

Center for Security Studies

# STRATEGIC TRENDS 2011

Key Developments in Global Affairs

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# Strategic Trends 2011: Overview

DIVERGENCE IS A KEY THEME IN OUR STRATEGIC ASSESSMENT OF THE WORLD IN 2011. With profound global and regional power shifts underway, a new multipolar international order is gradually emerging that is marked by diversity, a lack of leadership, and potentially growing instability. Managing change and finding solutions to common problems will not become any easier under such conditions.

The accelerated redistribution of global power towards Asia and changing regional dynamics in Europe and, in particular, the Middle East are defining features of 2011. Weak states and transnational threats such as jihadist terrorism and the increase in drug-related violence continue to require attention. But ‘asymmetric challenges’ are only one part of the jigsaw. As a growing number of non-Western states are gaining relative geo-economic weight, geopolitics takes centre stage again – in an international system that is increasingly complex and fragmented.

## *A new world emerging*

The most obvious divergence concerns the economic performance of

emerging and Western countries. Emerging markets have suffered less and recovered faster from the global financial and economic crisis. China is now pivotal to the global economy; whether it should still be called ‘emerging’ is a point of contention. Beijing’s commodity and trade links to non-OECD economies not only have a geoeconomic impact, but political bite. Emerging markets are no longer fully dependent on Western demand: They now have a range of options for increasing their economic and political stakes between East and West.

In contrast, the US and the EU are struggling with severe economic weakness. The US stimulus package has succeeded in preventing a long-lasting recession for now, but Washington is confronted with mounting national debt, massive budget deficits, and limited growth with few new jobs. In Europe, several countries face grave sovereign debt crises. Public-sector austerity measures are now a hallmark across the continent, with debt restructuring still a likely scenario for some countries.



As divergent economic fortunes are gradually translating into a geopolitically fragmented world, finding common ground on global challenges and the resolution of regional conflicts will become ever more difficult. The US increasingly lacks the resources and political will to unilaterally provide global stability, yet China and other rising powers are reluctant to step in. Domestic development remains their priority, which partly explains why currency and trade disputes are heating up and why collective action through the G2 (US and China), or indeed the broader G20, is not really taking off. Little progress can be expected on non-proliferation, climate change, energy, or indeed regional disputes.

#### *Europe in crisis*

Divergence is also visible at the regional level. In Europe, it manifests itself as an economic gap between a solvent core and the heavily indebted periphery. But it also applies to different political preferences as to how to resolve the debt crisis – the root problem being undercapitalised banks as much as a lack of political tenacity. Due to its economic strength, Germany's power within the EU has increased. Berlin is in the driver's seat as to how monetary union will play out, and although the euro is unlikely to be dropped, the terms

and conditions attached to financial guarantees have met with criticism from many.

Whereas EU member states have displayed solidarity as far as short-term help for highly-indebted countries is concerned, political tensions are rising in Brussels now that strategic decisions need to be taken. The outcome remains unclear. Neither regional fragmentation nor a deepening of the integration process towards a fiscal union nor, indeed, a broader multi-speed Europe can entirely be ruled out. But one thing is obvious: Europe's preoccupation with internal crisis management will hinder it from playing a major global role in the years to come. Despite the institutional improvements of the Lisbon Treaty, Europe's political efficacy will mean little in the greater scheme of things.

#### *Changing dynamics in the Middle East*

In the Middle East, the popular upheavals that surprised the world in early 2011 mirror a major divergence between rulers and ruled across large parts of the region. These domestically-driven secular revolts also underline the declining influence of the US as the regional hegemon of past decades. With US leadership waning and the Arab core long weakened, major power shifts are underway in



the Middle East. As Iran and, above all, Turkey are playing increasingly important roles, there is a rise of the non-Arab periphery, which also includes Israel as the dominant regional military power.

The future of the Arab states is ever more uncertain in light of the mass protests. The most vulnerable authoritarian Arab regimes may well be the old Arab Nationalist republics, mostly situated in North Africa, while the majority of the Gulf monarchies will likely be able to weather this storm. The geopolitical divergence between the Gulf and the western parts of the Middle East may grow as the oil-rich monarchies look increasingly to the energy-hungry rising powers in Asia, while fledgling pluralist regimes in the Levant and North Africa can be expected to intensify cooperation with Europe.

The US is bound to stay involved in the Middle East to safeguard its energy interests, protect Israel, and manage non-proliferation, terrorism, and other security challenges. However, with both its dependence on Middle Eastern oil and the threat of jihadist terrorism decreasing, Washington may eventually shift its strategic focus beyond Afghanistan and Pakistan towards the Far East, where Sino-American competition for influence is becoming ever more apparent.

### *Terrorism as a manageable risk*

A diminishing US footprint in the Middle East and the fall of some of the authoritarian regimes there might also lessen the appeal of the jihadist ideology and reduce the scope of Islamist extremist violence. Such a development would reinforce the view put forward in this issue of *Strategic Trends* that jihadist terrorism should be perceived as a manageable risk rather than an existential threat to Western security. The core organisation of al-Qaida is severely weakened. Most of its affiliates in the Middle East and Africa as well as the large majority of other Islamist extremist organisations pursue predominantly local agendas. Al-Qaida's ideology of global jihad is being marginalised in Islamist discourse today. Largely as a result of al-Qaida's indiscriminate killings of fellow Muslims, Osama Bin Laden and his followers have lost much support.

Jihadist terrorism will not go away, and homegrown jihadists with ties to established terrorist organisations remain a particular concern for both Europe and the US. However, with some lessons learnt, counterterrorism works to the extent that the probability of mass-casualty attacks on Western homelands has significantly lowered. Although fighting terrorism will continue to be a cost-intensive strug-



gle, it should no longer be overemphasised at the expense of other challenges.

*Weak states and international security:  
Narcotics as a case in point*

How to deal with weak states remains an open question, given the current crisis of many international state-building missions. Threats relating to under-governed spaces continue to affect Western security negatively and need to be addressed. Whereas terrorism has received much attention as a threat linked to weak states ever since 9/11, narcotics are now rapidly becoming an international security concern too.

The global narcotics trade ought to be taken into account as an increasingly important source of political violence. The drug-financed Taliban insurgency in Afghanistan and the rise of drug-

related violence in Mexico are examples. Efforts to combat the problem aggressively in either source or transit countries for drugs have only worsened the problem. Meanwhile, terrorists are showing signs of cooperation with drug traffickers due to a convergence of interests and methods.

Unless the narcotics-insecurity cycle is met with greater counternarcotics coordination, it may spread ever further. The US as the leading counternarcotics actor has, however, not succeeded in forging an effective multilateral approach, with other states either disapproving of US policy or being complacent about the problem. As with many other issues, a joint response will not become any easier as more powers with divergent interests and views now have a seat at the global table. ●

**STRATEGIC TRENDS** offers a concise annual analysis of major developments in world affairs, with a primary focus on international security. Providing succinct interpretations of key trends rather than a comprehensive survey of events, this publication will appeal to analysts, policy-makers, academics, the media, and the interested public alike. It is produced by the Center for Security Studies (CSS) at ETH Zurich. Strategic Trends is available both as an e-publication ([www.sta.ethz.ch](http://www.sta.ethz.ch)) and as a paperback.

**STRATEGIC TRENDS 2011** is the second issue of the Strategic Trends series. It contains a brief overview as well as chapters on emerging markets and fractured geopolitics, changing regional dynamics in the Middle East, terrorism and counterterrorism ten years after 9/11, and narcotics as a growing security concern.

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