

**DDIS INTELLIGENCE  
RISK ASSESSMENT  
2011**





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# Introduction

Welcome to the DDIS Intelligence Risk Assessment 2011. The report comprises a current intelligence assessment of developments abroad affecting Denmark's security and is aimed at a wide audience.

Generally, all DDIS reports are classified to protect our sources and partners. The Intelligence Risk Assessment 2011, however, has been prepared with publication in view, which is reflected in the information and assessments. This has also impacted on the way the report is formulated, on the number of details and on the sharpness of certain analyses. Even so, the Intelligence Risk Assessment is an intelligence assessment of strategic and regional conditions affecting Danish security.

Intelligence risk assessments naturally focus on threatening or potentially negative

developments. Our mission is to collect, process and communicate information on conditions abroad of importance to Danish security, including the security of Danish forces deployed abroad. The information is related to military, political and economic conditions as well as to transnational conditions, in particular international terrorism and the proliferation of weapons of mass destruction. Our key focus is on areas where Danish forces are deployed, on terrorist networks abroad threatening Denmark and Danish interests, including our deployed forces, and on the world's conflict and crisis areas.

Additional information on the Danish Defence Intelligence Service can be found at our website: [www.fe-ddis.dk](http://www.fe-ddis.dk).

Information cut-off date is 25 October 2011.



T. Ahrenkiel

Director Danish Defence Intelligence Service

# Main conclusion

The situation in the Middle East and North Africa is characterised by great uncertainty and instability, and the impact of the Arab Spring extends far beyond the countries involved. The outcome of the uprisings will vary from country to country and it is far from certain that the uprisings will result in Western-style democratic government systems. Frustrations over slow progress and economic problems could trigger new popular protests. Religion has not been the primary driving force of the popular uprising, but it is likely that the Islamic opposition groups, which are often the best organised but also quite different in nature, will be strengthened in several countries. In general, the terrorist groups have played no role in the upheaval and they are challenged by the democratic-oriented development. However, the increased instability gives militant Sunni extremists greater scope for their activities in some countries.

The death of Usama bin Ladin and other high-ranking members have weakened al-Qaida's capability to exercise strategic leadership. However, in the short term, it will be of little operational significance as the terrorist threat has become increasingly decentralised. Several of al-Qaida's affiliated terrorist groups operate independently from their safe havens in Pakistan, Yemen, Somalia and Mali. The terrorist threat from militant Sunni extremists against Western interests will thus not change significantly in the short term. In the medium term, it is likely that a continued weakened strategic leadership will result in an increasingly decentralised terrorist threat which is directed against local targets, including local Western interests, and countries in the West. It is likely that the threat to Western interests will decrease in countries with effective counter measures, including the West, while

it will increase in states with weak security structures.

In Libya the rivalry between the new political leaders following the fall of the Gadaffi regime will dominate the national political development in the short term, and the situation is likely to be unstable. Islamic elements will try to exploit the increased political room for manoeuvre and militant Sunni extremist groups are likely, to exploit the unstable situation in the country.

In the short to medium term, the unrest in Syria will likely break the power monopoly of the Baath Party, thereby paving the way for a significantly changed Syria. It is likely that the Islamist opposition will gain strength. Finally, growing instability in Syria will give militant Sunni extremists greater scope for their activities.

The Arab Spring also influences the balance of power in the region. Israel is worried that the uprisings will lead to a more Israel-critical foreign policy by the Arab countries and thus erode its regional position.

The Iranian regime is stable. Despite a noticeable power struggle in the Iranian leadership and significant dissatisfaction among the people, the Arab upheaval has not aggravated the power struggle. The Arab uprising threatens to weaken Iranian influence in Syria but at the same time enables Iran to gain influence in other Arab countries. A nuclear Iran will not only continue to strengthen its power in the region but also that of its allies. This is not only a cause for concern in the West; regionally, Israel is also wary of such a development as are the Sunni Arab countries, in particular Saudi Arabia.

The balance of power between Saudi-Arabia and Iran dominates the situation in the Gulf. This is also reflected in the uprising in Bahrain where the power struggle between the two countries overshadows the local conflict. Yemen is characterised by great instability and the unrest could spread beyond national borders. The terrorist group Al-Qaida in the Arabian Peninsula has gained strength and has the intent and capability to conduct terrorist attacks both in and outside Yemen.

Piracy poses an increasing threat to civilian shipping, in particular in the Horn of Africa. Piracy will continue as long as there is no government with effective police forces and coast guard in Somalia. There are no direct links between the pirates and the militant Sunni extremist group al-Shabaab such as organisational cooperation or transfer of hostages. However, it is possible that al-Shabaab is making a profit on the pirates' activities.

In Afghanistan, increased military pressure in the south by the international and Afghan security forces has weakened the insurgents but not their intent to continue the fight. The insurgent groups are not likely to be decisively weakened in Afghanistan's southern and eastern provinces by the end of 2014. Moreover, it is not likely that the Afghan security forces and the political institutions will be ready to take over full security responsibility for Afghanistan by the end of 2014, but will need some degree of international assistance.

In Pakistan, Usama bin Ladin's death has contributed to deteriorating relations between the United States and Pakistan as well as weakening the positive perception of the Pakistani army. This will impact negatively on Pakistan's counter-insurgency and counter-terrorism efforts.

The threat from states, groupings and individuals operating in cyberspace constitutes a general security risk for society and for the Danish armed forces, including deployed units. It is highly likely that cyber threats will become

an ever increasing security risk.

The threat posed by proliferation of weapons of mass destruction is growing. This trend will continue, and it is likely that in the long term several states could reach NATO territory with nuclear weapons.

Although the global dominance of the United States will be weakened, the United States will likely remain the world's strongest power in the long term. Shifts in the global power balance generate uncertainty and increased risk of conflict.

Asia's economic growth will give the region more clout in the world economy. Although a military build-up is taking place in the region, it will not likely result in war between the countries.

China will be facing a major top leadership succession in 2012. The Chinese leadership will likely maintain the current economic course. In 2020, China will be the dominant power in East Asia and the second strongest military power in the world after the United States.

In the long term, India will strengthen its global influence due to its growing share of the world economy. Along with a growing military strength this will make India one of the world's important great powers in the very long term.

Russia is on its way out of the global economic crisis and it is not likely that there will be major changes in Russian politics following the March 2012 presidential election. Russia will also continue its pragmatic foreign policy vis-à-vis the United States and the European countries.

There will be an increasing political focus on the right to extract natural resources and to pursue other economic interests in the Arctic as a consequence of the climate changes. It is likely that the Arctic will be the focus of competition and cooperation rather than conflict and confrontation, even if competing interests lead to increased military presence.

# The Arab Spring

*The situation in the Middle East and North Africa is characterised by great uncertainty and instability, and the impact of the Arab Spring extends far beyond the countries involved. The outcome of the uprisings will vary from country to country and it is far from certain that the uprisings will result in Western-style democratic government systems. Frustrations over slow progress and economic problems could trigger new popular protests. Religion has not been the primary driving force of the popular uprising, but it is likely that the Islamic opposition groups, which are often the best organised but also quite different in nature, will be strengthened in several countries. In general, the terrorist groups have played no role in the upheaval and they are challenged by the democratic-oriented development. However, the increased instability gives militant Sunni extremists greater scope for their activities in some countries.*

A wave of uprisings and civil unrest has swept the Middle East and North Africa since the end of 2010. The uprisings, which were quickly collectively named the Arab Spring, started in Tunisia and spread to large parts of the Arab world where the incumbent rulers were met by demands for reform and in some cases ousted.

The populations of the individual countries all demand improved social and economic conditions, initiatives to curb power abuse as well as political reforms. The political situation in the Arab countries has long been unstable with high unemployment rates and repressive political systems with limited popular support. An underlying potential for conflict has thus long been present in the region.

The situation in the Arab countries is characterised by great uncertainty and instability. The consequences of the uprisings extend far beyond the countries involved. The regional and international engagement, especially the international military and humanitarian efforts in Libya, is a clear reflection of this.

Even though public protests in connection with the Arab Spring have initiated political reform processes, it is far from certain that they will result in Western-style democratic government systems. However, it is likely that the regional rulers will be more open to public demands for political rights. This also applies to countries which have been less affected by the Arab Spring.

In Libya, where the uprising escalated into actual military conflict, the new regime is faced with formulating a national reconciliation policy following the death of Muammar Gaddafi. In Tunisia public uprising has resulted in a new regime and it is likely that Tunisia will chart an actual democratisation course. In Egypt, preparations have been made for parliamentary elections. The frustrations over slow progress and economic problems could, however, trigger new popular protests in these countries.

In Syria, the situation is still undecided, and the prospects of finding a quick solution look dim. The uprising will likely result in a significantly changed Syria.

Despite the outcome of the uprising, Yemen will be a source of unrest, contributing to increased operational possibilities for the terrorist group Al-Qaida in the Arabian Peninsula.

In general, the Islamic opposition groups have only played a marginal role in the initial phase of the Arab Spring, not least when compared to the role played by secular liberal groups. It is likely that the Islamic groups have considered it advantageous to take a back seat in the uprisings. In many respects, they are better prepared to use the openings paved by the uprisings because they are better organised. It is uncertain what the effects will be in the individual countries as the Islamic groups are often ridden by internal discord and different attitudes as to how big a role religion should

play as is the case with the Muslim Brotherhood in Egypt, among others. Overall, it is likely that the Islamic opposition groups will come out stronger from the Arab Spring in several countries.

The fundamental problems in the region cannot be solved in the short to medium term despite the uprisings having resulted in political leadership changes in some countries. This means that the reasons for unrest are still present and that the situation could quickly escalate. Further details are provided on the situation in the individual countries in the Middle East and North Africa chapter.

Israel is wary of the development in the region. Turkey is pursuing a more activist policy, resulting in significantly deteriorating relations with Israel, and the precariousness of the outcome of the uprisings also gives rise for Israeli concern.

The militant Sunni extremist groups have only played a marginal role in the uprisings in the Arab countries. The uprisings mean that a more open political system with the possibility of broader political participation has now become a viable and popular alternative to the militant Sunni extremist wish to create a true Islamic state in the form of a caliphate. Acting on the public sentiment, several militant Sunni extremist groups in the Middle East and North Africa have expressed their support for the uprisings.

It remains uncertain what effect the political changes in the Middle East will have on the support for militant Sunni Extremism. The revolutions are far from over, and the new political systems' ability to generate economic progress and guarantee de facto political participation remains uncertain. It is likely that the Sunni extremist groups will sharpen the tone as the widespread enthusiasm wears off. Problems of political marginalisation and economic difficulties will continue and the militant Sunni extremists will adapt to the situation in an attempt at maintaining their appeal.

It is likely that militant Sunni extremists could capitalise on the uprisings. The countries in the Middle East and North Africa have been united in the fight against al-Qaida and like-minded groups, not least since 2001. They have regarded the Sunni extremists as the key threat to their security and have trained their security forces accordingly. Libya and Yemen have the weakest central power structures, but those of Tunisia, Egypt and Syria are also significantly weakened, providing the militant Sunni extremists with greater scope for their activities. It is likely that these groups will make attempts to use this to strengthen their capabilities, not least by building up arms stockpiles. It is highly likely that Al-Qaida in the Islamic Maghreb, among others, has used the war in Libya to help itself to arms from the government army's stocks.



# Terrorism

*The death of Usama bin Ladin and other high-ranking members have weakened al-Qaida's capability to exercise strategic leadership. However, in the short term, it will be of little operational significance as the terrorist threat has become increasingly decentralised. Several of al-Qaida's affiliated terrorist groups operate independently from their safe havens in Pakistan, Yemen, Somalia and Mali. The terrorist threat from militant Sunni extremists against Western interests will thus not change significantly in the short term. In the medium term, it is likely that a continued weakened strategic leadership will result in an increasingly decentralised terrorist threat which is directed against local targets, including local Western interests, and countries in the West. It is likely that the threat to Western interests will decrease in countries with effective counter measures, including the West, while it will increase in states with weak security structures.*

Usama bin Ladin's death in May 2011 means that the militant Sunni extremist key leader and source of inspiration is gone. Usama bin Ladin was widely synonymous with al-Qaida which has been a great source of inspiration for Sunni extremists since 11 September 2001. Bin Ladin was considered the leader of jihad. Ayman al-Zawahiri has succeeded Usama bin Ladin as head of al-Qaida, but he does not enjoy the same status. Al-Zawahiri is considered more of an armchair leader. Though he could grow as a leader, the senior leadership's appeal to Sunni extremists has diminished.

The increased pressure on al-Qaida and the death of several senior leaders limits the senior leadership's scope for action in at least two key areas. Firstly, the organisation's ability to chart al-Qaida's overall strategy to like-minded groups and sympathisers around the world will be curbed. One of the reasons is that the legitimacy connected to key individuals is difficult to transfer to their successors. Secondly, the many attacks on al-Qaida senior leaders have forced the organisation to take additional security precautions and have weakened its possibilities of becoming involved in operational issues, including approving large-scale attacks on Western targets, coordinating cooperation and giving specific orders and recommendations.

Still, a number of al-Qaida's like-minded groups have been strengthened. They have operated independently from their safe havens located in, for instance, Pakistan, Yemen, Somalia and

Mali, and they have grown stronger over the past few years. Their operational capabilities have grown and their intent to attack both Western and local targets remains strong. This means that the threat to Western targets does not emanate from one group but from a number of different groups united in one network. The threat has been increasingly decentralised, and bin Ladin's death and the pressure on al-Qaida's senior leadership will thus likely have limited operational significance in the short term. Attacks will still be planned and carried out, both against local targets, including local Western interests, and against countries in the West.

Anwar al-Awlaki, one of the leaders of Al-Qaida in the Arabian Peninsula, was killed in September 2011. Though his death was a severe blow to the group, Al-Qaida in the Arabian Peninsula will continue to focus on attacking targets in the West. Awlaki's death will lower the quality of the group's propaganda magazine Inspire as well as the group's ability to inspire Western militant extremists. The Internet magazine Inspire has been published by the group since the summer of 2010 targeting English-speaking audiences. One of its purposes is to motivate individuals in the West to launch terrorist attacks. Moreover, over the past few years, the group has become increasingly active on Islamist websites, for example by publishing several statements.

Militant Sunni extremists have not gained a strong foothold in Europe, in particular as

a result of strong cooperation between the European security and intelligence services. Still, militant Sunni extremists who have been trained in camps outside Europe poses the most significant terrorist threat in Europe in the short to medium term. North-western Pakistan, Yemen and Somalia continue to house training camps for militant Sunni extremists.

Several terrorist attacks in Europe have been foiled, yet despite increased efforts by the authorities, militant Sunni extremists will highly likely continue to try launching complex attacks in Europe in the short to medium term. It is likely that individuals not affiliated with terrorist networks will make attempts to launch attacks. However, these attacks will be of a simple nature.

The threat from militant Sunni extremists has continuously changed over the past 20 years as al-Qaida and other militant groups have proven capable of adapting to changed conditions. In the medium term, it is likely that a continued weakened strategic leadership will negatively affect the militant Sunni extremists' ability to adapt to changes, to mobilise economic resources and to engage in inter-group cooperation. In the medium term, the terrorist threat will also become more decentralised due to the continued capability build-up by some of the like-minded groups. It is likely that the militant Sunni extremists' capability to launch attacks on Western interests will diminish in countries with effective counter measures, including the West, while it will increase in states with weak security apparatuses, including countries in the Middle East which have been through major political changes.

# Piracy

*Piracy poses an increasing threat to civilian shipping, in particular in the Horn of Africa. Piracy will continue as long as there is no government with effective police forces and coast guard in Somalia. There are no direct links between the pirates and the militant Sunni extremist group al-Shabaab such as organisational cooperation or transfer of hostages. However, it is possible that al-Shabaab is making a profit on the pirates' activities.*

Nine Danish citizens were taken hostage by Somali pirates in 2011. The two that remain in their custody were on board the freighter Leopard and were taken hostage in January 2011 in the Arabian Sea. The seven Danes from the yacht ING which was hijacked in February 2011 in the same area were ransomed in early September 2011.

Piracy poses an increasing threat to civilian shipping, in particular off the coast of the Horn of Africa. Somali pirates account for approx. 90 per cent of hijackings worldwide. In 2010, Somali pirates hijacked a total of 49 ships and took some 1,000 crew members hostage. This is an increase on previous years and this development is likely to continue in the short term. In late September 2011, Somali pirates were holding a total of 10 ships and approx. 250 crew members.

Somali pirates still target ships in the recommended international shipping routes. During the first half of 2011, pirates received ransom totalling approx. USD 80 million compared to USD 85 million in all of 2010. The number of days the ships are being held by pirates has also risen – with the exception of larger tankers, whose release is usually negotiated faster against a correspondingly larger ransom.

The use of larger mother ships has enabled pirates to launch attacks as far as 2,000km off the Somali coast. Moreover, there have been attacks off the coast of Oman to the north in the Arabian Sea and south to Mozambique and Madagascar. The developments in 2010 and 2011 show that pirates prefer to use hijacked traditional fishing vessels and small cargo ships

as mother ships since smaller hijacked vessels are not registered internationally as hijacked and are thus not the immediate focus of the international anti-piracy coalition.

The Somali government does not control the piracy-infested areas. It does not have sufficient police forces to counter the pirates on land, and it has no navy or coast guard capabilities to fight piracy at sea.

Most of southern Somalia and parts of central Somalia are controlled by the militant Sunni extremist group al-Shabaab along with other militant groups. Officially, al-Shabaab opposes piracy which the group considers being contrary to Islam. However, there are no signs that al-Shabaab is actively combating the piracy problem. It is possible that the group charges fees in exchange for allowing the pirates to use the areas under its control for piracy camps and anchoring places for hijacked ships. However, there are no direct links between the pirates and al-Shabaab such as organisational cooperation or transfer of hostages.

The Puntland region in the Somali north-eastern corner plays a key role as a launching area for piracy attacks. The regional institutions are weak and can be bribed by parts of the ransoms received by the pirates.

In recent years, the Puntland government has made limited progress in combating piracy. The initiatives have been followed up by a few arrests of pirates. These initiatives show the regional government's resolve to fight piracy but so far they have had little effect. Puntland's president has announced that the region only fights piracy when it serves its own interests

and not out of regard for international shipping. Consequently, piracy off the Puntland coast is not likely to be brought to an end in the short term.

The situation in Somaliland in the north-western corner of Somalia is stable, making it possible to establish a fairly well-functioning coast guard and contain the piracy problem. Contributing to Somaliland's successful anti-piracy efforts is its location near the Gulf of Aden, which is patrolled by a large number of international naval units as part of the fight against piracy. In the eastern part of the region, Somaliland's regional government has long been engaged in a border dispute with Puntland, regularly resulting in violent clashes.

Together with NATO and the EU, naval units from several countries are taking part in the coalition's anti-piracy operations. These operations have been stepped up since piracy off the Horn of Africa escalated in 2008. In

2010 and 2011, NATO forces adopted a more offensive approach to piracy and the naval units operating under a UN mandate have moved right close to the coast, seizing some of the smaller ships involved in piracy.

The primary focus of the international naval units is to protect shipping in the Gulf of Aden and to protect merchant ships delivering supplies for the refugees in Somalia. The objective of the presence of international navy units is to restrict the activities of the pirates, but their large area of operation and the limited number of naval units make it unlikely that the threat from piracy can be eliminated in this way.

It is likely that piracy will continue in the short to medium term as long as there is no effective Somali state with law-enforcing powers and coast guard capabilities to fight piracy in Somalia.

# Proliferation of weapons of mass destruction

*The threat posed by proliferation of weapons of mass destruction is growing. This trend will continue, and it is likely that in the long term several states could reach NATO territory with nuclear weapons.*

A number of countries have the capability to develop weapons of mass destruction and in contravention of international treaties some countries already have programmes for this purpose. Several of these countries also have programmes for developing ballistic missiles which are particularly suitable for delivering nuclear weapons.

It is likely that in the long term, several states could reach NATO territory with nuclear weapons.

Despite international protest, Iran continues to expand its nuclear facilities. The facilities are suitable for the production of nuclear weapons and form part of the nuclear fuel cycle. If the purpose of the Iranian nuclear programme is indeed exclusively civilian, a number of these facilities seem economically irrational. This is reflected in the fact that only six of the world's 31 countries with nuclear power plants have all of the facilities which Iran has developed. To a minor state with no nuclear weapon ambitions some of these facilities represent large and unnecessary costs. On the other hand, North Korea, which has a nuclear weapons programme but does not have nuclear power, has invested in similar facilities.

As signatory to the Non-Proliferation Treaty, Iran has the right to build a civilian nuclear programme. However, Iran has repeatedly concealed activities which are relevant for the production of nuclear weapons. Thus, in September 2009, it was revealed that Iran was in the process of building a uranium enrichment facility, which hardly fits with a civilian nuclear programme. This facility is now monitored by the International Atomic Energy Agency.

In 2010, Iran began enriching uranium to 20 per cent, citing that it was for the production of isotopes for medical purposes. However, the higher enriched uranium renders Iran capable of producing nuclear weapons faster, should it so desire.

Syria is also under suspicion of having plans to produce nuclear weapons. An alleged reactor site was bombed in September 2007, likely significantly setting back the country's possible nuclear weapons programme. Syria has not cooperated with the International Atomic Energy Agency on this issue; however, responding to pressure, the country has agreed to start cooperation. No specific steps have been taken since, though.

North Korea has carried out two nuclear tests in October 2006 and May 2009 respectively. These tests have caused international condemnation as has the country's ambitious ballistic missile programme. North Korea no longer cooperates with the International Atomic Energy Agency.

The North Korean nuclear weapons programme is based on plutonium; however, according to open sources, the country has built a uranium enrichment facility. Uranium-based nuclear weapons are easier to produce secretly than plutonium-based nuclear weapons.

Pakistan conducted its first uranium-based nuclear weapon test in 1998. However, in addition to its uranium-based nuclear programme, it is highly likely that for the past few years Pakistan has had the capability to produce plutonium, enabling it to produce plutonium-based nuclear weapons which can be made lighter and thus are easier to deliver with ballistic missiles.

Although the capability to produce nuclear weapons gives rise to international concern, focus is also directed at chemical weapons programmes and, increasingly, at biological weapons programmes. It is difficult to prove plans to develop biological weapons as biological weapons programmes are easily concealed in a civilian biotechnology industry.

Globalisation has contributed to making the technology and products required to develop weapons of mass destruction increasingly accessible to states with the necessary economic

and organisational resources. These countries often succeed in procuring this technology and these products by circumventing national export control measures. This trend will likely continue and grow.

It has become increasingly difficult for international control mechanisms such as the International Atomic Energy Agency to establish cooperation with a number of states, making it difficult for the agency to form a general view of the extent and purpose of these states' nuclear programmes.

# Cyber threats

*The threat from states, groupings and individuals operating in cyberspace constitutes a general security risk for society and for the Danish armed forces, including deployed units. It is highly likely that cyber threats will become an ever increasing security risk.*

Information and communication technology and, not least, the use of the Internet are essential to the effectiveness of modern society and the armed forces. Similarly, the use of cyberspace has become of vital importance internationally and distinctions are not made between national boundaries or between civilian and military areas.

The threats emanating from cyberspace range from hacking activities by private amateurs to espionage and actual warfare. Cyberspace may be used to collect strategic key information, to destroy the IT structure, or to gain control of critical infrastructure elements, etc.

Identifying the source of an attack in cyberspace is often difficult as is determining the purpose of an attack, for example whether it is connected to criminal activities, terrorism, cyber activism, or espionage. In the initial phase of an attack in particular it can be difficult to determine whether the attack involves limited activities or it is an actual targeted attack.

There are only few international conventions governing the area, and the national legal framework has not yet been fully established.

The actors operating in cyberspace range from individual hackers to minor groupings or de facto state actors. Hackers may also be organised in subgroups or the like with a common, often political, agenda. The hackers may possess a wide range of skills, ranging from a very low level to a level requiring extensive technical insight.

Financial gain may be a significant motivational factor. Hackers abuse stolen credit card information, send out spam, or commit fraud

or extortion, for example by threatening to delete data.

Cyberspace is also used for espionage involving targeted attacks against individuals in prominent positions who possess sensitive information. Such activities may also be directed against companies, for example in order to collect information on patents, budgets, and future plans.

Feelings like nationalism, religious or political affiliation may often provoke individuals or groups into attacking anything they consider hostile be it a state, a political party, or a newspaper expressing its opinion, etc. Moreover, the wish to merely show one's hacking skills also motivates cyberspace activities.

It is likely that the most serious threats in cyberspace emanate from great powers and other states wanting to take advantage of cyberspace and capable of deploying significant resources, including launching large-scale advanced attacks. As far as some countries are concerned, there are indications that their national cyber capabilities are supplemented with various non-governmental groupings. Even the systems of highly developed states and organisations are vulnerable to such attacks.

In many places of the world, capabilities are being built up, which could be used to launch attacks of different magnitude in cyberspace, also against closed networks. There have been only few examples of major state-initiated cyberspace attacks, whereas espionage aimed at stealing information or technical knowhow has been observed numerous times, primarily carried out by non-Western states. As it is

often difficult to establish the origin of an attack, it could be tempting to a state to carry out operations in cyberspace.

Broadly speaking, weaknesses or defects in the information security environment and systems in cyberspace could be divided into known and unknown vulnerabilities. Numerous attacks exploit the known vulnerabilities. They are numerous and often mentioned in the media. They are usually countered by providing systems and staff with security updates. Attacks exploiting the unacknowledged vulnerabilities are far more challenging and difficult to handle. Even companies with strong security measures could be vulnerable to such threats.

In order to protect against the multifaceted threats emanating from cyberspace, each individual state will have to secure its critical

infrastructure in the best possible way, among other things through preventive measures, the monitoring of systems and networks, and the possibility of implementing mitigating measures. The threats are global. If they are to be countered successfully, they require national and international cooperation, particularly between state intelligence and security services.

In the future, more and more systems and networks will become integrated and be of vital importance to our modern society and the missions of the armed forces; likely resulting in increased exploitation of the ensuing vulnerabilities.

To sum up, it is highly likely that the threat emanating from cyberspace will develop and come to pose an ever increasing security risk.



# Afghanistan and Pakistan

*Developments in Afghanistan and Pakistan are in many ways closely interwoven. The Afghan Taliban and other insurgent groups use Pakistan as a safe haven for their activities in Afghanistan. Pakistan's resolve and resources for fighting the elements of Afghan Taliban staying in Pakistan remain limited. Pakistan will continue to focus its efforts on the Pakistan Taliban. This is one of the reasons for the Afghan Taliban's ability to continue the insurgency, and consequently, a solution to the conflict in Afghanistan must be considered in a regional perspective.*

In 2011, the international and national Afghan security forces have maintained pressure on the insurgents in Afghanistan, in particular in southern Afghanistan. The first stage of the transition process was initiated in the summer of 2011 and despite the initial results being positive, the security and political situation remains very fragile.

Developments in 2011 in Pakistan have been characterised by clashes in the border areas with Afghanistan, weak political leadership and Usama bin Ladin's death in May 2011. Not least the killing of Usama bin Ladin has had major consequences for Pakistani politics and the Pakistani army, which has lost prestige and credibility in the eyes of the population.

The insurgency in Afghanistan is fuelled by factors such as the insurgents' continued

access to safe havens in western Pakistan. Pakistan still has limited will and resources to fight the Afghan insurgent groups.

It is likely that countries in the region, for example Pakistan, Iran, India, China and Russia, will increase their engagement in Afghanistan as the responsibility for security across the country is gradually transferred to the Afghan security forces. The United States' continued military presence after 2014 will curb the neighbouring countries' willingness to support factions in Afghanistan militarily. The United States and President Hamid Karzai will make efforts to involve the neighbouring countries in finding an international solution to the conflict in Afghanistan as direct negotiations with the insurgent groups are not likely to lead to reconciliation.

## Afghanistan

*In Afghanistan, increased military pressure in the south by the international and Afghan security forces has weakened the insurgents but not their intent to continue the fight. The insurgent groups are not likely to be decisively weakened in Afghanistan's southern and eastern provinces by the end of 2014. Moreover, it is not likely that the Afghan security forces and the political institutions will be ready to take over full security responsibility for Afghanistan by the end of 2014, but will need some degree of international assistance.*

Up to 2014, the Western countries will pull out the majority of their troops. Consequently, President Hamid Karzai's need to secure his power base outside the government's official institutions has increased. This should also be seen against the background of the expiry of his last tenure in 2014. He will likely form alliances with local power brokers from all parts of the country, enabling him to secure his position after 2014.

The killings of Karzai's half-brother, Ahmad Wali Karzai, and former Governor of Uruzgan province, Jan Mohammad Kahn, have weakened Karzai's influence in southern Afghanistan in the short term.

It is likely that up to 2014, unofficial local power brokers will gain increased influence in Afghanistan at the expense of the legitimacy of the Afghan state.

The official institutions remain weak and have not succeeded in gaining legitimacy or winning over the Afghan population. Consequently, Afghan state institutions are faced with numerous problems. The Afghan state is not likely to be able to provide basic public services across the country at the provincial or district level by the end of 2014.

Up to the killing of Burhanuddin Rabbani in September 2011, a key element of President Karzai's policy was reconciliation with the Taliban. With the killing of Rabbani this policy has suffered a setback. The High Peace Council, of which Rabbani was chairman, is responsible for reconciliation with the Taliban. The killing of Rabbani is a sign of the Taliban's reluctance to discuss reconciliation with the Afghan government. It is likely that the Taliban leader, Mullah Omar, believes that the Taliban stands to gain more from continuing its operations than it would from taking a seat at the negotiating table.

The killing of Rabbani has also weakened President Karzai. The political opposition factions have been given a greater incentive to cooperate among themselves and the Afghan government has once again displayed its lacking capacity to protect its own leaders. President Karzai is likely to seek regional solutions to the conflict in Afghanistan now that his reconciliation strategy has been severely weakened.

In 2011, the International Security Assistance Force, ISAF, has maintained its military campaign and pressure against the insurgents by launching major operations in the provinces of Helmand and Kandahar in the spring and summer of 2010. These operations were followed by significant civilian efforts aimed at strengthening the Afghan government's administration locally and improving the living conditions of the local population.

The international and Afghan efforts in the southern provinces of Helmand and Kandahar have limited the freedom of movement of the insurgent groups as well as their local influence. The key reasons are that the insurgents have lost vital strong points, and that a large number of insurgent leaders have been killed

or captured. The insurgents have responded to this pressure by reducing the number of attacks on the international forces. Instead, they have focused their attacks on the Afghan security forces and government representatives and stepped up their intimidation campaigns against the Afghan population. In general, the military pressure exerted by the international forces and the Afghan armed forces has not weakened the insurgents' resolve to continue fighting. The insurgents in southern Afghanistan are not likely to be decisively weakened by the end of 2014.

Because of the strong focus on southern Afghanistan, the international and national security forces have not been able to put pressure on the insurgents in eastern Afghanistan. Consequently, there are numerous insurgent safe havens in this area. The strong position of the insurgents in eastern Afghanistan is a threat to Kabul as the city's supply routes run through these areas. The insurgents' influence has diminished in the Kabul area itself, though. Although the insurgents are capable of launching spectacular attacks in the capital, the number of attacks is low. It is not likely that the international and Afghan security forces will be able to markedly weaken the insurgents in eastern Afghanistan before the end of 2014.

The security situation in northern and western Afghanistan is calm compared to the situation in the south and in the east. This is likely also to be the case by the end of 2014.

The Taliban and the Haqqani network, which is closely affiliated with the Taliban, will be able to continue to launch insurgent and terrorist attacks in Afghanistan, even after 2014. Cooperation between the various insurgent and terrorist groups will enhance their capability to launch major and complex attacks in the country. It is highly likely that the insurgent and terrorist groups will continue to choose Westerners as targets for kidnappings and terrorist attacks, for instance by means of suicide bombs.

The number of IED attacks in Afghanistan has increased in 2011; however, compared to 2010 the rate of the increase is diminishing. It is likely that IEDs will pose the biggest threat

to ISAF and the Afghan security forces in the short term.

Since 2009, the Afghan army has participated in all major military operations. Despite this positive development, the majority of the Afghan units do not have the capability to carry out complex and enduring operations independently. Although it is envisaged that the training mission will strengthen the Afghan army considerably, it is likely that even after 2014 the Afghan army will need international support in the form of instructors, combat support units and special forces to fight the insurgents. This emphasises the need for an enhanced training focus.

The Afghan police force is far more riddled with inefficiency and corruption than the Afghan army. Therefore, the public confidence in the police is limited. Several initiatives have been taken to strengthen the police force, including a general increase in pay and improved training. Sustaining morale in the Afghan police force is a far greater task than is the case in the Afghan army. The Afghan police force has suffered greater casualties than the Afghan army as the police force is often stationed at the most exposed areas and lacks training and equipment. Although it is envisaged that the training mission will strengthen the Afghan police force considerably, it is likely that the Afghan police force will need some international support to carry out its mission, even after 2014. Again, this emphasises the need for an enhanced training focus.

## Helmand province

Helmand province is a focal point of the international and national Afghan security forces' counter-insurgency efforts. In central Helmand, the Taliban has lost some of its influence in the most densely populated areas. Numerous Taliban leaders have been captured or killed, and in southern and central Helmand the security forces' operations have cut off the Taliban's key supply routes.

Despite progress in the counter-insurgency efforts, the Taliban has not been decisively defeated. The Taliban still has several strongholds in central Helmand, and in the mountains in northern Helmand the group

has a firm grip on the local population. The Taliban is not likely to be decisively weakened in Helmand by the end of 2014.

The civilian reconstruction efforts are important in the fight against the insurgents. With international support Helmand province governor Mohammad Gulab Mangal has contributed towards a positive development in the province. His administration has made efforts to combat the narcotics problems and corruption and develop good governance in the province.

In Nahr-e Saraj, the Danish forces' area of operation, local power holders enjoy significant influence. Their struggle for power and money, for example for farm land, water and narcotics, affects the local population negatively. Frequent replacements, poor education, insufficient staffing and corruption make it difficult for the Afghan district administration to gain the upper hand against the local informal rulers and the Taliban.

The Taliban is responsible for most of the violence committed against the international forces and the Afghan authorities in Nahr-e Saraj, whereas local militias and criminal networks are responsible for other violent activities in the district. Much of the violence is rooted in the opium economy, family and tribal disputes and a division of power which favours own partners socially, politically and economically.

## Relations between Afghanistan and Pakistan

Pakistan's relations with Afghanistan will continue to be characterised by Pakistan's support of the two key militant Sunni extremist insurgent groups in Afghanistan: the Taliban and the Haqqani network. These insurgent groups have safe havens in Pakistan. It is likely that Pakistan sees the Haqqani network as the best way to exert influence in Afghanistan once the Western forces have withdrawn from the country. Afghan President Hamid Karzai has acknowledged that Pakistan will have to be an important partner if Afghanistan is to reach a peace agreement with the Taliban. Also, Pakistan's fear of India determines

Pakistan's continued support for the Taliban and the Haqqani network.

Historically, India has enjoyed great influence in Afghanistan. During the Afghan civil war in the late 1990s between the Pakistan-supported Taliban government and the North Alliance, India supported the latter and has contributed significantly to the reconstruction of Afghanistan. On the other hand, Pakistan has used militant groups in Kashmir in the fight against India; the most prominent group being Lashkar-e-Tayyibah. However, it is not likely that the group's activities will have a decisive influence on the insurgency in Afghanistan as its presence in Afghanistan is limited.

Many Pakistanis consider India's support for

## Pakistan

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*In Pakistan, Usama bin Ladin's death has contributed to deteriorating relations between the United States and Pakistan as well as weakening the positive perception of the Pakistani army. This will impact negatively on Pakistan's counter-insurgency and counter-terrorism efforts.*

The killing of Usama bin Ladin in May 2011 by US Special Forces has enhanced two important trends in Pakistan: increased distrust of the United States at all levels of society and diminishing popular support for the Pakistani army. Even though there is limited popular support for al-Qaida, unrestricted military access to Pakistan by the United States has resulted in a considerable loss of prestige for the Pakistani armed forces. Consequently, in the short term, the army will be very sensitive to the Pakistani population's reactions to military operations and cooperation with the United States.

The Pakistani population has generally perceived the armed forces as the only institution acting as a cohesive force in Pakistan. The armed forces have directly or indirectly always had significant influence on Pakistan's security policy. As Pakistan has always had relatively weak civilian institutions, the population has accepted that the army took control of the country in times of crisis. However, the current military leadership supports the civilian government's efforts to establish order in the country.

Afghanistan as an attempt to contain Pakistan. Consequently, the focus of Pakistan's India policy is to limit India's influence in Afghanistan in order to prevent it from getting the opportunity to meddle in Pakistan's efforts to establish a secure border with Afghanistan. To Pakistan, it is vital to be able to influence and support pro-Pakistani power brokers in the Afghan provinces bordering Pakistan. Pakistan will also be in favour of the Taliban leadership gaining influence on the distribution of power in Afghanistan post 2014. However, Pakistan will still resist ISAF's ambition for increased cooperation against the Taliban and will even tolerate the movement's use of Pakistani territory.

The military commanders and the Pakistani army chief attempt to restore the armed forces' prestige while at the same time strengthening unity within the armed forces. In this process, the government is likely to reduce the presence of the army in north-western Pakistan and secure wide political support for new operations. The army will also be extremely cautious about being deployed against popular protests and riots. However, the army continues to be more popular than the civilian politicians and there is no immediate change in the domestic balance of power. There are no indications that the weakening of the army's reputation will have consequences for the security measures related to Pakistan's nuclear arsenal.

In the short term, major popular protests are not likely to have the same repercussions for the political leadership as seen in the Middle East in 2011.

Pakistan is characterised by the fighting between moderate Muslims who consider Islam a private matter and militant Sunni extremists who want Islam to form the

backbone of legislation, state institutions and the government apparatus. The political leadership's close cooperation with the United States has bolstered Pakistan's militant Sunni extremists who dominate the political-religious debate. In 2011, a provincial governor and a minister of the central government were killed because they spoke in favour of easing or repealing the country's blasphemy laws, which can be used to punish anyone defaming the Prophet Muhammed.

Despite the evident precariousness of Pakistan's security situation, the government does not have sufficient power to present an effective plan to counter extremism. Such a plan would require the participation of all major parties but no one has the courage to join.

Pakistan's current problems of violent extremism, economic stagnation and the debate on Islam's status in society create difficult working conditions for the civilian government. Moreover, it has been burdened with cases of corruption and power abuse, negatively affecting its ability to take action at critical moments. Nevertheless, the armed forces are likely to support the government, enabling it to stay in office for its full term.

Elections for the Pakistani National Assembly have been scheduled for 2013. The current ruling party, Pakistan People's Party, stands to retain power, but an election victory for the leading oppositional party, Pakistan Muslim League-Nawaz, could result in a clash with the armed forces' power monopoly on controlling Pakistan's security policy.

In the medium term, violence from militant Sunni extremists is the biggest threat to Pakistan's ability to function as a state. Pakistan's use of militant Sunni extremists to gain influence in Afghanistan and India has turned the country into a key hub for a number of militant Sunni extremist groups and networks, including the al-Qaida senior leadership.

For decades, the Pakistani intelligence service has managed to keep the militant Sunni extremists focused on activities benefitting Pakistani interests. But after Pakistan's declared participation in the war on terror, they

have increasingly turned their fight inwards against the Pakistani society. In particular, the US drone attacks in north-Western Pakistan have fuelled the anger of the Islamists. The fight against the Pakistani government will continue as long as the country's leadership shows cooperativeness with the United States, resulting in an increase in terrorist bombings, assassinations and attacks on civilian and military targets.

As an ally in the war on terror, Pakistan has gradually increased its military presence along the Afghan border. The Pakistani counter-insurgency efforts were initially focused on foreign militants affiliated with al-Qaida, but since 2007 their primary objective has been to fight the militant Sunni extremist group Pakistani Taliban. This is the result of a change in Pakistani Taliban's strategic goals from fighting to control specific parts of north-western Pakistan to fighting for radical Islamification of all of Pakistan. It is likely that Pakistani Taliban cooperates with al-Qaida.

Pakistan still considers India its greatest external threat. As far as Pakistan's internal security and stability is concerned, Pakistani Taliban has now become the main enemy. While the Pakistani armed forces consider India an existential threat, they consider the Pakistani Taliban a short-lived threat which has emerged in the wake of the war on terror. Pakistani Taliban has been under increased military pressure over the past two years, but has managed to continue its attacks on the Pakistani government and the Pakistani army. The attacks in the summer of 2011 by the Pakistani Taliban launched from hiding places in Afghanistan across the border against civilian and military targets in Pakistan are examples of the increased pressure.

The Pakistani army has made significant progress in fighting the insurgency. To a large extent, both the army and the air force have been forced to change their strategy away from engaging in conventional war with India in the east to fighting fellow countrymen in the west. The very complex geographical and demographical nature of the border areas, where it can be difficult to distinguish friend from foe, has further complicated the

mission. However, during the first half of 2011, the armed forces have continued to pursue militants in these areas, usually by including local tribes as militias supporting the army operations.

Pakistan's weakened relations with the United States following the death of Usama bin Ladin mean that Pakistan will become even

less inclined to risk the lives of its soldiers in fights against groups which are not directly threatening Pakistan's security. Consequently, the army will try to step down its activities in the border areas, focusing increasingly on negotiating ceasefires and peace agreements. When this approach is not possible, the army will increase its efforts to have local militias handle security.

## Libya

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*In Libya the rivalry between the new political leaders following the fall of the Gadaffi regime will dominate the national political development in the short term, and the situation is likely to be unstable. Islamic elements will try to exploit the increased political room for manoeuvre and militant Sunni extremist groups are likely, to exploit the unstable situation in the country.*

In Libya the uprising escalated into an actual military conflict between protesters and the national leader, Muammar Gadaffi. The uprising was inspired by developments in the neighbouring countries of Tunisia and Egypt. Gadaffi's military offensive to regain control made the UN Security Council pass a resolution in March 2011 that permits international military operations in Libya. The objective of these operations was to end violence and crimes against civilians and to secure the population access to humanitarian aid.

On 23 October 2011, the Interim Transitional National Council declared Libya free. Even though the new members of the council have made important progress in their efforts to enforce its authority as the legitimate authority of Libya, it faces major security, political and economic difficulties. The biggest challenges are to implement a civilian-run security apparatus and to disarm militias outside council control.

Moreover, the Interim Transitional National Council is a relatively loose association which has been kept together during the conflict by the purpose of toppling Gadaffi. The council has been characterised by internal disagreements and a growing number of its members are promoting themselves rather than the council as a whole. It is likely that the accusations made by Islamists that the council members are tarnished by their former connections to Gadaffi will increasingly be used to weaken the council.

The conflict in Libya has not resulted in extensive tribal-motivated violence. During the uprising, numerous tribes have been divided over the issue and several of them never took sides decisively. The tribes are likely to gain increased political clout due to the absence of political parties and non-governmental organisations. It is likely that the major tribes, particularly in western Libya, will gain leading positions in the transition process, whereas the tribes from eastern Libya will seize the opportunity to boost their political influence. Gadaffi's own Gadhafa tribe is likely to be marginalised along with a number of minor tribes which Gadaffi has given power and influence.

Gadaffi's armed forces mainly focused on domestic security, primarily with the purpose of protecting Gadaffi's own tribe and inner circle of confidants. Libya is facing an important and long-term military reorganisation process. It will be a demanding task for the new regime to gain control of the armed forces and other armed groups.

It is likely that the tension between rival groups will grow during the transitional period and that the situation in Libya will remain unstable in the short term.

The terrorist group Al-Qaida in the Islamic Maghreb is likely to exploit the greater scope for their activities caused by the war in Libya. Through the breakdown of the Gadaffi regime, the group can both strengthen its position



internally in Libya and improve its capacity in the region, including in Niger, Mali, Algeria and Mauritania. It is highly likely that Al-Qaida in the Islamic Maghreb buys weapons looted from the Libyan arms depots and that most of these arms will be taken to the northern part of Mali where Al-Qaida in the Islamic Maghreb has a well-established network.

## Tunisia

The massive popular uprising which began in December 2010 made President Ben Ali flee the country in January 2011. It is characteristic of the Tunisian protest movement that it has been well-organised from the outset. Consequently, protest representatives have been able to continue their pressure on the political leaders in order to ensure political reforms.

The first official step in the reform process was taken on 23 October 2011 when elections for a constitutional assembly were held with a turnout of more than 90 per cent. The moderate Islamist Al-Nahda movement, which did not play any major role during the popular uprising, won a landslide victory. In coalition with other secular parties, Al-Nahda will lead negotiations on a new constitution and pave the way for new presidential and parliamentary elections.

It is likely that Tunisia will chart an actual democratisation course. One of the major challenges will be to find a compromise between Tunisians in favour of a religion-based state and Tunisians in favour of a secular state. Another equally major task is to follow up on the political changes with social and economic reforms. If the population does not experience noticeable economic and social improvements, renewed unrest could soon erupt.

Militant Sunni extremists are present in Tunisia and have a certain capacity to launch attacks. It is likely that Al-Qaida in the Islamic Maghreb continues to plan terrorist acts against Western targets inside the country.

## Egypt

The Egyptian uprising led to the ousting of President Hosni Mubarak. The Ruling Military Council has since instigated preparations for parliamentary elections which are to be held

in several stages over a period beginning in November 2011 and ending in March 2012. It is likely that the military council wants to control the reform process in Egypt and ensure that the dominating position of the armed forces is not threatened. Despite different factions and internal disputes, the Muslim Brotherhood is the strongest and best organised political movement. Consequently, the brotherhood is pressing for the elections to be held as soon as possible in order to make the most of its lead. In contrast, the liberal forces want to postpone the elections until a new constitution has been passed.

The Egyptian political leaders have been met with growing popular demands to reconsider the peace agreement with Israel. The popular pressure has especially increased following the killing of Egyptian security guards in an Israeli attack at the Gaza border in August 2011. Popular demonstrations escalated into an attack on the Israeli embassy in Cairo in September 2011. Seen in the light of Israel's superior military strength and Egypt's need for US aid, it is likely that the Egyptian leadership will maintain the general course of its foreign policy. However, popular pressure could force Egypt to toughen its rhetoric vis-à-vis Israel now and again.

Militant Sunni extremists in Egypt are likely organised into small local groups with only limited contact to militant Sunni extremists outside Egypt. The militant groups primarily operate in Sinai, but they have been known to attack local and Western targets, primarily in Cairo and Alexandria. The groups are capable of conducting simple terrorist attacks such as attacks involving small homemade bombs. The unrest in Egypt is likely to give the militant Sunni extremists greater scope for their activities. In the short term, the Sunni extremists could increase their capability to conduct attacks of a certain complexity, such as suicide car bombings.

## Morocco

In Morocco, the government's political and economic concessions have stemmed the tide of popular protests. In general, the demonstrations have been peaceful and despite the fact that the protesters have not



called for the resignation of King Mohammed, the king has initiated a political reform process. So far, the peak of this process was the passing of a new constitution in July 2011. Yet, the king maintains his absolute control with the national security forces.

It is likely that minor groups of militant Sunni extremists with limited capability will try to launch terrorist attacks. However, it is also likely that the Moroccan authorities will be capable of maintaining their pressure on these groups, thus preventing a rise in the terrorist threat.

## Algeria

The 2010 demonstrations in Algeria were chiefly a vent for social protests against extensive housing shortage, unemployment and growing food prices among other things. So far, the government has managed to contain the popular protests by using revenue from the increasing oil prices to make economic concessions to the population. However, it is not likely that the government's concessions will be sufficient to prevent social and political unrest in the short term – unless the concessions are followed by actual political and economic improvements.

## Syria

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*In the short to medium term, the unrest in Syria will likely break the power monopoly of the Baath Party, thereby paving the way for a significantly changed Syria. It is likely that the Islamist opposition will gain strength. Finally, growing instability in Syria will give militant Sunni extremists greater scope for their activities.*

The Syrian regime finds itself right in the middle of the biggest challenge it has faced in decades after the Arab Spring also reached Syria. The regime has violently clamped down on the uprising, which, according to UN figures, has claimed more than 3,000 lives until September 2011. The unrest, especially its duration and geographical scope, is beginning to threaten the regime, not least due to the poor national economic situation.

For the unrest to seriously threaten the regime, the protesters need to gain wider support, especially in the two largest cities, Damascus and Aleppo, as well as the support of the powerful Sunni middle class. This group

Even though religious parties are prohibited in Algeria, the popular protests have enabled the national Islamists to play an increasingly prominent public role. Leading Islamists have threatened that popular uprisings could erupt in Algeria just like in other Arab countries, if the government does not solve the national social and economic problems. While it is likely that Islamists, including individuals affiliated with the Islamic Liberation Front, could benefit from the massive dissatisfaction to gain wider popular support, militant Sunni extremist groups such as Al-Qaida in the Islamic Maghreb have not managed to exploit the popular uprisings to their own advantage.

Following a period of declining activity starting in August 2011, the terrorist group Al-Qaida in the Islamic Maghreb, whose key focus is on Algeria, is stepping up its activities again, launching attacks in the northern part of Algeria primarily directed at the security forces and military installations. The most recent attacks in Algeria indicate that the organisation still has both the capability and the resolve to launch attacks inside Algeria. Moreover, the organisation is also present in Mauretania, Niger and, in particular, Mali.

is part of the system and enjoys extensive privileges, which explains their reluctance to support changes. Finally, the armed forces, in particular the security forces, are still loyal to the regime due to their close affiliation with the political system.

Militarily, the regime has a firm grip on the unrest, but the general situation is not under control. On the one hand, the regime clamps down hard on the demonstrations; on the other hand, it initiates reforms and encourages a national dialogue. It is likely that the regime will have to pursue a political reform course which, in the short to medium term, will break the power monopoly of the Baath Party and

thus lead to a significantly changed Syria. Even though the primary impetus of the uprising has not been religious, the Islamic part of the opposition, the Muslim Brotherhood, is likely to gain strength.

Syria considers a potential Israeli-Palestinian peace agreement a threat which will weaken its negotiation position vis-à-vis Israel. On several occasions, Syria has indicated a will to enter into peace negotiations with Israel. If negotiations are resumed, Syria is likely to maintain its claim for the return of the Golan Heights, including the area along the bank of Lake Tiberias. The parties are not likely to enter a peace agreement in the short term.

The overall Syrian foreign policy objectives are the return of the Golan Heights, to maintain influence on Lebanon, and to maximise regional influence. The strategic partnership between Syria and Iran is based on shared interests rather than ideology. Syria is no major military

or economic power in the region. However, Syria gains regional influence, for instance in Lebanon, by preventing other nations from reaching any results without Syrian acceptance and by forming alliances to counterbalance the influence of other states and organisations in the region.

The flow of militant Sunni extremists through Syria en route to Iraq has been greatly reduced and the Syrian government has been successful in its fight against the terrorist groups that used to operate in the country. Still, growing instability is likely to produce more freedom of manoeuvre for the militant Sunni extremists in Syria.

There are a number of Sunni extremist terrorist groups and networks in Syria with the capability to launch simple attacks. It is likely that they will increasingly prioritise the facilitation of terrorists through Syria, rather than launching attacks in Syria proper.

## Iran

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*The Iranian regime is stable. Despite a noticeable power struggle in the Iranian leadership and significant dissatisfaction among the people, the Arab upheaval has not aggravated the power struggle. The Arab uprising threatens to weaken Iranian influence in Syria but at the same time enables Iran to gain influence in other Arab countries. A nuclear Iran will not only continue to strengthen its power in the region but also that of its allies. This is not only a cause for concern in the West; regionally, Israel is also wary of such a development as are the Sunni Arab countries, in particular Saudi Arabia.*

The Iranian regime is stable. Despite an evident power struggle in the Iranian leadership and significant dissatisfaction among the people, the Arab upheaval has not aggravated the power struggle. The Iranian leadership has stated that the Arab spring are popular uprisings inspired by the Iranian revolution of 1979. However, the development in the Middle East presents a risk to Iran.

The uprising in Syria could weaken Iran's regional influence. So far, Bashar al-Asad's regime in Syria has secured the shared interest and good relations with Iran. If the Asad regime is ousted, the Iranian support of Lebanese Hezbollah will also be jeopardised.

However, the Arab Spring also gives Iran the

option of using the anti-Israeli and anti-Western sentiments which have been expressed in the wake of several of the Arab uprisings. Still, the religious antagonism between the Shiite Iran and the Sunni Arab countries will limit Iranian influence in the region.

In the Persian Gulf, Iran has profited from the new Shiite regime in Iraq, prompting the other Arab Gulf states to increasingly present a united front as they fear growing Iranian influence in the region.

Despite the fact that the Arab Spring has not directly affected the internal situation in Iran, it could inspire the Iranian opposition to stage new demonstrations. However, the opposition is relatively weak and lacks common goals

and objectives. A significant reason is that the Iranian authorities crack down hard on suspected regime critics and dissidents.

The political crisis stemming from the re-election of President Ahmadinejad in 2009 has resulted in the Iranian leadership losing some of its legitimacy. However, the popular protests have abated. The security authorities have tightened their grip on the civilian community significantly. Despite a distinct power struggle in the Iranian leadership and considerable dissatisfaction among the Iranian people, including the minorities, the Iranian regime is stable. It is not likely that the regime will collapse in the short to medium term.

The Iranian dialogue with the so-called E3+3

## Israel and its neighbours

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*The Arab Spring also influences the balance of power in the region. Israel is worried that the uprisings will lead to a more Israel-critical foreign policy by the Arab countries and thus damage its regional position.*

The Arab Spring has led to several Arab states coming under popular pressure to pursue an increasingly Israel-critical foreign policy. It is likely that the tension between a number of Arab states and Israel will intensify. The Palestinian attempt to be recognised as a state by the UN will contribute to deepen the tension between Israel and some of the Arab and other Muslim countries.

Even in the long term, Israel's dominating military role will be an issue which not only the Palestinians but also the other Middle Eastern states will have to take into consideration.

Syria plays a major role as an intermediate link between Iran and Lebanese Hezbollah. Consequently, a change of regime in Syria will weaken Iran's ability to exert influence in the region. At the same time, a new regime in Syria will present the risk of a far more unstable border to Israel.

Even in the long term, the Palestinian armed groups will be incapable of threatening Israel's existence. Lebanese Hezbollah has a growing military capability which it could use to threaten

group, i.e. Germany, France, Great Britain, the United States, Russia, and China, which aims to solve the conflict of Iran's nuclear programme has been at a deadlock for quite some time. The focus of the international community on the Arab Spring has thus enabled Iran to continue to develop its nuclear programme without drawing much attention to the issue. However, it is not likely that the Arab uprisings will continue to divert attention from the Iranian nuclear programme. A nuclear Iran will not only strengthen its own power in the region but also that of its allies. This is not only a cause for concern in the West; regionally, Israel is also wary of such a development as are the Sunni Arab countries, in particular Saudi Arabia.

Israel with extensive damage, but even in the long term it will not threaten Israel's existence. However, Israel is incapable of neutralising or gaining full control over the threats from these groups.

The Israeli-Palestinian conflict is of crucial importance to the development in the Middle East. Occasionally, the conflict spurs popular protests in the Arab countries and thus it is a destabilising element.

The Israeli-Palestinian peace process has ground to a halt. There are low expectations to the peace process both in and outside the region. Israel doubts the sincere will of Palestinian President Mahmoud Abbas to negotiate as well as his ability to implement a potential agreement. The Palestinians at the same time deeply distrust the Israeli intentions, particularly in the light of the settlement policy pursued by Prime Minister Benjamin Netanyahu in the West Bank and in East Jerusalem.

The lack of progress in the peace process is a source of unrest between Israel and the

Palestinians which also has an effect on the overall regional situation and relations between Israel and a number of Arab and Muslim countries, including Turkey.

Turkey has taken on a more activist policy in the Middle East in an attempt to extend its regional influence. Over the past years, Turkey has worked to gain a mediating role in key conflicts, examples being the issue of the Iranian nuclear programme and the Israeli-Arab conflict. The current Turkish foreign policy has distanced the country from Israel and, most recently, also from Syria which Turkey has seriously criticised for its handling of the uprising. This comes after a number of years where relations between Syria and Turkey have been improving.

## The Palestinian areas

At the same time as the regional unrest was raging, Fatah and Hamas entered a reconciliation agreement in April 2011. The agreement officially ended several years of political crisis in the Palestinian autonomous areas which had turned into a division between the Fatah-ruled West Bank and the Hamas-ruled Gaza.

Since the agreement was forged, only little tangible progress has been made and the formation of a Palestinian unity government is still not a reality. The agreement is vague and ambiguous on several issues. It is likely that the implementation of the agreement will cause difficulties and friction between the parties, especially on the issue of security. Despite this agreement, there is still deep-seated distrust between Fatah and Hamas.

The popular backing of Hamas is so extensive that acceptance by the organisation is a precondition for a lasting agreement on peace and security between the Palestinians and Israel. It is not likely that the agreement with Fatah will make Hamas accept the demands by the Middle East Quartet (the United States, the UN, the EU and Russia) to end violence, accept former agreements between the PLO and Israel, and acknowledge the state of Israel. Nor is it likely that the prisoner exchange agreement between Hamas and Israel which was made in October 2011 and which has

resulted in the release of the captured Israeli soldier, Gilad Shalit, will change Hamas' stance on the demands posed by the Middle East Quartet.

The temporary internal peace in the Palestinian areas is fragile. The reconciliation agreement is likely to fall apart and the struggle for power between Fatah and Hamas will mar the situation in the Palestinian areas.

In recent years, the Palestinian areas have seen growing Sunni extremist activity and several militant Sunni extremist groups have voiced their support for al-Qaida. It is likely that besides directing attacks against Israel, the terrorist groups have the capability and intent to attack Westerners. The unstable situation in the area and the attempt to have a Palestinian state acknowledged are not likely to change this.

The Arab Spring has not significantly affected the situation of the extremists groups in the Palestinian areas. Though well-organised militant Sunni extremist groups are not likely present in Israel, the country remains one of the most attractive targets among Sunni extremists. Continuous planning of simple terrorist attacks against Israel likely takes place in particular from the Palestinian autonomous areas and Lebanon.

## Lebanon

The Arab Spring is not likely to affect Lebanon. As it is, Lebanon is among the most open and democratic countries in the Middle East. The pro-Western 14 March Coalition in Lebanon is almost boasting about having started the Arab Spring in 2005 as it used popular protests as a lever to make Syria withdraw its troops from Lebanon.

The situation in Syria is directly affecting Lebanon due to the Syrian influence and the fact that the domestic political situation in Lebanon is characterised by division. It is likely that the unrest in Syria has a destabilising effect on the security situation in Lebanon and that it will cause growing political violence, particularly as the situation in Syria comes to a head.

Bashar al-Asad's regime wants to signal to the international community that instability in Syria equals instability in Lebanon and in the region in general. Syria is a close ally of Hezbollah with contacts to and influence on several other groups in Lebanon which could be motivated to act according to Syrian interests.

Hezbollah stands firm on keeping its armed wing and, not least, on controlling it. Disarming Hezbollah is unlikely even in the long term, and the group will continue to use its influence to counter any attempts of a Lebanese peace agreement with Israel.

Relations between Israel and Hezbollah remain conflict-ridden but since 2006 southern Lebanon has been relatively peaceful, though a number of rockets were launched against Israel in 2009. Moreover shootings between the Lebanese and Israeli armed forces in the frontier district have taken place, most recently in August 2011.

The presence of the UN peace-keeping force in Lebanon has restricted the options of Hezbollah, but is it likely that Hezbollah will use force if, for instance, the organisation finds that UNIFIL is too active in its search for weapons, etc. Neither Israel nor Hezbollah is interested in an armed conflict. The ceasefire between the two parties reflects a fragile balance of power resting on mutual threats to cause extensive damage.

The position of the militant Sunni extremists in Lebanon has gradually been weakened.

## The Gulf

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*The balance of power between Saudi-Arabia and Iran dominates the situation in the Gulf. This is also reflected in the uprising in Bahrain where the power struggle between the two countries overshadows the local conflict. Yemen is characterised by great instability and the unrest could spread beyond national borders. The terrorist group Al-Qaida in the Arabian Peninsula has gained strength and has the intent and capability to conduct terrorist attacks both in and outside Yemen.*

### Saudi Arabia

Saudi Arabia has only seen few minor demonstrations in connection with the Arab Spring. It is not likely that these demonstrations will develop into an uprising in the short term. Saudi Arabia has primarily been concerned with

However, as the power of the state is relatively weak, the country remains an attractive area of operation to extremists who have both the capability and intent to launch terrorist attacks of a certain complexity. The likely future targets include the UN peace-keeping forces in Lebanon and Israel. None of the Sunni extremist groupings are formally affiliated with al-Qaida but some of them are likely to have links to al-Qaida.

### Jordan

Jordan has also been affected by the Arab Spring. As early as in mid-January 2011, demonstrations were held in the capital Amman and several provincial towns. The protesters demanded improved living conditions and political reforms, though without criticising the Jordanian king. The regime has looked favourably upon the demand for political reforms, but the demands for more extensive reforms, including limiting the monarchy, are growing. Implementing political reforms will be a difficult and lengthy process. Moreover, the Islamic organisation the Islamic Action Front – the Jordanian version of the Muslim Brotherhood – is likely to emerge stronger from the Arab Spring.

Minor groups of militant Sunni extremists with limited capabilities will likely attempt to conduct terrorist attacks in Jordan. However, it is also likely that the Jordanian authorities' firm grip on the security situation will prevent the extremists from launching successful operations.

counteracting Iran's influence in other countries that have experienced uprisings. Saudi Arabia's activities focus chiefly on Bahrain where it has deployed troops in order to protect its own interests. Bahrain is a particularly sensitive area due to its location close to both Iran and

Saudi Arabia. Saudi Arabia has also been a key player in Yemen in an attempt to bring the disputing parties to negotiate the resignation of President Abdullah Saleh.

Saudi Arabia considers itself the leader of the Sunni Muslim world due to its religious significance as guardian of the holy shrines of Mecca and Medina. Saudi Arabia draws heavily on this role in its interaction with the Arab and Muslim world. Moreover, it has regional power ambitions, particularly as a competitor to the Shiite regime in Iran. The power vacuum existing in the Arab world is contributing to advance this role. Saudi Arabia compensates for its lack of military power through its strategic alliance with the United States.

In a domestic policy perspective, Saudi Arabia is facing an impending change of power when the successor to the elderly King Abdullah has to be found. The struggle for power is escalating while the candidates are positioning themselves. No matter who will take over from King Abdullah, the Saudi Arabian foreign policy is not likely to be changed significantly, though. Consequently, the change of power will initially impact mostly on the development of the domestic policy, whose direction will depend on whether it is charted by a reformist or a conservative successor to King Abdullah.

In Saudi Arabia the organised groups of militant Sunni extremists have largely been defeated. However, there are still a number of loose networks of militant Sunni extremists with connections to organisations such as Al-Qaida in the Arabian Peninsula in Yemen and networks in Iraq, and Saudi Arabia will remain a breeding ground for radical Sunni extremism. Therefore, some terrorist attacks of a certain complexity are likely to be conducted in Saudi Arabia in the short and medium term.

It is highly likely that wealthy Saudi private individuals and collections made in extremist communities in Saudi Arabia will continue to contribute to the financing of the global activities pursued by militant Sunni extremists.

## Iraq

Like a number of other Middle Eastern countries, Iraq was the scene of a number of

demonstrations in the spring of 2011. These demonstrations, however, did not threaten the regime and they never questioned the new Iraqi democracy. Rather, the focus of the demonstrations was national extensive corruption and poor living conditions.

The spring 2011 demonstrations illustrate that Iraq is still facing several social, political and security challenges. Despite the formation of a coalition government, comprising the majority of the Iraqi religious, ethnic and political groupings, in late 2010, Iraq is far from national reconciliation. A number of fundamentally different interests continue to divide the Iraqis along ethnic and religious boundaries.

In the medium term, relations between the Iraqi central government and the Kurdish autonomous leadership could turn into the most severe challenge facing the coalition government. The affiliations of the disputed areas, Kirkuk in particular, and the distribution of oil resources are essential challenges on the way to clarifying relations.

So far, the US decision to withdraw its troops from Iraq by the end of 2011 has prevented a threatening divide of the government. Muqtada al-Sadr, whose Sadrist movement is part of the Iraqi coalition government, has already threatened to activate the Shiite Mahdi militia if the US troop presence was to be extended beyond 2011. It is likely that the withdrawal of the US troops will enhance Iran's chances to exert influence in Iraq even further.

Saudi Arabia in particular considers the strengthened position of the Shiites in Iraq a risk, which could allow Iran's influence in the Middle East to increase. The Sunni countries see relations between Iran and Iraq, the strengthened Shiite influence, and the marginalisation of the Sunnis as threats.

It is likely that the terrorist group Al-Qaida in Iraq will try to exploit the US withdrawal and that terrorist attacks in Iraq will continue in the short and medium term.

## Bahrain

Like the other Arab countries, the island state of Bahrain has also experienced unrest.



Throughout the spring of 2011, protesters marched against inequality and corruption and they still demand political reforms.

Bahrain has experienced popular protests before, primarily among its Shiite majority which makes up 70 per cent of the population. This group considers itself politically and economically marginalised by the Sunni elite.

Initially, the unrest was not quelled until Saudi troops entered the country at the request of the King of Bahrain. The Saudi troops are part of a joint force under the Gulf Cooperation Council.

So far, the Saudi intervention has managed to contain the unrest. The attempt of the King of Bahrain at introducing limited political reforms has not satisfied the Shiite opposition and demonstrations still occur.

Throughout all of this, Iran has objected to the hard-handed approach against the Shiite demonstrators, but it has also been careful to not let its support of the demonstrators in Bahrain develop into an armed clash between Iran and the Gulf Cooperation Council.

As the causes for the unrest in Bahrain remain unsolved, the unrest may likely rekindle overnight. Bahrain's key role in the balance of power between Saudi Arabia and Iran means that both countries will remain highly interested in influencing the situation in Bahrain. It is not likely, though, that it will lead to armed conflict between the countries.

## Yemen

The uprising in Yemen has generated tremendous pressure on President Ali Abdullah Saleh to resign and increased national unrest. Irrespective of the outcome of the current crisis, the government is not likely to be able to solve the internal conflicts in the short term.

As Yemen's neighbour, Saudi Arabia has previously been directly involved in conflicts spilling over from Yemen; an example being the Shiite houthi militia conflict in the north-western part of Yemen. In November 2009, the militia gained temporary control with areas inside Saudi territory until the Saudi army

regained control and retaliated with attacks on Yemeni territory. Moreover, Al-Qaida in the Arabian Peninsula has launched attacks in Saudi Arabia.

Several of the Yemeni regions are outside government control and have often been the scene of conflict. In southern Yemen there is widespread dissatisfaction with the government in the north and parts of the opposition call for independence. Demonstrations and clashes with the security forces have been frequent. Similarly, clashes have also occurred in the northern part of Yemen where the government has an unsolved conflict with the Shiite houthi militia. Moreover, the conflict with Al-Qaida in the Arabian Peninsula has escalated and the group has gained a greater scope for its activities due to the crisis in Yemen.

Unlike the other countries in the Arabian Peninsula, Yemen is short on natural resources. Its oil reserves are rapidly shrinking and this combined with structural issues makes the economic situation critical. Yemen depends on economic support from the West and the countries in the Arabian Peninsula.

Consequently, Yemen is likely to be a source of unrest which could spread beyond its national borders in the coming years.

The militant Sunni extremist group Al-Qaida in the Arabian Peninsula has increased its operational capability over the past years. The deteriorated security situation in Yemen and the inability of the state to control the peripheral regions make it easier for the group to attract sympathisers. It is not likely that the killing of Anwar al-Awlaki in September 2011 will have any short-term effect on the security situation in Yemen. However, it is possible that his death will increase Western Sunni extremists' intention to support Al-Qaida in the Arabian Peninsula and the group will continue to focus on attacking targets in the West.

Al-Qaida in the Arabian Peninsula uses the current political unrest in Yemen to intensify its attacks on targets affiliated with the Yemeni security apparatus. Moreover, the group tries to generate greater operational possibilities

and influence, particularly in the southern part of the country.

Al-Qaida in the Arabian Peninsula directs the majority of its attacks against the Yemeni security forces, using small arms, road side bombs, and suicide bombs. Furthermore, the group has attacked several Western targets in Yemen.

In recent years, Al-Qaida in the Arabian Peninsula has also begun attacking targets

outside Yemen. It is likely that the group will continue to try to launch attacks against Western targets in and outside of Yemen and that it will sophisticate its operation methods.

On several occasions, Al-Qaida in the Arabian Peninsula and the Somali militant Sunni extremist group al-Shabaab have issued mutual announcements of support. It is likely that contact exists between the two groups and that they want to establish certain cooperative links.



# Sudan, South Sudan and Somalia

*In the weakest African countries, internal conflicts and the struggle to survive are the order of the day. It is likely that conflicts in Somalia, Sudan and South Sudan will continue to require extensive presence of international peace-keeping forces. The African Union and the UN have made extensive efforts to build peace in countries such as Sudan and Somalia. The UN and the African Union are faced with considerable problems in trying to handle these long-term conflicts – insufficient funding, lack of supplies and military limitations.*

## Sudan and South Sudan

*In July 2011 the largest African country, Sudan, was divided into two independent states and decades of civil war are now officially over. At the same time, the division heralds new problems as the two newly independent states wrangle over a number of unsettled disputes.*

The risk of renewed conflict between the two countries depends on the outcome of the negotiations on several issues. The most important negotiation involves border demarcation, particularly in the disputed Abyei area claimed by both countries. Military presence is significant in major parts of the borderland and it is possible that regional conflicts on both sides of the border spill into the neighbouring country. Moreover, the questions of citizenship and the distribution of oil revenues and foreign debt have not yet been solved.

On the northern side of the border, the government in Khartoum is struggling with conflicts and ethnic tension in the entire country. The security situation in the southern border regions is especially fragile. In the Abyei area and particularly the provinces of South Kordofan and Blue Nile the conflict is likely to be intensified in the short term. Additionally, the opposition group the Sudan People's Liberation Movement-North in South Kordofan has forged an alliance with insurgency groups in Darfur in order to topple the government.

In the west, the situation in Darfur still presents a threat to the Khartoum government. The peace agreement, signed by the Khartoum government and the insurgency group the Liberation and Justice Movement in July 2011 in Doha, is not likely to lead to any far-reaching or lasting peace in the region as other key

insurgency groups are against it. Also, the Sudanese armed forces continue their aerial attacks against the positions of the opposing insurgency groups. Based on the secession of South Sudan it is possible that the insurgency groups will stiffen their demands, including the demand for further regional autonomy.

The government party, the National Congress Party, lacks the will to complete the reforms necessary to build peace and political stability. At the same time, the party is weakened by internal division which has worsened since the January 2011 independence referendum. It is possible that the internal conflict will divide the government party. It is not likely that popular protests like those seen in North Africa will present a threat to the Khartoum government.

The new state of South Sudan is one of the poorest and least developed countries in the world despite its major oil deposits which play a significant role in the continued conflict between South Sudan and Sudan. The most pressing challenge facing South Sudan is building a new state from scratch in a country of intensive ethnic tension. The new transitional government is facing major political, security and economic challenges and their solution is essential to a peaceful and democratic development.

Now that the joint South Sudanese goal of independence has been reached, political

disagreements and conflicts have begun surfacing both in and outside the dominating government party the Sudan People's Liberation Movement. Increasingly authoritarian trends have resulted in widespread dissatisfaction both in and outside the party. The party is likely to be hampered by intensified struggles for power which, in the short or medium term, could divide the party into several wings. As the external opposition groups lack a coherent strategy and the capability to mobilise the population politically, the opposition is not likely to be a political threat to the transitional government in the short term.

The determination of the Sudan People's Liberation Movement to ensure broad political participation, not least in the constitutional process and through a decentralisation of power, is essential to obtain political stability. It is likely that political controversy could still result in armed clashes if the opposition groups are not given actual political influence. At the same time, South Sudan is challenged by internal tribal conflicts, and the security situation, which is generally fragile, could quickly turn into something akin to civil war.

## Somalia

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*It is not likely that the Somali Transitional Federal Government can force an end to the civil war in the short term. Al-Shabaab is the strongest insurgency and terrorist group in Somalia with a strong network of foreign militant Sunni extremists who continue to pose a terrorist threat to Western interests.*

The Somali Transitional Federal Government only de facto controls parts of Mogadishu and a few provincial towns, resulting in terrorists, pirates and other criminals being able to operate out of Somalia relatively unimpeded. Southern and central Somalia are primarily controlled by al-Shabaab and a number of minor militias and warlords.

The militant Sunni extremist group al-Shabaab is the strongest network of militant Sunni extremists in Eastern Africa. The group attracts militant Sunni extremists from the rest of East Africa but also from Asia, the Middle East, North America, and Europe. The group includes extensive support networks in the West, Somalia, and in the neighbouring countries which help finance terrorist activities, recruit new members and coordinate travel activities.

Al-Shabaab's objective is to topple the Transitional Federal Government by means of violence. However, it is likely that the group will not get involved in long drawn-out fighting and that al-Shabaab controlled areas will change hands several times.

Al-Shabaab withdrew its forces from Mogadishu in August 2011. It is likely that al-Shabaab chose a tactical withdrawal from Mogadishu,

as its continued presence there would have caused major casualties and problems handling public opinion. Al-Shabaab is likely to maintain its capacity to infiltrate, monitor and launch complex attacks in the Mogadishu areas controlled by the Transitional Federal Government and the African Union peace-keeping force. Al-Shabaab demonstrated this capacity on 4 October 2011 when it launched a suicide attack outside one of the Transitional Federal Government's ministries. The attack claimed the lives of 80 people. In the short term, the Transitional Federal Government is not likely, to be able to extend its territory considerably or end the civil war.

In July 2010, al-Shabaab conducted two terrorist attacks, resulting in numerous fatalities in Kampala, the capital of Uganda. Al-Shabaab announced that the attacks were retaliation for Uganda's military intervention in Somalia. On several occasions, the group has threatened to launch new terrorist attacks against Uganda, Burundi and Kenya due to their support of the presence of the African Union's peace-keeping force in Somalia.

Since 2008, al-Shabaab has tried to woo the al-Qaida leadership in Pakistan and has gained al-Qaida's recognition by announcing that the

group is part of al-Shabaab's global struggle. It is likely that al-Qaida's role as source of inspiration to militant Sunni extremists in Somalia will continue despite the passing of Usama bin Ladin.

In June 2011, the best known terrorist in the Horn of Africa affiliated with al-Qaida, Fazul Abdallah Mohammad aka Harun Fazul, was killed. In the 1990s, Fazul was among the originators of a loose network affiliated with the al-Qaida leadership that was behind the embassy bombings in Kenya and Tanzania in 1998 and the attack on an Israeli owned hotel and charter aircraft in Kenya in 2002. Al-Qaida in East Africa played an important role in internationalising the Sunni extremist fight in Somalia.

It is likely that due to his personal experiences and personal contacts, Fazul held a role which cannot be taken over by other militant Sunni extremists in East Africa. However, it is likely that individuals affiliated with Fazul's former network continue to play a key role in the Sunni extremist community in East Africa. Fazul worked independently and there are still prominent leaders in al-Shabaab, who have both the intent and capacity to try to

launch terrorist attacks against Western and local targets in the region and in Europe. It is not likely that the deaths of bin Ladin and Fazul have weakened al-Shabaab's operational capability.

It is likely that al-Shabaab's leadership is still riddled with internal disagreement over the future course of the group, apparently causing the leadership to regroup into two general wings. One wing includes the leaders whose ideological ambitions primarily focus on the national fight in Somalia. The other wing focuses on al-Qaida and the global holy war. It is likely that elements within this wing support networks and individuals with ambitions of launching terrorist attacks against Western targets in and outside Somalia. It is also likely that militant Sunni extremists have both the intention and the capacity to launch attacks of a certain complexity against national and Western targets in all of Somalia and in East Africa. It is likely that in connection with Uganda's military efforts in Somalia, al-Shabaab's leadership agreed to launch the terrorist attacks in Uganda's capital Kampala in July 2010. The same applies to Kenya which initiated a military offensive in October 2011 in southern Somalia.

# Russia

*Russia is on its way out of the global economic crisis and it is not likely that there will be major changes in Russian politics following the March 2012 presidential election. Russia will also continue its pragmatic foreign policy vis-à-vis the United States and the European countries.*

The political situation in Russia will be dominated by the 4 December parliamentary elections and the March 2012 presidential election. The elections will take place at a time when Russia will be on its way out of the global economic crisis. Nevertheless, confidence in the political leadership has fallen to a new low. It is highly likely that the Russian leadership will have control of the outcome of the two elections. Dmitriy Medvedev and Vladimir Putin will continue to head Russia after 2012, with Putin as president and Medvedev as prime minister. The elections will thus once again reveal Russia's lack of democratic traditions seen from a Western point of view.

It is not likely that there will be significant changes in the political situation after the March 2012 presidential election. The Russian leadership will continue to focus its efforts on modernising the country's economy. However, in the short to medium term, Russia will likely only succeed in implementing parts of the modernisation agenda which has a high priority in President Medvedev's domestic and foreign policy. The high growth rates of 7-8 per cent which Russia enjoyed prior to 2008 will not likely be restored. It is likely that in the medium to long term, the Russian economy will grow by 3-4 per cent per annum.

Russia will not likely succeed in making the economic development independent of oil and gas revenues in the medium to long term. The Russian bureaucracy, the widespread corruption, and the flawed judicial system will remain an obstacle to a sound and stable investment climate, weakening Russia's possibilities of developing a versatile and flourishing economy.

The desire to modernise the economy has

an impact on Russia's foreign policy and has encouraged Russia to adopt a more pragmatic foreign policy towards countries with highly developed economies, in particular the US and European countries, including Nordic countries. This is reflected in greater Russian willingness to focus on common interests and problem-management rather than allowing contentious issues to dominate Russia's relations to other countries.

The pragmatic Russian foreign policy is also related to the fact that Russia does not feel its foreign and security policy under the same pressure as previously. This is, among others things, the result of President Barack Obama's 'reset-policy' towards Russia which implies a more accommodating and cooperative US policy towards Russia.

President Obama paved the way for improved Russo-US relations when the United States decided to cancel the Bush government's original missile defence project in Eastern Europe in September 2009. The project was replaced by a system which focuses on the missile threat from Iran. However, Russia does have concerns also about the new missile defence system, and it is very important to Russia to become involved in defining the threats which the missile system should be able to target as well as in the subsequent design of the system.

Another key reason for the improved relations is that both the United States and Russia finally approved the strategic arms reduction treaty New START around the turn of the year 2010/2011. To Russia, the New START treaty has symbolic value as it indicates politically and legally that Russia is a great power on a par with the United States.

The 'reset-policy' has paved the way for Russian cooperation with the United States in a number of areas, for example the 2010 agreement on transportation of non lethal military equipment to Afghanistan through Russian territory. Similarly, Russia has shown willingness to cooperate with the United States on Iran. In 2010, Russia thus voted in favour of new UN Security Council sanctions against Iran, and Russia has cancelled the long-planned sale of S-300 air defence missiles to Iran. However, Russia's tougher stand on Iran is also motivated by Russia's increasing annoyance over Iran's tenacious policy in the nuclear issue.

Finally, Russia did not put obstacles in the way of the United States' and other NATO countries' handling of the Libya crisis within the UN framework. The reason behind Russia's policy is likely that European NATO countries took the initiative and played an important military role with the support of several Arab countries. However, during the summer of 2011, Russia became increasingly critical of NATO's military campaign in Libya. The more critical Russian attitude to Western countries policy towards threatened Middle Eastern regimes was also reflected in Russia's veto against a resolution on Syria in the UN Security Council.

It is likely that Russia will continue its more conciliatory line vis-à-vis the United States, NATO and the EU countries after the 2012 presidential election. However, Russia will highly likely remain distrustful of the United States' global political and military intentions. Consequently, together with other powers Russia will try to prevent the United States from taking unilateral action in key global issues, and the UN will remain a key forum for Russian great power politics.

Russia will likely depart from its pragmatic line if the Western powers do not allow Russia to exercise the level of influence on key international affairs which Russia's leadership feels entitled to. The European missile defence issue could still lead to serious disagreement between Russia and the United States and it could contribute to a derailment of the pragmatic bilateral relations between the two countries.

It will remain Russia's strategic objective to maintain and strengthen its influence on the other CIS countries and prevent them from orientating their foreign and security policies towards NATO, the EU, and the United States. This will imply continued Russian opposition to new NATO enlargements and to NATO military activities in countries bordering Russia. Moreover, it is also highly likely that securing control of the energy hubs in Central Asia and the Caucasus will be a key objective to Russia. Russia is also wary that the countries in Central Asia do not establish security political relations to China.

Russia considers the ongoing shift in global power away from the United States and Europe to new power centres, in particular in Asia, an opportunity to strengthen a world order in which the United States is no longer dominant. Therefore, Russia will attempt to increase its role as a great power in interaction with the two emergent great powers China and India inside the framework of the UN Security Council and other organisations, for example BRICS which includes Brazil, Russia, India, China and South Africa. Russia will also in varying degree and intensity cooperate with countries which the West is trying to isolate, for example Venezuela, Iran and North Korea.

Russia's cooperation with the other great powers will not develop into alliances; rather it will manifest itself in patterns of cooperation in which the convergence of interests and the intensity of the cooperation will vary. Russia's relations with the other great powers can also be influenced by mutual strategic distrust, that goes in particular for the relations between Russia and China. Overall, it is likely that Russia will increasingly turn to Europe. Russia considers partnership with the European countries very essential to its economic modernisation process, and Europe will remain a vital market for Russia's energy exports in the long term.

It is vital to Russia to be able to bolster its strategic interests by military power. However, Russia's military great power role will chiefly have to be based on the country's significant number of long-range nuclear weapons while Russia's conventional forces will only be able

to conduct limited offensive operations in Russia's immediate neighbouring countries in the CIS area.

It is likely that Russia, even in the very long term, i.e. up to 2030, will be able to retain

its great power status, albeit with weakened economic strength and significantly weaker military capability. Moreover, Russia will come under pressure from emergent ambitious powers such as China and India.

# The Arctic

*There will be an increasing political focus on the right to extract natural resources and to pursue other economic interests in the Arctic as a consequence of the climate changes. It is likely that the Arctic will be the focus of competition and cooperation rather than conflict and confrontation, even if competing interests lead to increased military presence.*

In 2008 the Arctic coastal states, i.e. Russia, the United States, Canada, Norway and Denmark signed the Ilulissat Declaration and thus agreed that potential future disputes in the Arctic shall be solved through diplomatic means. This means that the coastal states will observe the recommendations of the UN Commission on the Limits of the Continental Shelf on the coastal states' right to exploit the seabed in the Arctic Ocean. Under the Ilulissat Declaration, the coastal states have also agreed that the Arctic is not to be covered by international regulations and law, for instance in the UN, as is the case with Antarctica.

Still, it is likely that the competition for extraction rights in the Arctic Ocean will be intensified in the years to come. This could mean that some of the coastal states will use military assets to emphasise their political and legal arguments.

It is thus possible that minor military incidents will occur up to 2020. These incidents could e.g. include harassment of military units of other states, harassment of other states' civilian scientific exploration or their extraction of natural resources such as oil drilling or fishery in or near disputed areas. It is not likely that such incidents will develop into military conflicts. However, if relations between the United States and Russia worsen significantly, mutual mistrust, political conflict and military tension between the powers could occur also in the Arctic.

Over the past 4-5 years, the Arctic has been on the international agenda. It is generally assessed that climate changes cause the ice to melt and that this will increase the possibility to extract natural resources and will open new sea lanes for commercial traffic.

Other states than the Arctic coastal states is also showing an interest in the Arctic area. Beside Arctic states such as Sweden, Finland and Iceland, major European countries such as, primarily, France and Great Britain have become more aware of the development in the Arctic.

Of more strategic importance is China's increasing interest in the Arctic due to future sea routes and China's growing need for energy and raw materials. In 2004, China established an Arctic research station on Svalbard and in recent years China has shown an interest in investing in Iceland. It is thus likely that China will also have a growing interest in investing in raw material extraction in Greenland. It is likely that China will support demands from other nations and organisations for international regulations and laws on the Arctic.

To varying degrees, all the Arctic coastal states consider enhancing their military capabilities in the region, primarily for maritime surveillance and search and rescue. The need for an improvement of these capabilities will especially grow when major civilian cargo and passenger vessels start passing through Arctic sea lanes.

The enhanced military presence is also aimed at strengthening the coastal states' capacity to enforce their sovereignty in the Arctic coastal areas, including an improved military capacity to emphasise their political and legal arguments for an extension of their rights to exploit the seabed. Thus, naval and air force activities in the Arctic region will increase over the coming decade. However, military operations in the Arctic will focus on enforcing sovereignty, maritime surveillance and search and rescue operations not on combat operations.

Since 2007, there has been an increased awareness of the Arctic as area for potential great power conflict, not least due to Russia's activities in the region. In 2007, supported by the political leadership, Russian explorers planted a flag on the seabed at the North Pole. Russia has also resumed flights with long-range strategic bombers over the Arctic, the North Atlantic area and the North Sea during which the bombers have been close to Danish airspace. However, since 2008, Russia has deliberately worked to change the impression of an aggressive Arctic policy, e.g. by its participation in the Ilulissat Declaration.

It is not likely that Russia intends to begin a significant military rearmament in the Arctic region as long as other Arctic coastal states or other states, e.g. China refrain from doing so. Nevertheless, Russia will remain sensitive to the activities of the existing or planned military capabilities of the other Arctic coast states.

Over the next 15 years, Russia's military posture in the Arctic will change. By 2025, a great number of Northern Fleet submarines, surface vessels and aircraft will be outdated and they will be replaced at a very modest scale and certain types will not be replaced at all. Among the improvements are two advanced landing crafts.

Russia prioritises extending its right to exploit the resources at the seabed of the North Pole. Consequently, Russia will likely react negatively if it finds that the UN Commission on the Limits of the Continental Shelf does not prove sufficiently accommodating towards its claims. However, the international situation, including Russian-US relations, at the time when the UN Commission on the Limits of the Continental Shelf starts to announce its recommendations will influence Russia reactions.



*Asia's economic growth will give the region more clout in the world economy. Although a military build-up is taking place in the region, it will not likely result in war between the countries.*

Despite the global economic crisis, Asia has experienced economic growth, spearheaded by China and India. Together with the smaller but highly developed East Asian countries South Korea and Japan, China and India will become centres of gravity in the rapidly growing Asian share of the world economy.

At the same time, a significant military build-up is taking place in Asia. It is likely that in the long to very long term both China and India will increase their military capabilities to the

extent that they will be able to conduct military operations globally.

Asia holds potentials for conflict, especially between India and Pakistan, and between China and Taiwan. These conflicts will not likely escalate into war between the parties involved, though. North Korea's nuclear programme and the unresolved issue of succession add uncertainties to the strategic situation on the Korean Peninsula.

## China

*China will be facing a major top leadership succession in 2012. The Chinese leadership will likely maintain the current economic course. In 2020, China will be the dominant power in East Asia and the second strongest military power in the world after the United States.*

China's strong economic growth and vast foreign trade mean that Chinese interests have become global and that China to varying degrees will have interests in all parts of the world. This will boost the Chinese leadership's confidence in international relations.

There have long been signs that China will find it difficult to maintain its very high economic growth which has been sustained by an investment programme of so far unseen dimensions. It is therefore likely that the annual growth rate cannot be maintained at the current level of approx. 10 per cent in the medium to long term.

China's economic progress has benefitted from a large labour force share of the total population. In the very long term, however, this will change due to a higher life expectancy, stagnating labour force and a weak influx to the labour market due to the small youth cohorts.

As long as China is able to maintain high economic growth and is able to keep the majority of the population employed, it is likely that the Chinese leadership will prefer to keep the present political course. Falling economic growth would likely provide a breeding ground for dissatisfaction with the political system, but it is not likely that popular unrest will threaten or terminate the party's power monopoly against the will of the leadership.

In 2012, China will face a major top leadership succession, but it is likely that the new leadership will maintain the current economic policy.

The Chinese leadership has increased its focus on the country's internal security over the past years. The leadership is concerned that unrest in other countries could inspire similar revolts in China and uprisings in other countries are closely monitored by the Chinese leadership and the security apparatus.

The Chinese leadership is especially aware of religious movements as these may threaten the party's control and power monopoly. This is especially true of the western provinces of Xinjiang and Tibet where the minorities are not culturally or religiously affiliated with the Chinese Han population which is the dominant ethnic group in China.

It is an unequivocal Chinese demand that Taiwan remain part of China. However, relations between China and Taiwan have improved markedly since 2008, and trade between China and Taiwan has increased.

China-Taiwan relations will at times be influenced by mutual distrust. China's military build-up makes it difficult for the Taiwanese government to enter into direct bilateral negotiations about political issues. Moreover, the internal political situation on both sides of the Strait of Taiwan could revive political disputes between China and Taiwan. However, it is likely that the informal dialogue between China and Taiwan across the Strait of Taiwan will continuously improve.

It is not likely that Taiwan will declare its independence and thus abandon the one China policy which is also the basic principle of Taiwanese foreign policy. If this should happen anyway, China would likely feel compelled to respond militarily. China has developed sufficient military power, especially superior air and naval forces as well as adequate amphibious forces, to exert considerable pressure on Taiwan, including a blockade of the island.

For China it is a precondition for dialogue with other countries that they accept Taiwan as part of China. The same applies to Tibet where China is pressuring other countries to officially accept China's undisputed sovereignty over Tibet.

Even though China has significantly toned down ideology in its foreign policy, it is still of importance to China to contrast Western democratic and liberal ideas with Chinese political tradition in order to sustain the basis for the legitimacy of the Chinese political system.

China will conduct its foreign-policy on a bilateral basis rather than on binding international agreements and obligations. Non-interference is the key principle in Chinese foreign policy and is intended at preventing discussions of political governance, including internal Chinese affairs, in international organisations and in other circumstances when such discussions are not desired by the leadership in Beijing. Thus, a consequence of China's non-interference policy is that totalitarian states to some extent will seek political protection from China, e.g. in the UN Security Council.

Relations with the United States will be the key element of China's foreign policy over the next decade. The United States takes 20 per cent of the Chinese exports. Moreover, China has a major trade surplus and has the bulk of its foreign currency reserves tied in US bonds, making the country dependent on the United States, both as a market for Chinese exports and as a lender. The trade surplus towards the United States will lead to confrontations as long as China maintains its reluctance to revalue the Chinese currency.

The Chinese leadership regards US relations with China's neighbouring countries as an attempt by the United States to contain China. The United States is directly involved in the two key potential crisis areas in China's close proximity: Taiwan and the Korean Peninsula. China is compelled to involve the United States in the Taiwan and Korean issues, but it is China's strategy that US involvement must not jeopardise Chinese strategic interests.

China uses its relations with Russia as a counterweight to the United States' regional and global influence. The key elements in Sino-Russia relations are Russia's export of weapons systems, weapons technology and energy to China. Chinese exports to Russia mainly consist of consumer goods. Relations between China and Russia will likely remain stable.

There is significant Chinese demand for many of the world's natural resources and the country will continue its hunt for resources in the years to come. Numerous Chinese foreign engagements are driven by the demand for raw materials and China's engagement with

many African countries is tied to the extraction of raw materials.

Concurrently with the Chinese economic growth, the Chinese leadership has launched a thorough modernisation programme of the armed forces aimed at transforming them from a low-technology people's army to modern great power armed forces. Originally, the key motivation for the modernisation of the Chinese armed forces was China's relations with Taiwan. Consequently, the navy and the air force have been furnished with new equipment aimed at building up the capability to achieve local sea and air supremacy over the Strait of Taiwan should China decide to land troops in Taiwan. However, relations between China and Taiwan will not likely escalate into a comprehensive war.

In order to deter the United States from becoming militarily involved in a conflict over Taiwan, China is strongly enhancing its submarine capabilities and missile stocks which could threaten the US bases in the western Pacific. Moreover, China is improving its information warfare capabilities, including cyber warfare capabilities and anti-satellite missiles in order to hamper potential US military operations in support of Taiwan.

Concurrently with the build-up of military

forces vis-à-vis Taiwan, China has also over the past few years increasingly stationed its newest naval vessels and aircraft in and around the South China Sea. In this way China will likely emphasise its territorial claims in the South China Sea.

China's armed forces have only operated outside its region to a limited degree. When, in early 2009, China deployed its naval force to combat piracy in the Horn of Africa, this pattern was changed, though. China also increasingly participates in UN peace-keeping missions.

The modernisation of the Chinese armed forces will increasingly enable China to act as a global military power and turn it into the world's second strongest military power after the United States.

The next step for the Chinese armed forces will be to improve their power projection capabilities in the Indian Ocean which is vital to most of China's foreign trade, not least oil import. China continues to build harbour facilities in Pakistan, Burma, Bangladesh and Sri Lanka aimed at improving its access to the Indian Ocean. These facilities could be used by Chinese naval vessels, and India fears that they could develop into Chinese military bases.

## India

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*In the long term, India will strengthen its global influence due to its growing share of the world economy. Along with a growing military strength this will make India one of the world's important great powers in the very long term.*

Over the past two decades, the Indian economy has annually grown by an average of 6.5 per cent which has been sufficient to guarantee improving living standards of its rapidly growing population. It is likely that India is capable of maintaining these growth rates in the long and very long term. Nevertheless, a very long period of growth is needed, far more than 20 years, before India is comparable to the three largest economies of the world: the United States, China and the EU. In 2030, the Indian economic strength will come close to that of Japan which will by then

be the world's fourth largest economy.

The Indian population has exceeded 1.2 billion and the population growth continues, however, at a slower pace. Around 2030, India will surpass China as the world's largest nation of 1.5 billion inhabitants. The Indian work force will grow steadily towards 2030 and make up a growing part of the population.

The large population presents an economic and a political asset, but it is difficult for India to support its population of which almost one third

lives below the poverty line. India faces major internal challenges such as the caste system restricting social mobility, a very extensive bureaucracy and a weak infrastructure. On top of this, India is ridden by numerous ethnic and religious conflicts of which several have ties to unstable neighbouring countries, particularly Pakistan, Nepal and Sri Lanka.

India continues to have many resources tied up in its problematic relations with Pakistan and the unsolved Kashmir conflict. To pursue its great power ambitions India is increasingly interested in normalising or at least stabilising its relations with Pakistan.

The Pakistani Sunni extremist terror group Lashkar-e-Tayyibah was behind the 2008 terrorist attack in Mumbai and it is possible that the group will continue to plan attacks against military and civilian targets in India. Further terrorist attacks in India could block the way for the current dialogue between India and Pakistan.

The nuclear deterrence between India and Pakistan makes a comprehensive war between the two states unlikely, but it is possible that new major terrorist attacks in Kashmir or other parts of India could prompt India to launch a limited military retaliation campaign against targets in Pakistan.

India wants to advance the development towards a multipolar world where it will play an important role in the very long term. India will likely have reached this objective by 2030.

## The Korean Peninsula

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*The situation on the Korean Peninsula will remain tense and it is highly likely that North Korea will continue its nuclear arms programme whether or not it engages in a new dialogue with the United States and South Korea.*

The situation between North and South Korea deteriorated seriously in 2010 when in March North Korea sank the South Korean patrol vessel Cheonan and conducted an artillery attack on the island of Yeonpyeong in the Yellow Sea in November. The 2010 North Korean attacks are not unusual in a process where periods of rapprochement are followed

The Indian leadership makes considerable efforts to improve relations with all its neighbouring countries and regions. These efforts have been successful and India has strengthened its cooperation with powers such as the United States, China, Japan, Israel and France.

It is likely that strategic cooperation between the United States and India will continue. First and foremost, the Indian interest in this cooperation is to be recognised as an equal partner. The Chinese efforts to increase its military presence in the Indian Ocean will motivate India to strategic cooperation with the United States. However, it is not likely that India will commit itself to binding alliances and towards 2030 India will base its foreign policy on strategic independence.

India's high economic growth makes it possible for India to increase its defence expenditures. Even with a constant share of the GDP, India's defence expenditures will more than triple towards 2030.

India gives high priority to its armed forces to support its strategic ambition of gaining a dominating role in the Indian Ocean and, in the long term, becoming a global great power. India's economic growth and the defence budgets' growth rates will allow India to develop global military capabilities and update its armed forces. It is likely that in the long term, India will obtain global military capabilities which, from 2020, will include several carriers.

by new North Korean threats and military provocations. In turn, these are followed by renewed rapprochement with contacts and dialogue between North and South Korea. Since the spring and summer of 2011, relations between North and South Korea have again moved towards rapprochement.

However, it is highly likely that the situation on the Korean Peninsula will remain tense and that minor incidents will occur, including minor military clashes along the de-militarized zone. It is likely that the North Korean regime will continue its aggressive rhetoric towards South Korea, but it is also likely that it will have an interest in reassuming the dialogue with South Korea in order to obtain emergency food aid. This aid is particularly meant to support the legitimacy of the regime prior to the celebration of the 100th anniversary of Kim Il-sung in April 2012. Consequently, it is likely that the North Korean regime will be reluctant to provoke South Korea with major military action prior to the centennial celebrations.

It is likely that the situation in the Korean Peninsula will continue to be frozen over the coming years and that rapprochement will be followed by crises in the well-known pattern. It is not likely that a dialogue on North Korea's nuclear arms programme will lead to a real and substantial resumption of the six-party talks between North and South Korea, China, the United States, Russia and Japan, neither in the short nor in the medium term. Still, all parties will have a tactical interest to keep the option of resuming the six-party talks open. It is highly likely that North Korea will continue its nuclear arms programme whether or not it

engages in a dialogue with the United States and South Korea.

It is likely that it is China's strategy to protect the North Korean regime while putting it under pressure to implement reforms modelled on Chinese examples in order to prevent a sudden breakdown of the North Korean regime. Though China likely considers a Korean unification unavoidable in the medium to long term, China will try to postpone unification as long as possible. It is likely that the Chinese long term strategy also includes the assessment that the United States will lose power and influence in the region and that consequently China will gain increased leverage over the conditions for a future Korean unification.

Kim Jong-il's youngest son, Kim Jong-eun, is the favourite to take over power from his father. Nevertheless, it is uncertain what power position he will have prior to and after his father's passing. Yet, it is likely that North Korea's future rulers will continue the current regime's confrontational strategy and will avoid reforming the country's bankrupt planned economy. The North Korean regime could be facing a breakdown. However, it is not possible to assess the degree of probability of a regime breakdown or when it could potentially happen.

# Global perspectives

*Although the global dominance of the United States will be weakened, the United States will likely remain the world's strongest power in the long term. Shifts in the global balance of power will generate uncertainty and increase the risk of conflict.*

The economic and military developments will gradually shift the global balance of power in the course of the next 10-20 years. The economic crisis only impacted moderately on the developing economies, including China and India. Consequently, globalisation and the economic development will continue to gradually change the balance of power, both between regions and within the regions. The greatest shift in the world economy will be towards Asia away from Europe and the United States. The Western economies, however, will remain dominant.

The shift will gradually change the balance of power towards 2030. The power of the United States will diminish and the global order will move towards multi-polarity. Still, the US economy will remain the world's largest and the United States will continue to be the world's strongest military power.

If China's current growth rates continue, China would overtake the United States as the world's largest economy already in 2020 or 2025. However, it is not likely that China in the long term will be able to maintain economic growth at its current rates. But even with stagnating foreign trade and more moderate growth rates, by 2020 China is likely to have the world's third largest economy corresponding to approx. half of the United States' and the EU's economies respectively.

This places China as the leading emerging great power. Russia is slowly regaining its role as a great power, but it does not enjoy the same range of possibilities as China or India. India has already surpassed Russia by size of its economy and will increasingly play the role of a military great power. Both India's and China's military strength will continue to grow

while the United States, Russia, and Europe will continue to shrink their military forces.

In the tier right below the future great powers are a number of medium-sized countries which will be able to assert themselves as regional powers. This chiefly applies to Brazil, but also countries like Turkey, Iran and South Africa.

The EU has developed into a powerful economic player whose economy is the size of the US economy. Still, struggling with internal political and economic differences and divergent interests, the EU has difficulties in pursuing a coherent global policy and the organisation still has some way to go before becoming an international political heavyweight.

China and the United States are slowly headed towards strategic rivalry which will first and foremost manifest itself in Asia. The United States is carefully balancing its policy in the region, however, in order not to damage Sino-US relations seriously.

In the long to very long term, China is likely to become more inclined to engage directly in international issues, including military engagement in regions of strategic interest to China. Firstly, China's economic development gradually brings the country in closer contact with the rest of the world, making it increasingly dependent on the outside world. Secondly, China will improve its ability to influence other countries through its increased economic and military strength. Finally, the United States' diminishing global dominance will create a power vacuum which China could exploit in time.

Armed conflicts between great powers might still arise, but they are not likely. The

destructive power of modern states' weapons, the strategic nuclear weapons as well as the sophisticated conventional weapons, has in practice rendered unlimited war useless as a means in great power conflicts. The globalisation and the ever more intertwined global economy also work to reduce the risk of armed conflict since it would be very costly indeed to the US and Chinese economies if the two countries were to engage in direct military confrontation.

It is possible, however, that the great powers will not show the same reluctance in using new, non-violent means of warfare such as cyber warfare in which computer networks are used against the opponent. Unlike warfare with conventional weapons or weapons of mass destruction, there are no established rules governing cyber warfare. Even though the overall risk of a military conflict unfolding between great powers is very low, cyber warfare could lead great powers into responding to a cyber attack by traditional military means. This could result in a military escalation of the conflict and, ultimately, lead to actual acts of war. This, however, remains unlikely.

The development towards 2020 will be characterised by the United States' diminishing global power. The incipient power vacuum already means that regional powers have gained greater room for manoeuvre.

Consequently, regional powers will increasingly seek to strengthen their position of power within their regions. In the medium to long term, this will entail increased risk of regional conflicts, particularly in regions where the United States has so far played a dominant role, for example the Middle East. However, in the medium term it increases the risk that the United States will feel forced to take military actions against a regional power underestimating the readiness of the United States to engage in short, high-intensity military operations.

Areas with oil, gas, water or metal deposits hold the greater potential for regional or local military conflict. In East Asia, the regional territorial disputes in the South China Sea, especially around the Spratly Islands, will remain a key problem towards 2020. However, they are not likely to result in armed conflicts.

Ethnic and religious conflicts of interest in unstable and poor countries short of effective governance, the so-called weak states, will continue to be key factors of armed conflicts. This applies particularly to Africa South of Sahara, parts of the Middle East, and parts of South Asia, also because parts of these areas could be used as terrorist safe havens. In the long term, armed conflicts are most likely to emanate from these regions.



# Language, methods and definitions

Some of the phraseology used in the 2011 Intelligence Risk Assessment reflects the special method employed in intelligence analysis. To facilitate the reading, we have prepared a brief outline of our special language usage and work methods:

Once the analysts receive information, it has to be validated; that is the reliability and access of the source have to be determined. Then the information has to be assessed to determine its credibility and probability. We thus assess our sources and information on the basis of four criteria:

**Reliability:** How reliable has the source proved in the past? The extent of the source's knowledge of the subject to which the information is related?

**Accessibility:** How close has the source been to events – first-hand or second-hand information?

**Credibility:** Has the information been provided by a normally reliable source with good access? Does it fit with the knowledge otherwise held by the analyst?

**Probability:** What is the probability of what the source describes happening or having happened? This depends on the reliability of the source, the access of the source, the credibility of the information and on how the information fits with what the analyst already knows.

Once we have determined all these factors, we have transformed the raw information into a piece of intelligence that can form part of our further analysis. The term intelligence is not used consistently, though.

Normally, we protect the identity of our sources. As a main rule, however, we give our assessment of the credibility of the information as well as its probability. Though it might strengthen our credibility in the eyes of our readers if we mention the origin of our information, the need for credibility must be carefully balanced against the possible disclosure of the source.

We rarely produce assessments which do not contain an element of doubt. Therefore, it is important to make it clear to our readers just how certain we are in our assessments. In order for our readers to understand our intelligence assessments correctly, we must express ourselves in a standardised way, using the same phrases for instance when expressing identical source evaluations or the same level of probability.

We thus exclusively use standardised language in the intelligence risk assessment. As regards probability, we use a 5-point scale ranging from 0 over 25, 50 and 75 to 100 per cent. The extremes in either end are the easiest to deal with but are not the most commonly used. In practice, the analysts often have to assess a probability as fifty-fifty or between this and zero or 100 respectively.

We use a fixed terminology for the five degrees of probability:

- Highly likely
- Likely
- Possible
- Not likely
- Unlikely

The scale does not measure precise numeric differences as would a metric rule. It merely



informs the reader whether something is more or less probable than something else. In other words: This scale shows whether we assess the probability to be closer to 25 per cent than to 50 per cent. In this way we aim at guiding our readers to better understand our assessments.

If we fail to do so, we leave the job of interpreting the information to the readers.

Moreover, this approach forces the analysts to consider their level of certainty. Even though the way we express ourselves linguistically can be discussed, it helps give the reader added value in the form of greater precision and helps reader awareness that a close analysis and assessment have been performed. Definitions of the special terms used in the 2011 intelligence risk assessment are outlined below.

## Definitions

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### Probability

- It is **unlikely** that ...

We do not expect a certain development. Such a development is (almost) not a possibility.

- It is **not likely** that...

It is more likely that something will not happen than vice versa. The degree of probability is approx. 25 per cent.

- It is **possible** that...

It is a likely possibility; however, we do not have the basis to assess whether it is more or less possible that something will happen. The degree of probability is approx. 50 per cent.

- It is **likely** that...

It is more likely that something will happen than vice versa. The degree of probability is approx. 75 per cent.

- It is **highly likely** that...

We expect a certain development. It has (almost) been confirmed.

### Time frames

- 0 - 2 years: short term
- 2 - 5 years: medium term
- 5 - 10 years: long term

Perspectives exceeding ten years (very long term) are subject to great uncertainty and are thus only seldom used.

## Terrorist attacks

We assess the complexity of an attack based on the capabilities of the attackers as regards recruiting, reconnaissance, coordination, financing, logistics, technical know-how, special

skills and operational security. The capacity to launch simultaneous attacks reflects a certain capability within more of these areas. We divide attacks into four categories:

- **Simple terrorist attacks** may consist of a single individual or a few individuals obtaining, for instance, a handgun or a simple homemade bomb to launch an attack against unprotected targets.
- **Terrorist attacks of a certain complexity** may consist of a smaller number of coordinated bomb explosions or a single large car bomb against unprotected or poorly protected targets.
- **Complex terrorist attacks** may consist of a larger number of coordinated bomb explosions or more than one large car bomb.
- **Highly complex terrorist attacks** such as, for instance, the 9 September 2001 attacks against the USA and the planned attacks against transatlantic flights from London in August 2006.



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