's emergence as the world's second largest economy was accompanied by apprehensions about its increasing assertion in regional theatres. By launching its first aircraft carrier and warning external powers about meddling in the South China Sea, Beijing has forewarned that its rise need not necessarily be peaceful. Beijing, though, dreads a multilateral consolidation against it, involving the US, India, Japan, and Australia. Meanwhile, a lucrative region which beckons China would be Af-Pak, especially after the US exit. China has invested heavily in Pakistan and seeks to extend its influence through Afghanistan towards the oil-rich West Asia and Central Asia. On the one hand, it is focusing massively on the Karakoram link to Gwadar; on the other, Beijing is worried about the fall-out of the Af-Pak turmoil on its frontiers. This is essentially due to yet another uprising in restive Xingjiang, which China blamed on terror camps operating out of Pakistan.

China's assertive engagement in Southern Asia and the Indian Ocean region is the foremost strategic concern for India. In a year that saw significant highs and lows in Sino-Indian relations, New Delhi did the unexpected by taking its strategic challenge to the South China sea, prompting Chinese commentators to predict a new Indian assertiveness and efforts to emerge as a counter-balance to China in the region. After a promising start, however, border negotiations failed to progress after China opposed New Delhi hosting a grand Buddhist gathering which was addressed by the Dalai Lama. As India upgrades its border infrastructure and military preparedness to match Chinese efforts on these fronts, there are possibilities of greater strain and competition in their relationship during the coming year. The coming year will also be crucial as China will go through a leadership transition. India will have to watch out for any changes or nuances in the new Chinese leadership's policy towards India, the border dispute, and Tibet.

India and its Neighbourhood

Increasing Chinese influence in its neighbourhood has forced New Delhi to get its act together. The year saw an affirmative Indian foreign policy at work as New Delhi went the extra mile to improve its relationships with key neighbours, including Pakistan, Nepal, Bangladesh, and Sri Lanka. Engaging the Maoists in Nepal proved fruitful, notwithstanding the latter's preference for China. Efforts are on to exploit the Indian links of the incumbent Prime Minister, Baburam Bhattarai, and to help sustain the consolidation of Nepal's constitutional edifice.

Prime Minister Manmohan Singh's visit to Dhaka was a landmark event in India's improved relations with Bangladesh. Notwithstanding the Teesta irritant, a host of agreements during Dr Singh's visit helped in mitigating the dominant anti-India sentiments in Bangladesh, spearheaded by Khaleeda Zia's party and Islamist groups.

The challenge, however, is to enhance India's influence in Bangladesh both politically and economically, while carefully assessing the potential for military diplomacy as well.

While competing with China for infrastructure projects in Sri Lanka, New Delhi sought to assist in the political reconciliation process, post LTTE. At the same time, it pushed the Rajapakse government to restore political and economic rights to the Tamils.

An active engagement with the Nasheed government in Maldives in 2011 was another highlight of India's neighbourhood policy. Concerns of Islamic revivalism in the country and the emergence of a pro-Pakistan right-wing remain issues of concern for both governments. Analysts see the shift toward greater democracy as providing significant operating space for the Islamist groups. Ominously, these groups are being backed by the Qayoom-led opposition. New Delhi is also apprehensive about an impending economic crisis in this tourist-haven creating an opening for greater Chinese involvement in the Indian Ocean region.

India's Outreach in its Extended Neighbourhood

2011 saw India improving its relations with Iran, probably driven by the lull in India-US relations. Following Dr Singh's meeting with Iranian President Mahmoud Ahmadinejad on the sidelines of the UN summit in September, the chill has given way to new optimism. The Indian Prime Minister prepares to visit Teheran in 2012 and also engage Iran as the upcoming NAM chair. The possibility of Indian participation in the IPI gas pipeline might open up during the PM's visit.

India also made efforts to enhance its stake in Central Asia, especially in Kazakhstan, Turkmenistan, and Kyrgyzstan, which saw several high-level diplomatic engagements. Energy continues to be a priority area besides enhancing India's strategic presence in the region. Defence cooperation has improved significantly, though economic interaction has not been as satisfactory. This region will be a priority area for India in 2012, especially as the US furthers its withdrawal from Afghanistan.

India's Look-East policy is showing results as 2011 witnessed regular interactions with South East Asian nations, most of which are equally concerned about the Chinese ascendancy in the region. A gradual transition in favour of democratic forces and a fresh American opening have spurred the potential for India's greater interaction with Myanmar, more significantly as a means to counter China's influence in this strategic junction between South and South East Asia. A strategic competition with China also defines India's rendezvous with Africa, for which New Delhi seeks to optimally use platforms like the India-Africa Summit.

India-US Relations: Not Exciting Anymore?

India-US relations saw a lull in 2011 as the bonhomie of President Obama's visit in late 2010 soon gave way to disgruntlement, driven by a number of policy setbacks.

Washington did not take lightly the rejection of US companies in the MMRCA fighter deal and the supplier liability provisions invoked in the Civil Nuclear Liability Act. That the seat of the US envoy in New Delhi remained vacant for many months, especially after the MMRCA disappointment, exemplified the Obama administration's disinterest in India. The strategic partnership hardly moved in 2011; there is little prospect of significant movement in the near future as 2012 is an election year in the US. However, engaging India became crucial as US-Pakistan relations turned sour; more so, as the US' exit plan for Afghanistan is being devised. India will also be a key player in any American containment plan for China. The naming of Nancy J. Powell as envoy to India in December shows that Washington cannot afford to ignore New Delhi for long.

Fukushima, Iran's Nuclear Ambitions and a New Leader in North Korea

A devastating earthquake and tsunami resulted in the loss of thousands of lives in Japan. The catastrophe also cut down the coolant system at the Fukushima Daiichi nuclear facility, causing heat to rise and damage the reactors, resulting in a major radiation leak. The Fukushima incident triggered a global outcry about the safety of nuclear reactors. While some European nations like Germany overreacted by discarding nuclear energy revival plans, in India protestors blocked land acquisition at Jaitapur (Maharashtra), where an Areva-backed new plant is planned, and also at Kudankulam (Tamil Nadu), where Russian-constructed reactors are on the verge of being commissioned. Despite safety concerns spurring public protests, the rising demand for power has forced many governments, including in Japan, to restore faith in nuclear power. Meanwhile, the Fukushima episode propelled the Indian government to invoke a supplier liability clause in its civil nuclear liability law and, later, dilute the provisions in the rules and guidelines, apparently under pressure from key nuclear supplier states. On the other hand, India also confronted the Nuclear Suppliers Group (NSG), following the latter's decision to curb Enrichment and Reprocessing (ENR) technology transfers to non-NPT states. Coming in a year when India actively sought NSG membership, the stand-off on ENR transfer complicated its relationship with the cartel.

The Iranian nuclear programme continued to raise concerns as Tehran defied the international writ throughout the year. Even as the US was alleged to be undertaking sabotage operations inside Iran, a US surveillance drone was shot down over Iranian air space. Meanwhile, the IAEA presented a fresh report with palpable evidence of Iranian weaponisation plans, prompting fears of an imminent Israeli strike at Washington's behest. Going into election year, this eventuality looks probable if Obama were to seek to score brownie points by stopping a proliferator.

North Korea, as the other nuclear trouble-spot, has gained considerable global attention following Kim Jong-il's death. The Supreme Leader's succession by his relatively young and inexperienced son, Kim Jong-un, whose approach towards nuclear weapons and

external engagement remains ambiguous, has yet to show any effect. The coming year will witness how this Swiss-educated leader will approach the outside world and whether he will lead the country to a West-imposed disarmament or go in for further armament.

These apart, nuclear issues remained largely dormant in 2011 as the promises of Prague were hardly reflected in non-proliferation or disarmament initiatives. The only active issue was the US–Russia tiff over missile defence in Europe, which the Russians threatened to counter in equal measure. Contrary to expectations, the Obama administration did not push for CTBT ratification in a Republican-dominated Congress. Though nuclear security initiatives are said to be consolidating since the first summit, key organizational measures seem to be snail-paced. The next summit in Seoul in early 2012 might provide some impetus to this Obama-inspired initiative, especially in an election year.

Kyoto Protocol will Prevail

The Climate Change Summit in Durban in December produced mixed results as nations, after hard negotiations, agreed to emission cuts under the existing Kyoto protocol until a new legal treaty is agreed upon by 2015 (which would come into force by 2020). The outcome came after hectic lobbying between the EU, representing the rich nations, and India, leading the group of developing countries. While many countries in the developed bloc agreed to a second commitment period beyond the Kyoto Protocol's 2013 mandate, the world's leading emitters, namely US, China and India committed to voluntary cuts until a new treaty is finalized. India's diplomatic leadership was at work as the delegation resisted the EU effort to force a new legal treaty. Another welcome outcome was the agreement for greater funding to poorer countries through a new Green Climate Fund that will generate over 60 billion pounds every year from 2020. The Qatar meeting of the UN Framework Convention on Climate Change (UNFCCC) in 2012 will debate the new treaty.

What's in Store in 2012?

The coming year will throw up greater challenges as well as opportunities for India's foreign policy and strategic planning. The most crucial objectives in 2012 will revolve around managing the fallout of the global economic crisis that will have a ripple effect on the Indian economy. As the world's fastest growing economies, China and India will have to play a bigger role in global economic diplomacy and engage considerably in managing the crisis in 2012.

Despite the domestic environment being not conducive throughout 2011, as the country remained split on key policy issues, New Delhi still managed to effectively conduct economic diplomacy in its neighbourhood. However, a further slump in growth trends in 2012 might have implications for defence planning and economic diplomacy. Taken

together with the setbacks in defence cooperation, the FDI (in)decision does not augur well for India's economic relations with the US, its largest trading partner. Trade seems to be a balancer in India's competitive relations with China as both nations attempt to improve economic ties; although the trade imbalance in favour of China is not in India's interest. Optimally, using the most favoured nation (MFN) status vis-à-vis Pakistan amidst potential political uncertainties will be yet another test for India's diplomatic acumen.

Conducting foreign policy in 2012 will, therefore, be a balancing game as India seeks to secure its interests across a wide spectrum of strategic issues. Elevating its role in the global economy, influencing the outcome of the Qatar meeting on a new climate treaty, lobbying for NSG membership, pushing for greater reforms in the UNSC, cajoling Pakistan to discard its terror infrastructure, improving relations with Washington in a crucial election year, and standing up to Chinese assertion in its strategic periphery and littoral will be the significant areas of focus for India's grand strategy in 2012. Strategic planning during the year will also be a guessing game as India will seek to negotiate the dynamics of political transformation in Pakistan, a potentially close political contest in the US elections, and a leadership change in China.