



SIMPLICITY IN DESIGN™

Analysis: Pakistan in Three Dimensions

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Special points of interest:

- The importance of Protection in a dangerous and highly dynamic world is reflected in the need to quickly assess and respond to unforeseen events.
- The tragic events in Pakistan remind us that Muslims are the primary victims of terrorism.
- Benazir Bhutto mini-bio captures the influence her family had on Pakistan's modern politics and the costs.
- India and Pakistan's dangerous neighborhood propel national events into regional and global concerns. India and China's proximity directly affect international trade through the long supply chains that run through these major hubs of globalization.

For companies with significant investments in India, the assassination of former Pakistani Prime Minister Bhutto illustrates the need to balance the two dimensions of Competition and Performance with Protection. As Pakistan undergoes a political crisis, the Indian government must already be thinking about the threats from the instability inside its nuclear armed neighbor, with which it came to the brink of war a short six years ago. As these events play out, the ability of the In-



dian government to constructively respond to the crisis in Pakistan will be another test of its reliability as a global technology investment hub and security

partner. The events of last week remind us that, while the world may be 'flatter', it is still full of bumps and potholes.

Corporations heavily invested in the Indian technology and services industries will be watching developments in India as the crisis in Pakistan evolves, to gain a better understanding of the ability of the Indian government to effectively respond by promoting stability and averting tension between the countries. These companies are facing the down-

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In This Issue

Over the past five years we have argued that Globalization has affected competitive models by raising the dimension of Protection to an equal footing with that of Competition and Performance. An aspect of this change is the need for improved intelligence that can look beyond pure business metrics to consider evolving political, social and international developments within an

integrated three-dimensional framework.

This snapshot analysis of the assassination of former Prime Minister Bhutto is based on previous three-dimensional (C-P-P) analysis, which our organizations' have conducted on the direct and indirect business, economic and foreign policy effects of tensions between India, Pakistan and China. The world has always been in flux, but it

has never been as interconnected, interdependent and integrated as it is today, which together with modern telecommunications magnify the dynamic environment in which businesses compete. In this context, awareness, agility and resilience delivered across the three dimensions of Competition, Protection and Performance can offer sustainable, compelling competitive advantages.



Pakistan in Three Dimensions—Continued

side of globalization: regional instability at the heart of critical global supply, investment and services chains.

Next to India and Pakistan is China, another player whose conduct during this period bears monitoring. China and India have been and remain competitors for international investments in the high tech, services and manufacturing sectors. The Chinese have proven successful in attracting an increasing share of global manufacturing investments, while the Indians, with their extensive English skills and Western savvy remain leaders in software development, finance and strategic business services. In this context, the Chinese may be tempted to view the current situation in Pakistan and any Indian mis-

step as beneficial to its efforts to attract more investments and expand its footprint in sectors where the Indians have been dominant.

Global companies have a vested interest in keeping both India and China as viable centers in the global system of finance and trade. Just like international airlines strive to prevent the emergence of a global aircraft manufacturing monopoly by keeping Boeing and Air Bus viable and competitive, technology and service sector industries should recognize an enlightened interest in keeping India and China as viable competitors in the global economy. Western governments in general and the US and Britain in particular also have an interest in ensuring India's viability as a

counter to growing Chinese influence in global markets. For all its troubles, India remains a democracy with strong legal and government systems reflective of British traditions. Britain has long benefited from their close ties with India. The US has also benefited over the past thirty years from the talented pool of Indian immigrants that have been instrumental, among other things, in Silicon Valley's ascendancy as the high tech capital of the world.

From a National Security perspective, China continues to be problematic as it expands its military capabilities, weapons sales and relationship building as a check to American influence and power. Taiwan, Hong Kong, Korean Peninsula, Burma and

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While the West worries about terrorism, Muslims in general (and moderate Muslims in particular) living in Muslim countries remain the most common victims of radical Islamist violence.

Muslims Remain the Primary Victims of Terror Violence

The assassination of former Prime Minister Benazir Bhutto should remind us that by far the most common victims of radical Islamic violence are Muslims. From Iraq and Afghanistan to South and Central Asia, radicals target fellow Muslims who fail to support/oppose their theocratic ideals. The US War on Terrorism, which began after 9/11, is the most recent chapter in a long ideological struggle, which had been raining across the Islamic world for many years, particularly in the Middle East

and North Africa, the birthplaces of the most violent Islamic terrorist organizations. The Muslim Brotherhood, Islamic Jihad, AlQaida and other radical groups have left a long trail of blood and suffering across Muslim communities and political centers dating back to the 1920's.

For example, Egyptian prime minister Nokrashi was assassinated in 1948 and Anwar Sadat in 1981, while King Hussein of Jordan and current Pakistani President Mushar-

raf survived numerous assassination attempts.

This latest act of political violence in Pakistan illustrates the risks and terrible toll that moderate Muslim leaders continue to pay for promoting reform and engagement with the West. This is something we should keep in mind in coming days as democratic elements in Pakistan attempt to move past the tragic events of this week to the national elections for which Benazir Bhutto gave her life.



Pakistan in Three Dimensions—Continued

Iran underscore the challenges in Sino-US relations. Every American Administration in the past sixteen years has had a China crisis: Bush Senior had Tiananmen Square, Bill Clinton sent aircraft carriers towards the Taiwan Straights in response to Chinese missile exercises threatening Taiwan and GW Bush had to deal with the aftermath of a collision between an American EP-3 Orion reconnaissance plane and a Chinese fighter sent to harass it. The difficulties in US-China relations were recently punctuated just before Thanksgiving 2007, when first two small Navy minesweepers were denied entry to Hong Kong harbor for refueling and shelter from a storm and a short time later the USS Kitty Hawk was turned away as it approached on a long planned visit. The Chinese government made it clear that it was expressing its displeasure with the high honors received by the Dalai Lama in Washington.

By contrast, India has been a member of the British Commonwealth and has close government, business and social ties with England, our most important ally. Since 9/11, India and the US have moved increasingly closer economically, politically and militarily as they both contend with threats from Islamic inspired terrorist groups. These relationships, based on mutual self-interest, should continue to strengthen as the Indian economy modernizes and much of its tech-

nical-business class finds success at the highest levels of American multinationals.

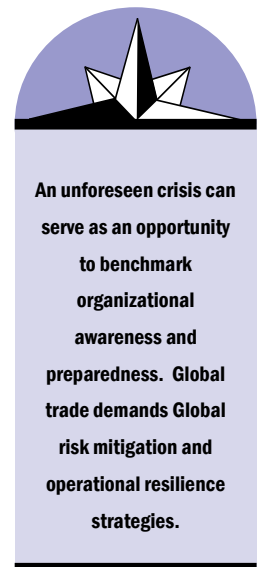
The loss or demotion of India as a strategic global business center would have severe ramifications for the US and its Western allies. Thus, while humanitarian and political considerations over the current crisis in Pakistan raises concerns about the war on terror and Pakistan's nuclear arsenal, the not-so-indirect potential effects of this crisis on global business and economic stability are equally important. A strengthened China at the expense of India would make China even more indispensable to the global supply chain and may in turn increase the Chinese government's willingness to pressure Taiwan, undermine American influence and negatively affect the balance in Sino-US relations. These are important factors to consider in the context of investment risks and the resilience of global business operations that depend, at least in part, on Chinese government behavior.

A Useful Benchmark

Companies with significant investment in or reliance on Indian technology and service industries should have had the awareness and understanding to consider the effects of the sad events in Pakistan on their organization's ability to compete and perform. Their competitive, operational and risk models should have already factored

in the potential effects of instability in Pakistan, India or China, and taken reasonable steps to mitigate their effects. Events such as the assassination of Benazir Bhutto serve as tests to benchmark corporate awareness, strategic planning and resilience across the three dimensions of Competition, Protection and Performance. If corporate planning and preparedness to deal with the primary and secondary effects of instability proved effective, then corporate executives should feel reassured. Otherwise, this may be a timely reminder that, in a highly interconnected global economy, organizations operating in competitive environments need to upgrade their internal capabilities to prepare for highly disruptive events. In this context, effective intelligence to consider factors beyond traditional business metrics is critical for success.

Finally, business leaders well versed in the three dimensional challenges of global competition will be better positioned to influence national policy makers at home and abroad. The interplay of Competition, Protection and Performance requires balance to promote resilience by, in part, avoiding single points of dependency and failure in the operational, financial and supply chains that make modern trade possible. In this context, India is as important for companies with operations in China, as China is to those




An unforeseen crisis can serve as an opportunity to benchmark organizational awareness and preparedness. Global trade demands Global risk mitigation and operational resilience strategies.

Pakistan in Three Dimensions—Continued

relying on India's leading edge industries. Enlightened self-interest means looking beyond short-term objectives to protect what is needed for sustainable success in the long term. In the integrated space of the global economy, no one is immune from a major political, economic or

natural event, and a major failure or shift in one market can affect business operations on the other side of the globe. Coping with change, managing risk and responding to the unforeseen requires a competitive framework that can balance traditional operational and financial factors

with what is needed for the business to effectively compete and perform. This, combined with effective business intelligence, understanding of markets and sensitivity to local and regional issues can improve resilience and deliver a consistent, long term competitive edge. 

Benazir Bhutto—A Tragic Inheritance

Benazir Bhutto was born on June 21, 1953 into a prominent political family in the town of Karachi. She attended a variety of private schools including the *Convent of Jesus and Mary* in Karachi, *Jesus and Mary Convent* in Murree and the *Karachi Grammar School*. After completing her pre-college education in Pakistan, Bhutto moved to the United States where, between 1969 and 1973, she attended Radcliffe College and later Harvard University to study Comparative Government, graduating with high honors. She continued her education in London, attending Oxford University, where she studied Philosophy, Politics, Economics, International Law and Diplomacy. In December 1987 she married Asif Ali Zardari in Karachi and bore three children, Bilawal, Bakhtwar and Aseefa.

Benazir Bhutto's family paid dearly for their political influence. Her father became prime minister in the early 1970s, but was dismissed in 1975 on corruption charges. Two years later, under the military government of Zia-

ul-Haq, he was tried, convicted and sentenced to death. He was hanged on April 4, 1979 in spite of




world wide condemnation and appeals for clemency from political and religious leaders. Two brothers also met violent ends; Shahnawaz was killed in France in 1985, while Mir Murtaza was killed in Pakistan in 1996.

Benazir Bhutto was allowed to leave Pakistan for Britain in 1984, where she became the leader of her father's Pakistan People's Party (PPP). She remained in exile until the death of General Zia-ul-Haq, returning to participate in the November 1988 elections that ultimately made her Prime Minister. At age 35, Benazir Bhutto became the youngest and first female Prime Minister of a predominantly Muslim country. Two years later, her gov-

ernment was dismissed following charges of corruption, although she herself was never tried. In 1993, she was reelected as Prime Minister, but her government ultimately suffered a similar fate when she was dismissed three years later on corruption charges.

Benazir Bhutto's political successes were mixed. She initially campaigned on a platform that included improving social services for women and reducing traditional gender discrimination. Ultimately, her party did not succeed in introducing and passing these reforms or in repealing laws and ordinances that legally limited women rights.

In the 1990s, her government supported the Taliban and is reputed to have actively assisted them through the Pakistani Intelligence Service. Since 9/11, her attitude towards radical Islamists changed dramatically and at the time of her assassination she had called for the government to reassert control over tribal regions and eject the Taliban and AlQaida from suspected hideouts. 

Benazir Bhutto was born into an influential political family that offered her the benefits of privilege and the risks of political life in that part of the world. Her father and two brothers also met violent deaths.

A Dangerous Neighborhood

Pakistan, India and China are neighbors with a history of violence. Pakistan was carved out of India as a Muslim state in 1947 with two sections, West and East. The two countries fought two wars in 1947-48 and 1965 over the disputed Kashmir territory. A third war in 1971 resulted in East Pakistan seceding to become the independent nation of Bangladesh. Since then, clashes have occurred on both sides of the border, with India accusing Pakistan of sponsoring Muslim terrorism in Kashmir. Both India and Pakistan are nuclear powers and each is thought to have between fifty and one hundred nuclear weapons. Pakistan also

shares a border with Afghanistan along tribal territories so remote and hostile to outsiders that the central government has never been able to establish effective local control. This has been a source of friction between the two countries, particularly after US backed forces overthrew the Taliban.

China and India have also clashed over territorial claims. Fighting broke out between the two countries in 1962 over disputed territories along the Himalayan border, marking one of the highest altitude conflicts in history, with average elevations exceeding 14,000 feet. China won that engagement, ultimately

stopping operations after the US responded to Indian requests for assistance by sending a carrier group towards the Bay of Bengal; violence essentially ceased before the projected arrival of the carrier group in November. Additional skirmishes took place in late 1967 and 1984. In 1987, tensions rose again and it seemed like the two countries were poised for war, but ultimately tensions were reduced as the two governments searched for a diplomatic way out. By 1996 the two sides had signed the Sino-Indian Bilateral Peace and Tranquility Accords, which provided room for diplomatic maneuvering to establish a Line of Actual Control along their border.

Since the 1996 accords, tensions between the two countries have proved difficult to eliminate and India remains concerned over Chinese military modernization and aid to Pakistan, with which it fought yet another war in 1999. On December 13, 2001, just a few months after 9/11, a terrorist attack on the Indian Parliament by Muslim groups opposing Indian control of Kashmir brought India and Pakistan to the brink of war and the specter of a nuclear exchange. Tensions were eventually reduced with the assistance of the US, Britain and much of the international community. Thus, while some stability has been achieved over the past ten years, Pakistan, India and China remain at odds and in a kind of Cool-to-Cold War footing. 🌀

Pakistan is located in a dangerous neighborhood, which includes India and China. The history of these three countries in the 20th century includes wars, scrimmages and repeated bloodshed.



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Simplicity Data Systems is an applied research, business consulting and strategic analysis organization. Its focus is on evolving business models and the protection of the US homeland/economy from terrorism and other disrupting events. Over the past six years, SDS has focused on global threats from pandemics, conflicts and terrorism, while concurrently developing new business, threat assessment, risk mitigation and resilience models.

Our work is reflected in our writing, which is accessible from the Published page of our web site: www.simplicitydata.com.

Summary Points and Takeaways

The interconnected, interdependent nature of the global economy has raised the importance of the Protection Dimension. Protection is about protecting/assuring the availability of resources, services and other capabilities needed by the organization to effectively Compete and Perform. Relevant points to consider are:

- The current crisis in Pakistan is reflective of the unstable nature of key regions of the global system of trade.
- Being prepared requires awareness of the direct and indirect effects of major events affecting international relations and trade.
- Awareness requires effective business and political intelligence extending beyond traditional business metrics.
- Intelligence must be

near real time, continuously updated and fed into the organization's decision making, risk and operational models.

- Frameworks like Compete-Protect-Perform (CPP) can leverage three dimensional awareness, agility and resilience to promote sustainable long-term success.
- The assassination of former Prime Minister Benazir Bhutto offers global players an opportunity to benchmark and gut-check how prepared their organizations are to respond to sudden crisis affecting, directly or indirectly, their operations overseas.

Please contact us if you have any questions and to provide feedback on our stories.

References

- For a detailed discussion of CPP and case studies please visit our [web site](#).
- For country profiles see the CIA's [World Factbook on Line](#).
- For relevant maps see the CIA's [World Factbook on Line](#).
- For on-line summary biographies of Benazir Bhutto consult [Wikipedia](#) and [WIC web site](#).
- For stories on Chinese denial of port access to US Navy see [AP](#), [Reuters](#) and [TIME/CNN](#) reports.
- Images are hyper-linked to their sources.
- For a study of contemporary Muslim attitudes we recommend [Journey into Islam by Akbar S. Ahmed](#).

About the Authors

Pakistan in Three Dimensions was contributed by Ozzie Paez (SDS) and Dean Macris (AC Macris Consultants), who collaborated on the development of the Compete-Protect-Perform competitive model. They have also researched and authored on a variety of topics ranging from executive leadership to risk mitigation and human factors.

