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SITUATION REPORTS

ARMENIA: Karabakh Talks Held with Azerbaijan

Armenian President Serzh Sargsyan and Azerbaijani President Ilham Aliyev met in Geneva on 16 October to discuss the ongoing conflict in the Nagorno-Karabakh region. The region, which is largely ethnic Armenian, declared independence from Azerbaijan in a 1988-94 conflict. In a joint statement issued by both countries' foreign ministries, the presidents agreed to take steps to "intensify the negotiation process" and lessen tensions along the Line of Contact. The statement did not indicate what these steps will be. This is the first one-on-one meeting between Sargsyan and Aliyev since their June 2016 meeting in which the two leaders also expressed their willingness to find a peaceful solution to the conflict.

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AUSTRIA: Right Wing Political Shift Appears Imminent

Austria appears set to elect a far-right government in their elections on 22 October. Polls in Austria predict Sebastian Kurz will lead his Conservative People's Party (OVP) to victory in Parliament, with the Freedom Party (FPÖ) expected to take the second most seats. Both parties oppose gay marriage and the influx of Muslims into central Europe. The FPÖ leader recently said that "Islam is not a part of Austria" and Kurz wants to cut welfare benefits for foreign people in Austria. Unlike neighboring nations such as Germany, Austria has a more conservative population and the election of a right-wing government is not abnormal.

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BRAZIL: Billionaires Face Corruption Charges

On 17 October, a Brazilian federal court confirmed that billionaire brothers Wesley and Joesley Batista will stand trial on charges of insider trading. The brothers are the controlling shareholders of the marketing firm JBS and have been accused of selling shares before releasing incriminating information about a bribery scheme. The Batistas entered a plea deal with prosecutors in exchange for information regarding bribery of top officials in the Brazilian government. The plea deal protects the brothers from the corruption investigation, but the charges and accusations of insider trading are still being pursued.

[Jack Lupori]

IRAQ: Government Forces Retake Kirkuk

Iraqi security forces infiltrated and reclaimed the city of Kirkuk on 16 October. Kurdish forces have governed Kirkuk since they retook the city from Daesh militants in June 2014. Most Kurdish forces fled the city immediately although some small pockets did fight back. This move

is likely in response to a Kurdish independence referendum on 25 September which Iran, Turkey, the US, and Iraq all opposed. The Iraqi government's stated intention is to return Kirkuk to federal governance.

[Brode Willbarger and Eagle Eye Intelligence Editors]

[SEYCHELLES: Plague Outbreak Spreading](#)

On 16 October, reports of a man infected with the pneumonic plague surfaced, marking the possible spread of the plague from Madagascar to the Seychelles. In August, pneumonic and bubonic plagues broke out in Madagascar and have killed at least 57 people. The infected man recently returned from a visit to Madagascar. Eight others who came in contact with him have since been hospitalized and monitored closely for potential plague symptoms.

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[BRIEFS](#)

[CHINA: Economy Exceeds Market Forecasts](#)

Summary: The statistics released on the state of the Chinese economy are a strong signal of both producer and consumer confidence leading into the 19th National Congress of the Communist Party, further increasing President Xi's chances of increasing his sway over the country.

Development: On 15 October, the Chinese National Bureau of Statistics released its numbers on producer price index (PPI) and consumer price index (CPI) for the month of September. The results exceeded economists' expectations, as many predicted the numbers to fall due to the economic downturn experienced during China's first two quarters. The PPI climbed 6.9 percent, in contrast to the predicted 6.3. However, the 1.6 percent CPI reflected a decrease from the previous 1.8 in August. China's central bank governor, Zhou Xiaochuan, predicts that the gross domestic product (GDP) will grow seven percent in the second half of the year, while the first half experienced GDP growth of 6.9 percent.

Analysis: The Chinese National Bureau of Statistics made these figures public only three days before the 19th National Congress. The figures do not reflect what many economists predicted earlier this year, after China experienced a difficult first quarter. The unexpected surge in the PPI is likely due to the year-long drive for infrastructure development. As more raw-materials were required to boost production, the industrial sector has seen an expansion that was reflected in the PPI. This will likely build confidence in the industrial sector leading into the National Congress, bolstering support for the current administration and President Xi Jinping. Successful statistics regarding Xi's anti-corruption campaign were released last ...week. These new economic numbers reflect a stronger than predicted evaluation of Chinese economic health. However, economists predict the winter months will experience slower growth as the government will

likely shut down a number of factories to decrease air pollution, a problem that tends to increase in the winter months.

[Ben Robinson]

CUBA: Accusation of Acoustic Attacks and Growing Russian Relations

Summary: Recent US accusations increased tension over the unresolved acoustic attacks as Cuba has begun to turn toward its former ally Russia.

Development: On 16 October, President Trump accused the Cuban government of being responsible for the acoustic attacks that injured 22 people. The State Department contradicted this accusation claiming it had “not assigned blame to the Government of Cuba.” Cuba has yet to react in a significant way to the accusation.

Analysis: US and Cuban relations have been teetering since the beginning of the attacks and the recent direct accusation by the US president is unlikely to mend the crippling relations. Both countries have directed blame at each other for not making a full effort to determine the cause of the attacks. While this bantering of responsibility has been taking place, the Cuban government has been reestablishing diplomatic and economic relations with Russia. Days before a September meeting with Secretary of State Rex Tillerson regarding the attacks, Cuban Foreign Minister Bruno Rodríguez met his Russian counterpart Sergei Lavrov. Additional meetings on various topics have taken place between officials of both countries and there is a plan to increase oil exports to Cuba. There is even speculation that there may be Russian involvement in the acoustic attacks. Regardless, increasing relations with Russia could undermine any Cuban rapprochement with the US.

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GERMANY: Local Election Results in a Setback for Merkel

Summary: The election results in Lower Saxony further weakened the CDU and Merkel’s position, signaling a possible shift in immigration policy to counteract this trend.

Development: On 15 October, Germany’s Social Democrats (SDP) defeated German Chancellor Angela Merkel’s Christian Democrats (CDU) in Lower Saxony. The SDP received 37.3 percent of the vote, four percent more than their rival CDU. The Alternative for Germany (AfD), Germany’s far-right nationalist party, finished with 6.2 percent of the vote, putting them past the required five percent threshold needed to enter parliament. The AfD now holds seats in parliament in 14 of the 16 German states. The SDP has not seen this strong .. a victory in Lower Saxony since 1998.

Analysis: This loss for the CDU comes three weeks after its worst national elections result, a loss that necessitated the creation of a new coalition government. The Lower Saxony election results will likely make the creation of a coalition government even more difficult for Angela Merkel. Many of the voters the CDU lost in Lower Saxony voted for AfD, a trend that also

occurred in the national election. These results appear to illustrate dissatisfaction among voters of Angela Merkel's open-door immigration policy. The CDU's best choice to form a coalition is very likely the Green party. However, the Greens are more open regarding immigration and the CDU is facing a need to become more conservative to regain voters it has lost to the AfD. The CDU's poor performance has left the party in a position where compromises are necessary.
[Cade Seely]

[IRAN: US Designates IRGC a Terrorist Organization](#)

Summary: By designating the IRGC as a terrorist organization, the US may have provided the opportunity for the IRGC to engage the US asymmetrically while also receiving backing from political moderates.

Development: US President Donald Trump designated the Iranian Revolutionary Guard Corps (IRGC) a terrorist organization on 13 October, further straining relations between the US and Iran. The designation has been called an act of war and has been met with threats against the US from top Iranian officials. Once the designation was announced the contentious threats and rhetoric coming out of Tehran abated while Iranian officials directed their criticism toward President Trump. During the May 2017 Iranian elections, the IRGC lobbied against current President Hassan Rouhani as he does not fully support the IRGC.

Analysis: The IRGC is Iran's main tool for influence in the Middle East and employs many asymmetric capabilities such as aerospace, naval, and overseas operational divisions. Although the rhetoric coming out of Iran seems to indicate Tehran's willingness to react with violence, it is unlikely that Iranian forces will directly attack or provoke US forces in the region. The more likely option for the IRGC to use against US forces would be to activate parts of its extensive network of operatives and supported terror groups to carry out asymmetric violence against the US. This would ironically prove the US designation correct and act as a self-fulfilling prophecy. It is likely that violence will only occur if Iranian officials can plausibly deny Iranian involvement, thereby avoiding US retaliation. The Iranian aversion to US retaliation can also be seen in the quick change in rhetoric once the designation was announced. Rather than limiting the IRGC's abilities in the region, there is a roughly even chance the US has provided an opportunity for the IRGC to recruit moderate officials and groups to its cause; by continuing to strain relations with Iran the US will likely provide the IRGC with a chance to unite Iranians against the common adversary.

[Christian Allen, Christian.allen.ee@gmail.com]

[KYRGYZSTAN: Election Yields Peaceful Power Transfer](#)

Summary: Sooronbai Jeenbekov's win in the Kyrgyz election may bring the country's first peaceful transfer of power despite questions about the vote's legitimacy.

Development: On 15 October Sooronbai Jeenbekov won the first round of Kyrgyzstan's presidential election with 55 percent of the vote, avoiding a run-off with opponent Omurbek

Babanov, who appeared willing to concede. Poised to assume power peacefully, Jeenbekov will become the fifth president of Kyrgyzstan and will replace outgoing President Almazbek Atambayev. European poll observers and the Organization for Security and Cooperation in Europe (OSCE) described the presidential race as “competitive,” but also noted that voter pressure and vote-buying remained a concern. The monitors additionally stated there were “numerous significant procedural problems” during the vote count.

Analysis: Jeenbekov’s first-round win is not without complications. Jeenbekov is a member of Atambayev’s political party and very likely received at least tacit support from the Kyrgyz government. Major uprisings in 2005 and 2010 that forced out previous presidents were fueled by outcry against rigged elections. Babanov has pledged to continue investigating claims of electoral fraud, which, if substantiated, could lead to similar protests. Besides concerns over election legitimacy, Jeenbekov will also face difficult tasks when he assumes the presidency in December, the most pressing being a diplomatic conflict with Kazakhstan over Kyrgyz accusations that Astana interfered in its election. Regardless of past issues and potential election tampering, Kyrgyz voters felt that the bitter competition between strong candidates was an encouraging sign for Kyrgyz democracy as Kyrgyzstan attempts to serve as an example for fairer electoral practices throughout Central Asia.

[Gianna Geiger]

LIBERIA: Election Results Under Protest

Summary: Concerns over the validity of Liberia’s presidential election results have led to demands for a second election.

Development: On 10 October, Liberia opened voting for presidential and legislative elections. The preliminary results revealed that candidate George Weah is leading with 39 percent of the vote while the current vice president, Joseph Boakai, holds 29 percent. Main political parties and rights groups have been contesting the results. These organizations state the election was conducted with irregularities and fraud, making the results invalid. They have also called for the resignation of National Elections Commission (NEC) Chairman Jerome Korkoya. Evidence of misconduct include alleged stuffing of ballot boxes by NEC officers, breaking of ballot box seals, omission of registered voters’ names on the roll, and the mishandling and storage of voting materials.

Analysis: The validity of this election is imperative for a smooth democratic transition of power. If the issues are not addressed and the election process continues, the Liberian people could lose trust in their government and spark internal conflict and protests. There are two likely courses of action: either the NEC declares the election invalid and a new election takes place or the NEC ignores the concerns regarding the legitimacy of the election and the current results stand. However, holding another election does not guarantee fairness if the NEC is indeed corrupt. While the U.S. has stated the importance of this election demonstrating a peaceful transfer of power, it appears unlikely that the international community will intervene.

[Cassie Hettmansperger]

PAKISTAN: PM Sides with Military in Political Dispute

Summary: Pakistan's Interior Ministry is concerned over the military's interest in domestic economics, but Prime Minister Abbasi sided with the military, indicating an increase in the generals' political power.

Development: On 10 October a World Bank report sparked controversy in Pakistan between Chief Military Spokesperson Major General Asif Ghafoor and Interior Minister Ahsan Iqbal over the economic state of the country. Ghafoor commented on the national economy, which Iqbal viewed as the army overstepping bounds into civil domestic matters. In response to the disagreement, Prime Minister Shahid Khaqan Abbasi stated on 16 October that Ghafoor had the right to voice his opinion and that there was no rift between the army and the Interior Ministry.

Analysis: Although Abbasi stated relations between the military and the Interior Ministry were not in jeopardy there has been international speculation about the accuracy of this statement. Already known for dictating foreign and security policy, the Pakistani military also possesses significant domestic influence despite civilian officials' attempts to maintain control over domestic issues. The prime minister and Pakistani leadership likely see a possible rift between the military and government as impactful on how foreign powers view Pakistan's national stability. If nations that provide Pakistan with aid see the civilian government growing weaker and the military extending power, support to Pakistan could be in jeopardy. Since Abbasi sided with Ghafoor, the military is likely to attempt to exert more power over economic policy in a behind closed doors fashion. By possessing economic power, the military would likely be able to ensure that its interests and projects remain funded, reducing any leverage the civilian government hopes to hold over the generals. In supporting Ghafoor, the prime minister is indicating that supporting the military is safer politically than backing the Interior Ministry. It therefore appears likely that Pakistan is moving toward a military run state.

[Cat McClure]

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