

## The asymmetry of economic war

By Paul Rogers,  
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The serious strategic predicament created by the occupation of Afghanistan and Iraq by the United States and its key allies shows no sign of being alleviated. In Afghanistan, the dispute over the appointment of a new United Nations envoy in Kabul (where Hamid Karzai, Afghanistan's president, vetoed [1] the appointment of former British politician Paddy Ashdown to the role) is the surface of a deeper disarray [1]. In Iraq, a number of signals (including the caution [2] over US troop withdrawals expressed by defence secretary Robert M Gates during a two-day trip to Iraq, the ominous Sunni demonstrations [3] in Diyala province, and new waves of Iraqi detainees inundating [4] the US-controlled prison system) underline the difficulty of Washington and London's position.

The fundamental problem is that the strategy which these governments are pursuing is unsustainable. They might define their self-described peacekeeping and stabilisation efforts as benign and constructive, but they are regarded in much of the world (especially the middle east and southwest Asia), as indeed an occupation designed to maintain control in the United States's and Britain's own interests (see "A mission impossible [4]", 7 February 2008).

Away from these areas of direct combat, however, another strategic dilemma faced by the architects of the war on terror is becoming increasingly visible. This involves developments in asymmetric warfare - the ability of the weak to take up arms against the strong - which are already changing the global pattern of armed operations and counterinsurgency in ways still largely unrecognised. The United States army, and other powerful armies, find this form of warfare particularly difficult to cope with, as it can utilise in highly effective ways the advantages of an imbalance of forces and a surplus of targets..

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The ability of extreme movements to undertake mass casualty attacks is already formidable; so also is their developing capacity to strike at the vulnerable underpinnings of advanced industrial economies - in short, economic targeting. This was seen in the attack on the world's largest oil-processing plant, the Abqaiq facility in Saudi Arabia, on 24 February 2006 (see "Abqaiq's warning [4]", 2 March 2006).

The Saudi response to the Abqaiq attack has been rapidly to develop a new 35,000-strong security force devoted entirely to protecting the country's energy infrastructure; this decision is paralleled by one to allow the United States fifth fleet to guard the world's largest oil export terminal, at Ras Tanura (see "Abqaiq's message to Washington [4]", 9 November 2006).

More recently, there have been further indications of a switch of emphasis towards this kind of warfare on the part of insurgent groups. The implications may be fundamental:

\* A communiqué from Abu Hamza al-Muhajer, the al-Qaida leader in Iraq, focused on targeting the Iraqi economy: "Cut off their communications by blowing up the towers and the land telephone exchanges and destroy the bridges and the important highways they use" (see Amit R Paley, "Shift in Tactics to Revive Struggling Insurgency [5]", *Washington Post*, 8 February 2008). As if on cue, a series of explosions hit a natural-gas pipeline near Kirkuk and a generating station in Mosul, causing widespread disruption of power supplies across much of the country (see Steven R Hurst, "Blasts Show Tenacity of Al-Qaeda in Iraq [6]", *Philadelphia Enquirer*, 12 February 2008)

\* In Pakistan, a confident Taliban leader states: "Just a few steps would be enough to break the binding forces of the country, and then it will fall into our hands. For instance, there are two major [oil] refineries in the country. If we were to blow them, the country would face a severe energy. Everything would come to a halt and riots would erupt (see Syed Saleem Shahzad, "Revolt in Pakistan's Tribal Areas, Part 2 [7]", *Asia Times*, 11 February 2008)

\* in Britain, armed police officers and more discreet forms of security planning are being deployed in anticipation of or in response to security threats - from the Easington gas terminal [8] in east Yorkshire to more than a hundred airport terminals, railway stations, ports and "sensitive installations [9]".

### **The Saudis on edge**

The attention being paid to oil security in Saudi Arabia [10] results from three factors:

\* Saudi Arabia produces [11] a tenth of global supplies - around 9 million barrels a day; more significantly, it has 3 million barrels a day of spare supplies, sufficient to counter sudden shortfalls elsewhere

\* Current oil shortages and high prices make Saudi Arabia particularly important for world oil markets as a whole

\* Attacks on foreign oil companies and their employees, coupled with the Abqaiq attack, demonstrate that the al-Qaida movement has long been active [12] in the kingdom

In addition to the new security force, internal security has been strengthened at oil installations, with Aramco having invested \$250 million in the past two years. The scale of the interests at stake is indicated by reports on 14 February 2008 that Aramco plans to invest [13] \$90 billion in the hydrocarbon sector in 2008-13.

### **The business frontline**

The application of economic targeting by al-Qaida and its affiliates is not new; many of the more nationalist Iraqi insurgents have also caused great devastation to oil and service installations in their operations since 2004. What is happening now, however, seems to be that this type of activity is becoming more of a focus of militant groups' thinking, including in countries minimally if at all connected with the United States-led war on terror. It may be too early to call this a global trend, but the example of earlier periods and contexts of armed insurgency or guerrilla warfare suggests that "economic warfare" could become a potent weapon in the armoury of a new generation of militants.

In addition to Iraq and Saudi Arabia, events in Mexico and Sri Lanka reflect this broader tendency. The coordinated attacks on six oil and gas pipelines in Mexico on 10 September 2007, causing explosions and fires, is a prime example. The responsibility for these were

claimed by a Marxist paramilitary group, the *Ejército Popular Revolucionario* [14] (Popular Revolutionary Army / EJR); they followed two sets of attacks on a key natural-gas pipeline on 10 July that had led to the temporary shutdown [15] of numerous foreign-owned factories in Mexico (including Honda, Nissan and Volkswagen plants), which inflicted losses for the companies estimated at hundreds of millions of dollars.

Until these activities the EJR had been a disparate and ineffective group that had come to prominence in mid-1996 with the launch of a series of assaults on police targets, and was subsequently known mainly for kidnappings; it had an active membership of no more than a hundred. Yet the devices used in the July and September attacks comprised fire-extinguishers filled with a fuel-oil/ammonium-nitrate mixture, with plastic explosives connected to digital watch-timers and batteries as detonators. The efficiency of the operation [16] came as a major surprise to the Mexican authorities; suddenly the EJR acquired a status that it had conspicuously lacked.

The Mexican, Iraqi and Saudi developments follow in the wake of earlier examples of economic targeting by many different paramilitary movements. Indeed the prevalence of mass-casualty attacks since 2001-02 has tended to sideline this once more prominent current of worldwide guerrilla action. The strategy of the Basque [16] armed group *Euskadi Ta Askatasuna* (Basque Homeland and Freedom / ETA [17]) in Spain, for example, has included direct bombing campaigns against tourist venues to deter visitors; and the Tamil Tigers (LTTE [18]) in Sri Lanka [18] have been relentless in economic attacks. These have included bomb and rocket assaults against oil installations, the international airport, and the financial centre of Colombo.

The most destructive of these was on 31 January 1996 when a suicide-bomber drove a truck containing around half a ton of high explosive to the entrance of the central bank in the heart of the central business district [21] and detonated the load; the explosion killed nearly 100 people and injured 1,400. Many key buildings were destroyed or severely damaged: including the bank itself, the Celinko insurance building, the Air Lanka offices, the Ceylon hotels corporation building, the Bank of Ceylon and several hotels Colombo's World Trade Centre (which was bombed again [22] by the LTTE on 15 October 1997, three days after an official reopening ceremony). The 1996 bombing had a considerable impact on business confidence, although this was strenuously denied by the Sri Lankan government.

Other examples of action by paramilitary cells intended to have an economic impact include:

\* the kidnappings and killings of the *Brigate Rosse* [23] (Red Brigade) actions in Italy (1969-84, but continuing in sporadic form thereafter [24]); many of the operations were directed against business targets

\* the kidnapping and assassinations of business leaders by Germany's *Rote Armee Fraktion* (Red Army Faction / RAF, routinely known as the Baader-Meinhof [25] gang); these dominated the groups activities from 1977-91 (it was spasmodically active after that until the last major operation, the bombing of a women's prison in 1993; the group announced its disbandment in 1998)

\* the campaign by the Maoist guerrillas of *Sendero Luminoso* [26] (Shining Path) in Peru, whose war against the state (1980-99) inflicted \$22 billion worth of damage on the Peruvian economy;

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Paul Rogers's most recent book is *Why We're Losing the War on Terror* [20] (Polity, 2007) - an analysis of the strategic misjudgments of the post-9/11 and why a new security paradigm is needed

it included car-bombings [26] of elite Lima neighbourhoods in 1992 that killed eighteen people and wounded 140

\* the truck-bomb attack on New York's World Trade Centre on 26 February 1993 [27]; intended to collapse the entire complex and kill 30,000 people in a matter of seconds, including many key people in the US business community.

## **The first long war**

The most notable example of this type of asymmetrical economic warfare, however, is the sustained campaigns of the Provisional IRA (PIRA) in Britain in 1992-94 and 1996-97, which also illustrate how expensive [28] such a strategy can be to the society and government on the receiving end. These campaigns were inaugurated against a background of political stalemate during what the PIRA regarded as its "long war" against British rule in Northern Ireland, and its determination to open up a new front and thus put intense pressure on the London government.

They started in April 1992 with bomb attacks by the PIRA's "England department" at the Baltic Exchange in the City of London, and at Staples Corner on the M1 motorway/North Circular Road interchange, north of London. There were further bomb attempts later that year, at Canary Wharf and in the City of London (to coincide with the Lord Mayor's show); these were both intercepted (see John Ferry, ("Triumph over Terror: the City of London vs The IRA" [29]", *Worth*, 3 January 2005).

In April 1993 another large bomb was detonated in Bishopsgate in the City of London [30], and in early 1994 a large truck-bomb was intercepted at the port of Heysham, Lancashire. The PIRA declared a ceasefire on 31 August 1994 [31]; but amid lack of progress in the peace process it resumed its campaign with an enormous attack at the Canary Wharf business complex east of the City of London on 10 February 1996 [32]; this was followed by an attempt to destroy London's Hammersmith bridge and by a devastating attack in the centre of Manchester. Amid other abortive operations in 1996, the PIRA [33] experienced a number of reversals; the impact of the latter on the group, but also its ability to remain active, was reflected in the series of disruptive small bombs and false alarms it organised during Britain's general election campaign of April-May 1997.

As well as the major attacks on financial centres, this 1992-97 operations involved the targeting of motorways, railways, gas and electricity supplies and airports. These resulted in large-scale disruption on many occasions. The first set of attacks in 1992-94 had an extensive (if at the time resolutely denied) influence on the then British government of John Major, encouraging it to endorse back-channel "track-two" engagement with Sinn Fein [33], the political wing of the Provisional IRA. After the 1997 election, the incoming Tony Blair government took determined action to accelerate the peace process in Northern Ireland; this ultimately led to the Good Friday agreement [34] in 1998, the decommissioning [35] of PIRA weapons and the establishment of a power-sharing administration (see Paul Arthur, "The end of the IRA's long war" [35]", 28 July 2005).

In the current context, the main relevance of the PIRA campaign is that it highlights the actual tactics of a sophisticated [36] paramilitary group in targeting the economic base of an advanced industrial state. This leaves a legacy of practical experience that provides much information about how a small but dedicated paramilitary group, operating in an adverse security environment, can damage the apparatuses of a rich economy.

There is an important difference, however, between the Provisional IRA campaign [37] and that of contemporary *jihadists*. The PIRA always sought to minimise the risk of death or detention for

its "volunteers". This is not the case in a project of economic targeting undertaken by a revolutionary movement rooted in a religious ideology, where martyr-suicide operations are an integral part of its propaganda no less than its military campaign.

Some analysts who study the development of economic targeting and also watch the evolution of the al-Qaida movement express coded surprise that the movement has not been more systematic or focused in undertaking this kind of action. The indications from Iraq, Pakistan, Saudi Arabia and even Britain suggest that this might now be changing. If so, then 2008 may witness the beginning of another phase in what is proving to be another - and this time global - "long war".

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