

EXECUTIVE BRIEFINGS ECONOMY AND POLITICS: ISIS

Adit Jain, IMA India September 2014

Islamic State – the rising threat

On the 19th August 2014, an American journalist, James Foley was executed by terrorists of Islamic State (previously called the Islamic State of Iraq and Greater Syria) ostensibly in retaliation to airstrikes by the United States Air Force on IS positions. In a gruesome video released on the social media, the killer, surprisingly in a northern England accent, threatened more such executions if the West continued to attack IS positions. True to form, a couple of weeks later, on the 2nd September, Stephen Sotloff, another American journalist was killed by a masked IS operative, followed by a third execution – that of David Haines, a British aid worker – a few days later.

The United States, which had until recently adopted a reluctant response to the mounting IS threat, ultimately acknowledged the gravity of the problem. President Barak Obama in an apparent change of policy, conceivably driven more by public opinion, promised to tackle the terrorist menace more proactively and lead a global coalition of armed forces, including those from Arab and Gulf nations. Mr Obama's presidency has been faulted on account of an inward-looking foreign policy, which amongst other things created a diminished military presence in the Gulf. It is yet unclear whom the coalition will eventually comprise of, or what individual members will do. Arab nations in particular remain cautious. To begin with, America will commence airstrikes on IS positions in Iraq as well as in Syria followed by the deployment of Special Forces. However, the IS problem is unlikely to be quickly resolved and an engagement by the White House now will almost certainly be inherited by its subsequent occupant when Mr Obama completes his term in a couple of years.

The origins of IS were from the Al Qaeda in Iraq, a faction that participated in the insurgency against US forces following the 2003 invasion. It earned empathy amongst Iraq's Sunni population following several years of shoddy misrule by the previous Iraqi Prime Minister Nouri Al-Maliki. Mr Maliki has only recently and most grudgingly handed the baton to a successor, but is far from hanging his boots. In a bid to prop up a majority Shia constituency, Mr Maliki alienated Sunnis from several aspects of political life including the army, reducing it to deplorable levels of incompetence. As things played out, several IS commanders are actually experienced professional soldiers that served in Sadam Hussain's Republican Guard but were denied re-commission by Mr Maliki. When IS guerrillas attacked Iraq, its army floundered, threw down their weapons and scattered. They were unable to put up even an iota of resistance.

IS's ideology takes root in a branch of Islam that seeks to reverse its practices to the early days. This ideology considers modern adoptions to be corrupt and impure. But in fact, IS has been condemned by sections of the Al Qaeda and other deeply conservative sects like the Salafis, and branded a terrorist organisation that disgracefully kills fellow Muslims. For example, on the issue of the Israel-Palestine conflict, IS regards Hamas as renegades who have no rightful authority to lead a jihad. Bizarrely, it believes that fighting Hamas would be the first step towards the final confrontation with the ultimate enemy, Israel. Under the leadership of Abu Bakr al-Baghdadi, IS has accomplished significant military victories in both Iraq and Syria. Some estimates suggest that in June 2014 it had approximately 5,000 fighters within its ranks, but more recently this number has surged to approximately 30,000 divided between its positions in Iraq and Syria. A lot of these are comprised of Sunni Muslims from both countries, but also contain several fighters from Europe – France, UK and Chechnya. On the 29th June, IS proclaimed the formation of a Caliphate with Mr al-Baghdadi as its Caliph.

IMA India

Peer Group Forums



Going forward, there are diverse constituencies that may come together to confront the Islamic state. These include the possibility of Iran and Syria aligning with the *Great Satan*, America. The US is understandably keen to widen its coalition to include NATO members but more importantly, regional powers including Saudi Arabia, Jordan and Turkey. All of these have wavered in their commitments. IS is growing stronger by the day and better funded. It sells oil (earning approximately USD 1 million per day) and ransoms hostages. Many Arab and some European nations silently pay up to avoid a confrontation. Its ability to mobilise recruits is, in an odd way, impressive. Some estimates suggest that approximately 12,000 IS operatives have foreign passports and as many as 4,000 are likely to be of western origin. Its fighters are experienced, hard nosed, willingly accept casualty and respond with speed and aggression. This strategy has been very effective.

The rise of IS could have been contained, had Mr Obama not adopted a policy of regression and disengagement from the Middle East. This left a vacuum, which was quickly filled by an entity that represents a larger disgruntlement with appalling administrations in Iraq and Syria. With fracking leading to rising domestic oil and gas production and near self sufficiency, America's dependence on the Gulf has ebbed and the region is no longer considered a strategic imperative. However, the White House under a new administration may begin to see things differently. In the weeks and months ahead, it is possible that America will give IS operatives a serious pasting. But the fact remains that the Islamic State is really an embodiment of a deeper ill that has hounded the Middle East – the inability of incompetent Governments to engage with their citizens and create an environment where diverse communities and sects are involved in the political process, in civil society and can live peacefully together. Even America can't fix that in a hurry and attacks on innocent people including Americans, may yet continue for a while more.

Headlines Bottomlines

Clarity. Brevity. Simplicity.



MA's in-company briefing presentations are designed to help decision-makers better understand developments in the operating environment. Led by Adit Jain, IMA's Editorial Director, the presentations provide an analysis of current and long term economic trends as well as an assessment of the impact of global developments on businesses locally. Availed by companies across sectors, IMA's presentations are useful inputs at management and strategy discussions, Board meetings, offsite discussions and annual planning sessions.

IMA Executive Briefings

by Adit Jain

To know more and to request a tailored briefing for your organisation, contact Akhil Mohan at akhilmohan@ima-india.com.