

Don't give up, battle's on

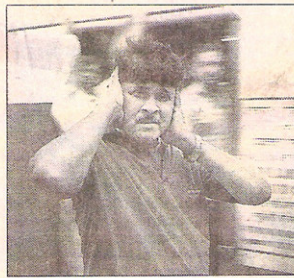
WHILE we are all focused on the immediate damage caused by the heinous attacks on the suburban trains in Mumbai, it is important to know that the intention of terrorists is to create secondary consequences. The primary consequences are the death of about 200 passengers, approximately 800 injuries, decline in household income of several of the affected families and destruction of the properties of the railways. But terrorists are not interested in the primary damage. Their interest is to cause secondary damage. In this case, the objective seems to be to undermine business confidence and weaken the social fabric. Whether the terrorists succeed in their objective of delivering the secondary consequences depends on how the state and the society respond.

Let me illustrate this with the example of the 9/11 attacks in New York and Washington DC. The primary damage was about 3,000 deaths and economic losses of a few hundred million dollars. The secondary damage was \$500bn. Thus, the US and the global economy suffered the heavy secondary consequences because of the way the US reacted. In the case of Mumbai, if we make a conscious effort to prevent any kind of communal problems and to prevent any kind of breakdown of confidence in the business environment, the terrorists will fail in their main objective.

The attacks which took place in Mumbai are part of a new pattern emerging in the terror map of South Asia. It is likely that such attacks may be repeated in different forms in the future. It will not necessarily be trains next time. It could be important commercial properties like the March '93 serial attacks or it could be important installations. The risk is not only limited to Mumbai but may also extend to other commercial centres such as Bangalore and Hyderabad.

Around '01-'02, Pakistan's ISI changed its strategy from a focus on J&K to the Indian economic growth process and the country's communal fabric. On the one hand, Pakistan is co-operating with confidence building measures such as opening of the bus routes and discouraging infiltration across the Line of Control. On the other hand, they have opened many other fronts in the main Indian strategic and economic theatres. This has been reflected in the attacks on the Parliament, gun firing in Bangalore, previous attacks in Mumbai and Ahmedabad and an increase in insurgency in the North East, where petroleum resources are located. The ISI will continue to target India's economic growth centres and cosmopolitan culture so long as they continue with the present doctrine.

In an in-camera meeting with Pakistan's former home minister, who is known to be personally close to General Musharraf and other army officers, he clearly said that they were expecting India's economy to advance from its current stage to a stage which was several levels higher. He said that Pakistan



does not expect to match pace with the Indian economy. However, he said that that they had enough wherewithal to create disturbances in order to disrupt India's economic advancement. This cold blooded message is not the only one I have heard in my interaction with

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senior Pakistani leaders.

Under the circumstances we need to take the following steps to prevent any future attacks or at least to limit the damage in case of future attacks. First, the government must take tough action against smuggling syndicates which are instrumental in the transport of RDX and other materials. A proper technical analysis of the bomb at Borivali that was diffused can provide clues about the source of supplies of the strategic raw material and the direction of smuggling.

Second, there must be a crack down on the group that are known to be possessing illegal arms and materials.

Third, we will need to beef up the security of important installations such as BARC (Bhabha Atomic Research Centre) and important commercial facilities without creating a police state.

Fourth, we need to speed up and spread initiatives like the mohalla committees all over the city and suburbs in order to build communal harmony in a conscious way. This will ensure the removal of any misunderstanding in the case of any future attacks and outbreak of secondary consequences. Such committees should be vibrant with active citizen involvement belonging to different communities.

Fifth, we particularly need to make an effort to maintain business confidence immediately in the days following such attacks. This is a decision that needs to be co-ordinated between the heads of financial institutions and the heads of large industrial houses.

What can the corporates do to reduce the possibilities of attacks?

First, our software industry can have significant clout on the Capitol Hill if they play the game right. It is only in Washington DC that we can create ultimate pressure on ISI. So far, I have not seen any willingness on the part of the Indian software giants to use their financial strength to influence the US policy makers to put real pressure on Islamabad to dismantle the terrorist infrastructure. If the software industry thinks that this kind of diplomacy is not their business, they cannot just blame the government alone if terrorists attack important commercial assets in Mumbai and Bangalore. National security must be enhanced through co-operation between the state and the private sector when the government's own negotiating strength has limits.

Second, the Indian industry has to wake up and realise that they live in a fragile security environment and make an effort to understand the macro-level situation. It will then enable them to formulate firm level strategies. Our industry has time and resources to support soft social sector projects but unlike their counterparts in the West and Japan, show very little interest in developing professional understanding of strategic framework within which business has to operate. Almost every conglomerate in Japan has a strategic analysis division within the corporate headquarters.

A recent example of the failure of strategic understanding of the Indian business was a move by a large business house to invest in a neighbouring country. A detailed understanding of the changing political dynamics in that country would have made any business house in the West more cautious. Only last month in Malaysia, about 75 top executives came together along with senior ministers to map the country's future, particularly including security and political risks and opportunities. I don't see any interest on the part of Indian industries to invest time and resources in such exercises.

Third, the government and industry must work together to create a regime of incentives and threats for the neighbouring countries. Our FTA (Free-Trade Agreement) with Sri Lanka has been a tremendous success and I doubt if the LTTE or any other Sri Lankan terrorist group will try any adventure in India. We have signed SAFTA (South Asian Free Trade Area) but it is only a nominal commercial concept. We have to see how we can transform this into a strategic reality through state-business partnership. If this works, it will reduce incentives to sponsor terrorist attacks from Pakistan and also Bangladesh.

Such a comprehensive strategy will eventually frustrate the terrorists. What is most important to bear in mind is that the terrorists are always trying to evoke an irrational response and make the target only the instrument of their social and economic agenda.

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