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Special Issue
**ASYMMETRICAL
CHALLENGES**

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Editor's Note:

Of the many security issues currently facing the EU, none will have such wide-reaching implications to long-term EU security, and its ability to conduct its international affairs, as Obama's accession to President of the US. Beyond the popular hype surrounding Obama's rise to power, it is important to envision how the new US administration views the EU – and its members – in terms of contributions to international security.

On the surface, it seems that Obama is committed to maintaining the transatlantic alliance, and has risen to the occasion – 2009 marks the 60th anniversary of NATO's founding, and 10th anniversary of NATO's expansion to the Czech Republic, Hungary and Poland – to dispel fears of a return to US 'isolationism.' However, the difference between rhetoric and reality are stark in this case, and Obama was elected to address the fears and ambitions of his electorate, the American public, not turn the US into a 'benign' power favoured by many Europeans. Since the US is facing an uphill battle to preserve its international position – hegemony seldom retreat without a fight – it stands to reason that Obama will reorganise the US's international priorities to address the new security environment. Some of these priorities will however, stand in contrast to those advanced by the EU and hence are likely to cause a rift in transatlantic relations.

An important point to consider when discussing the US under Obama is the rhetorical insinuation of a 'return' of US power, credibility and political ingenuity that was sapped during Bush's presidency. The impression Obama (and his administration) wants to convey is that the US is still a global hegemon, despite the eight year 'hibernation' it has recently awoken from. International relations however have not awaited the return of sensible politics in the US. Instead, a tidal change has occurred and the US risks further blows to its credibility if it continues to behave as though it could return to its power position prior to the 11 September 2001 terrorist attacks. For better or worse international relations is currently defined by multipolarity, and the US is but another actor – albeit an extremely powerful one – that comprises the international power mosaic. It needs to reconsider its alignments and relearn the art of diplomacy if it is to be successful, ensure its cherished security and continue to be a source of socio-economic and political inspiration around the world. Crucially however, the US needs to recognise that the 'unipolar moment' has ended and it must treat others, allies and adversaries, with greater respect.

This is especially true when concerning the US's relationship to the EU and its members. While the EU's second pillar (Common Foreign and Security Policy – CFSP) remains intergovernmental there has been tremendous progress in coordinating EU members' foreign affairs so that it may yet emerge as a unified international relations actor. The US has embarked on a strategy to mire EU efforts at consolidating its foreign affairs so that NATO can persist. NATO is of course a security asset in Europe. However, it includes both the US and Canada, and therefore may be incompatible with some EU priorities and approaches in the long run, as the North American states maintain different notions of security. The idea of maintaining overlapping European security institutions; the EU and NATO, seems a tremendous waste of resources and political energies. Instead, the EU should bear increasing responsibility for its security and NATO should cede its influence and disintegrate like the other Cold War remnants. This does not preclude continued US-EU cooperation in a multitude of security related issues; however it would reduce the EU's security dependence and allow it to pursue its own international ambitions without first seeking the support of Washington.

One of the more pressing security areas, and the main theme addressed in this issue of CEJISS, concerns asymmetrical challenges, including terrorism. While terrorism – particularly religious inspired terrorism – poses a challenge to both the US and EU, they each approach the phenomenon from different perspectives and hence, have developed very different tactics in combating it. It is noteworthy that NATO seems impotent for dealing with asymmetrical challenges. So, while combating terrorism, high-sea piracy and international crime are ranked high on the priority list across the transatlantic divide, NATO – the main Euro-Atlantic security provider – is largely disengaged. This is an indication that NATO has run its course and the challenges faced by current NATO members are better solved through individual EU and US strategies.

While this 'Special Issue' does not aim to develop or critique the aforementioned dissolution of NATO – this opinion remains my own – it does provide further insights into some asymmetrical challenges. The first article by Yulia Zabyelina looks into an important, but often neglected, issue: Transnational Organized Crime (TOC). Zabyelina presents a compelling case for reviewing TOC through the lenses of International Relations as it seems that whether discussing people and goods smuggling or the raising of illegal funds, the relationship between TOC and international security is close. As a crucial bridge between organized crime and terrorism, Oldrich Bures provides an extremely detailed and comprehensive account of an operational tool deployed by the

EU: the European Arrest Warrant (EAW). This contribution explores some of the complications that have arisen on national levels in trying to implement the EAW, though clearly demonstrates the added value the EAW provides the EU in its struggle against terrorism, though many of the findings may be applicable to the fight against TOC as well. This issue (of CEJISS) then turns to piracy in the Gulf of Aden and presents it as an international security challenge also linked to international terrorism and TOC. In this contribution, Bilyana Tsvetkova explores the history of Somali piracy, their ambitions and the impact this phenomenon is having on the strategic planning of states, particularly those whose vital oil supplies flow through the Gulf of Aden.

Despite popular linkages between Islam and terrorism in the 20th and 21st centuries, it is important to view terrorism, not as a particular strategy of a religious denomination, but rather attributed to a wide-spectrum of socio-political and economic pressures – including extremist ideologies – which conspire to drive ideologues and the desperate to commit heinous acts in the name of their deity or some other intangible entity. Ibrahim A. El-Hussari explores the so-called Gulan Movement to illustrate a specifically Islamic response to terrorism carried out in Islam's name. By reviewing the Gulan Movement, El-Hussari also shows that Islam is not uni-dimensional, in politics or religion, and that greater understanding of the 'Muslim world' is required if the 'global war on terrorism' is to ever subside and dialogue replace conflict. The Gulan Movement is, in effect, a strategy for coping with renewed religious extremism. The idea of developing a strategic response to asymmetrical challenges is also echoed in the fifth article by Bryan Groves who looks at US policy errors under the Bush administration. This contribution assesses the post-war situation in Iraq and addresses some of the reasons for the spiraling situation there, which led to a tremendous increase in terrorist attacks and countless civilian casualties. Groves argues that the Bush administration lacked, crucially, a strategic approach to Iraq and the US suffered immense setbacks as a result.

Groves' contribution paves the way for the subsequent research articles as his essentially looks at the renewal of geo-strategy within a changed international relations environment. On this theme, Pierre-Emmanuel Dupont engages the pressing state of EU-Iranian dialogue in the context of nuclear affairs. The EU's leadership role in attempting to dissuade Iran from acquiring nuclear weapons is as important as Iran's desire for independent nuclear power itself. A solution to this problem will surely have a long-term impact on international relations and may provide a much needed boost to anti-proliferation efforts. Alternatively, the failure to prevent Iran gaining nuclear power – and the ability

to construct a nuclear weapon – will surely undermine current international and regional security. Dupont's contribution is in many ways underscored by the subsequent work on international order by Marketa Geislerova who explores some unfolding challenges and alterations to international security from a Canadian perspective. Geislerova offers a very insightful and theoretical analysis of the current state of international affairs, and provides an interesting take on the end of US hegemony and the rise of Europe. Yet understanding Europe entails understanding the processes of European integration and enlargement, which are expertly detailed by one of the Czech Republic's foremost experts on the topic; Jaroslav Jakš. When discussing Europe and international relations it is also essential to identify the role of Russia, the EU's main regional competitor as well as partner. This task is achieved in two separate articles: first, Jakub Kulhanek reviews Russian foreign policy under (former) President Putin in the context of the NATO-Russia Council, and then Marat Terterov looks at Russia's relationship to the Persian Gulf States. Whereas Kulhanek's focus is on direct Russian-NATO (Western) relations, Terterov focuses on a region where European and Russian interests are increasingly intertwined. Both of these contributions assist in capturing the current state of Russian foreign policy and hence provide relevant information for those interested in a variety of related security themes.

The final research article by Konstantinos J. Hazakis, presents the history and implications of G7/G8 economic summitry. In many ways, this finale may act as a glue for the preceding contributions as international relations are in the midst of a global economic crisis that knows no borders since the international economy is – for the first time in history – truly international.

It is a great pleasure to introduce CEJISS 3:1 to you and I look forward to your feedback and future cooperation.

Yours truly,

Mitchell A. Belfer



Editor in Chief
Central European Journal of
International and Security Studies

Transnational Organized Crime in International Relations

Yuliya Zabyelina¹

Transnational Organized Crime as a Challenge to IR

Although it has never been central to IR theories, transnational organized crime (TOC) is inherently an international phenomenon that has an impact on international security, world politics, international trade, and human rights. Yet, TOC unquestionably occupies a niche within the domain of IR and should be explained and understood both theoretically and empirically. Otherwise, scholars of IR may portray a distorted picture of the contemporary international system.

This article proposes an analytical framework for issues related to TOC. Rather than focusing on particular criminal groups, selected criminals, or criminal networks, this article aims to evaluate several approaches towards TOC from the prism of major IR theories. Some of these theories fail to explain the essential features of transnational crime, while others provide more comprehensive analyses of TOC. This analytical endeavor scrutinizes the literature on transnational organized crime within a broader research agenda that can elucidate the role of non-state actors, networks, and information communication technologies. Specifically, the article argues that there is a common identifiable pattern of the rise of criminal networks that have become fundamental non-state actors empowered by resources created by an increased degree of globalization. Transnational networks have consolidated spatially dispersed resources from across the international system and converted them into an illicit business through peaceful coexistence with national governments and criminal counterparts. Such a shift of power from legal to illegal economies on a global scale has threatened the authority of nation-states by minimizing their capacity to contain expanding criminal activities.

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Conceptual Perspectives

There is no clear-cut definition about what elements constitute TOC. Definitions of this phenomenon vary to a great extent depending on the discipline, level of analysis, and selected methodologies of inquiry. The definitions are also constantly evolving depending on the ideas, perceptions, and conceptions of the particular time period and theoretical approach.

According to different theoretical perspectives, crime could be defined within a wide range of concepts varying from “legal-consensus” to “human rights.” From the IR point of view, definitions of TOC may be grouped into the following three categories: *realist*, *liberal institutionalist*, and *constructivist*. This article does not aim to evaluate the explanatory power of each of the definitions, but rather it intends to identify the important tendencies of how crime could be conceived and conceptualized.

The definition from the *realist perspective* sees crime as a social phenomenon that “involves both criminal offences and civil offences, in that each time of action or inaction brings with it some type of harm. Each should therefore attract some sort of penalty....The cross-cultural universal norm which recognizes criminal activities as universal...[that] cutting across diverse cultural backgrounds” (White and Haines 1996, 5). Crime within this perspective implies that the society’s status quo is legitimate and should be sustained. There is a core value system to which everyone in society should conform. The function of institutions is to preserve the dominant system of order for the benefit of the entire society as a whole. From this perspective the society is viewed as a *triangle* – “society as a hierarchy, since some people are situated at the top, possessing the wealth and power, and the majority are situated at the bottom. This vision of society implies conflict and inequality. The concept of crime is that it occurs in the context of struggles and hierarchies of control and power” (White and Haines 1996, 14).

Liberal institutionalism suggests a legal/normative definition of crime which states that “crime is whatever the state identifies as crime....If something is written into the criminal law, and is subject to state sanction in the form of a specific penalty, then that activity is a crime” (White and Haines 1996, 4). This approach suggests a *labeling priority* which means that the definition of crime “really exists when there has been a social response to a particular activity that labels that activity as criminal. If there is no label, there is in effect no crime” (White and Haines 1996, 5). Since liberal institutionalism prioritizes human rights, the definition of crime is usually adjusted presenting crime as “whenever a human right has been violated, regardless of the legality or otherwise of the action” (White and Haines 1996, 5). Within this perspective, the society is viewed as a *geometric circle* – “the society is harmonious, and people share the same values of community and equality. The concept of crime is that perpetrators are deviant, or outside the circle, and thus they need to be either pulled

back into the circle or kept outside the circle's confines" (White and Haines 1996, 14). In this perspective society consists of a variety of interrelated circles "representing different interconnecting institutions, such as the family, work, and school. Crimes are studied in relations to how these institutions impact upon, and reflect upon, crime" (White and Haines 1996, 15).

The *constructivist approach* to crime emphasizes the "zones of ambiguity" as the perspective on crime where criminal activities are interpreted to be embedded in the state regulation (Berdal and Serrano 2002, 15). The constructivist approach argues that crime is characterized as having elements of both *social process* and a *grounded reality*. Constructivists adopt a *non-geometric* form of social phenomena, claiming that "the focus is on individuals, as opposed to society as a whole, and the emphasis is on examining individual creativity and the way individuals construct their realities. The idea is that reality is socially constructed, and that how people act and react in relation of each other has a major impact in terms of defining behavior and individuals as being deviant, normal, or whatever. How people think about themselves and each other is a significant factor in how they subsequently behave in their interactions with others" (Berdal and Serrano 2002, 15).

Limitations of Mainstream IR Theories

TOC has never occupied a central place in IR literature. The study of transnational criminal activities has, therefore, become an interdisciplinary endeavor. When analyzing the mainstream theories in IR, one is most likely to arrive at the conclusion that none of the core assumptions in IR theories sufficiently explain the essence of TOC. The analysis of TOC within IR theories is challenging since it falls out of the major thematic foci of IR, ie: criminals are not creating a state of their own, or acting on the orders of another state by carrying out a certain state-sponsored agenda. Transnational criminal networks rather function as independent entities, pursuing their own economic interests. Susan Strange insists that specialists in international relations should "come up with explanatory theories capable of adapting to the emergence of TOC as a major threat – perhaps the major threat to the world system in the 1990s and beyond" (Strange 1996, 121).

When trying to assess the adequacy of *(neo)-realist conceptualizations* of world politics to explain the phenomenon of TOC, one would inevitably encounter numerous constraints. The deficiency of (neo)-realism to explain the essence of TOC lies in its key premises, namely, that the international system is a perpetual anarchy and that sovereign states are the principle actors in it (Kenneth Waltz 1979). Moreover, neo-realists, like Kenneth Waltz, claim that globalization is only a *fad* that poses new challenges to states but there is no non-state actor who can be equal in capacity to a state (Waltz 1999). Here is the rising power of non-state actors absolutely ignored. The realist perspective on

TOC is too narrow and does not address the issues related to criminal activities transcending the borders of nation-states. Security in the realist theory is seen not as a common strategy in the era increased interdependencies but as a national prioritization distributed among unitary actors. Therefore, TOC is only viewed as a marginal threat to international security. Such conceptualizations do not correspond to the idea of transnational crime projected in this article which suggests that TOC is an unit of interconnected flexible networks which cut across nation-states establishing illicit markets and informal economies of goods and services.

As the realist approach did not answer questions asked by IR scholars, many theoreticians have referred to the liberal tradition in order to explain the rise of TOC. Indeed, *liberalism* explains why states choose to cooperate and create the instruments which would sustain global cooperation and coordination of activities and that “a natural harmony of interests (the ‘invisible hand’) will ensure people and states make rational calculations which make national interest and international interest one and the same” (Evans 1998, 33). If, in any case, a dispute occurs, there will be established juridical mechanisms under the rule of law which would settle the dispute down. Liberal institutionalists emphasize the role of a *social contract*, under which citizens would agree to abide by the law in the liberal democracy, yet, they fail to explain why certain citizens would not integrate into the system and would enjoy its loopholes seeking a personal benefit. TOC also expands its reach on the global level enjoying the convergence of technology and the liberalization of trade and immigration which erode the sovereignty of states holding limited legal jurisdiction to decide upon matters taken place outside the national borders or even in the cyber space. Although states attempt to create international institutions, which in the liberal view, should combat TOC, the international system with nation-states as its building blocks by its very nature is ill-suited to combat TOC.

Although the traditional liberal theory is still nation-state based, neo-liberal theoreticians upgraded the theory so that non-state actors figure more notably in the international system envisioned by neo-liberalism (Keohane and Nye, 2000). Liberal theoreticians view power as being distributed not just across states, but also embedded in other entities such as international institutions and NGOs. Neo-liberals (Keohane and Nye, 2000) offer a mixed-actor model - a theory based on spillover effects which are to bring global governance through norms, rules, processes and institutions. This is the system free of militaristic solutions where the major source of power is concentrated in the functioning international organizations (Keohane and Nye, 2000). Still, TOC is recognized as a marginal non-state actor. This article attempts to prove that transnational organized crime is a big threat in the international system with eroding nation-states but without steadfastly functioning global governance.

Post-International Approach to Crime: Rationale, Structure, Spheres and Elements of Reach

Post-international definitions of crime ask a different set of questions. Because globalization reshapes both the international system and local communities, crime is conceptualized at a different level that reflects on the new logic of the international system with its increasing economic and political interdependencies, as well as expanding information communication technologies. The suggested level of analysis of crime is the one based on transnational structures of criminal organizations cutting across time, physical and virtual spaces. The vast increase in international trade in the second half of the 20th century, the information and communications revolutions, as well as the development of a truly global financial system have all provided conditions facilitating the growth of transnational criminal operations. As globalization weakens the role of nation-states, national boundaries collapse allowing for the emergence of new markets – legal and illegal. Criminal organizations follow the logic of the market crossing the borders driven into the global economic environment less controlled by nation-states. Illicit criminal activities have now become intrinsically commingled with licit enterprises having made it almost unfeasible for respective national institutions to foil the illegal activity of the global scale. Information communication technologies when introduced into criminal activity only empower criminal networks with the new opportunities of instant coordination, rapid transportation, and most importantly, open new markets in virtual realities.

Definitions of TOC significantly vary depending on the national context. This article would not be able to elucidate all the national variety of formulations. What is going to be done instead is the explanation of the intrinsic features of TOC which manifest its fundamentally transnational nature. Indeed, transnational crime is a form a very sophisticated criminal activity which can take a variety of geographical combinations: “(a) committed in more than one state”; (b) committed in one state but a substantial part of its preparation, planning, direction or control takes place in another state; (c) committed in one state but involves an organized criminal group that engages in criminal activities in more than one state; (d) committed in one state but has substantial effects in another state” (UNODC 2006, 7).

Moreover, the concept of TOC encompasses five intrinsic elements which ensure its transnational make-up:

- 1) ***Perpetrators*** are the actual criminal actors who cross borders (whether physically or virtually via ICTs) “in the course of their activities or in efforts to evade law enforcement” (Williams 2001, 61)

- 2) **Products** are illicit goods (manufactures and services) or “licit products that are stolen and smuggled out of the country, or licit products that are taken out of the country in violation of export restrictions, of licit products that are imported to another country in violation of import restrictions or international embargoes” (Williams 2001, 61)
- 3) **People** are “illegal aliens who enter countries in violation of immigration restrictions, and women and children who are trafficked across borders to fulfill demand in the global sex trade” (Williams 2001, 61)
- 4) **Proceeds** are the profits from illicit activities. “Criminal enterprises, whether transnational or domestic in scope, are primarily about the pursuit of profit”. The illegal money is “moved through a variety of jurisdictions in order to obfuscate the trail” (Williams 2001, 61)
- 5) **Digital signals** are “the transmission of digital signals or what is, in effect, a ‘virtual’ as opposed to a physical border crossing. These signals can take the form of child pornography, malicious code that is designed to attack or destroy computer and information systems, or electronic bank robberies” (Williams 2001, 62).

ICTs have exercised an enormous influence on the increase of transnational crime. There has not been any evidence that there is a customary proportional relationship between the use of ICTs and the expansion of TOC, yet the argument that TOC is facilitated by ICTs has been proven accurate. Developments in cellular phones, PCs, Internet communication, fiber optics have increased opportunities and the speed of transnational communication and coordination for legal and illegal transactions alike. With the introduction of ICTs crime has become an extremely lucrative business attracting citizens by its easy and fast profits in a rather low-risk environment.

Based on the research conducted by the *United Nations Office on Drugs and Crime* (2006), it is argued that due to rapid technological advancement the very structure of criminal organizations is undergoing significant changes - from a hierarchical group (standard hierarchy) into a more dispersed group of associates (core structure). UNODC surveyed 40 organized criminal groups. Based on the coded survey half of the structures of the sampled criminal organizations had a *standard hierarchical structure* with (1) strong internal lines of control and discipline; (2) single leadership coordination; and (3) a strong social or ethnic identity (UNODC 2006, 80). Yet, the analysis of the other half of the sample suggested that there emerged a different form of organization of criminal organizations – a *core structure* - with (a) a limited number of strictly profit-oriented and opportunistic individuals; (b) forming a relatively tight and structured core group (c) surrounded by a loose network of ‘associates’ to maintain internal discipline (UNODC 2006, 35).

If it is presupposed that local crime has moved on a global level, it is important to track the factors which made the transition possible. Phil Williams offers a comprehensive set of factors dichotomized at two levels – *macro*

(globalization and the new environment) and *micro* (specific incentives to go transnational). Williams insists that criminal organizations are motivated to engage into transnational criminal activities at both levels “where it is necessary to identify the specific calculations that an individual criminal enterprise might make – intuitively or explicitly – before embarking to international ventures” (Williams 2001, 66).

On the *macro* level, one of the strongest incentives for criminal organizations to go global is most likely the general *transformation of the post-Cold-War landscape*. The collapse of the USSR and the dissolution of national political and economic barriers around the world led the way to substantial economic liberalization which has doubled the encouraging conditions for the outbreak of transnational criminal activity. In parallel to the expansion of the market of legal goods, criminal networks trading in illegal goods transcended national borders arranging profound connections with criminal networks around the globe. Moreover, as the erosion of national borders fostered *global movements of people* driven by “a mix of push and pull factors that range from ethnic conflict and environmental degradation to the desire for economic betterment” (Williams 2001, 68). “The increase in migration and the growth of ethnic networks that surpass a whole range of national borders has proved valuable to the operations of criminal organization” (Williams 2001, 68). Williams insists that although most of immigrants have become law-abiding citizens, they might also in cases of non-integrated into the adopting society communities, “provide recruitment based on ethnic loyalties, cover and support” for criminal activities (Williams 2001, 68).

On the *micro* level, there is a set of distinct reasons too. The attractiveness of particular markets and selected national legal systems is of the most obvious. Criminal organizations are attracted to engage in transnational criminal activities as there is “a significant demand for the products and services they supply. In either instance, a host country might be a significant source of products that can be stolen and trafficked to meet a burgeoning market elsewhere” (Williams 2001, 70). Not only the consumer rates are important but also the national regulations where legal differences among state might encourage or, *visa versa*, draw away transitional criminal activity. The distinctiveness of illicit business lies not in the profit side – all enterprises seek to maximize profits – but in the risks transnational criminal organizations face in national legislations. “This is not to imply that transnational criminal groups will avoid high-risk states. If such states also provide attractive and lucrative markets, then they will also become host states. The criminal organizations will engage in illicit activities within them while trying to contain or minimize the risks by continuing to operate primarily from a low-risk jurisdiction” (Williams 2001, 71).

Erosion of a State vs. the Rise of Non-State Criminal Actors

The discussion over the erosion of a nation's sovereignty has a direct impact on how TOC is perceived. Although, there are opinions (Sassen, 1998 and James Rosenau, 1990) that globalization processes are transforming the essence of state sovereignty without actually eliminating the significance of the state, this article supports the alternative vision of the sovereignty-eroding international system. Such a view was theorized by such IR scholars as Susan Strange who claimed that the international system is undergoing crucial transformations leading to the excess of power of non-state actors tending to govern the world politics. Following the argument of the rise on non-state actors in international politics, Susan Strange attempts to develop an approach, which would escape the projection based on unitary state actors rejecting the state-centric approach, and define power in terms of the distribution of capabilities which, in her opinion, were slowly inclining towards non-state actors in international politics. The central theme in *The Retreat of the State* (1996) is that state power is becoming more diffused in world economy. Strange explains that power is transferred from nation-states to non-state actors. States are losing their power while markets, sometimes illegal markets, gain significance. She argues that IR fails to come up with "explanatory theories capable of adapting to the emergence of TOC as a major threat – perhaps the major threat to the world system in the 1990s and beyond" (Strange 1996, 121).

Strange makes an important contribution to the understanding of criminal groups. She accentuates that criminal groups challenge the state power and sovereignty to high extremes: "the models of international society conventionally accepted in the realist, the neo-realist and in the neo-liberal literature of international relations may have been rendered obsolete by changes in the world market that have indirectly eroded the authority of states" (Strange 1996, 118). She also acknowledges that there is a form of *symbiotic existence* between a state and non-state criminal groups. According to Strange, governments accommodate themselves to the eroding political environment welcoming collaboration with criminal groups as the means of their only survival. In connection to this, elaborates Strange, organized crime has become a socio-political and economic phenomenon transformed from criminal illegal activities into semi-legal disguised entrepreneurial enterprise frequently backed up by governmental officials.

Apart from that, Strange further explains that the proliferation of illegal markets has integrated criminal organization at the global level into transnational criminal networks. The result is a form of "*transnational diplomacy*" between "national mafias" based on the "shared interests" of exploiting illegal markets (Strange 1996, 121). Such a coordination and distribution of tasks has led to a proliferation of informal agreements that illustrate an anarchical

international society of mafias as there is of the civil society. Weakened state authority helped to create “a transnational anarchical society of mafias that were all engaged in activities deemed by governments to be the wrong side of the law” (Strange 1996, 119).

Claire Sterling, a journalist for *The Reporter* and the author of the book *Crime without Frontiers: the Worldwide Expansion of Organized Crime and the Pax Mafiosa* (1995), adopted the arguments advanced by Strange and coined an incorporating term *Pax Mafiosa* modeled from the stability of *Pax Romana*. This concept describes a period of relative peace through a symbiotic co-existence between state authorities and criminal groups, as well as between rival criminal mafia who choose to cooperate driven by mutual profits in the favorable international setting of the free market. Sterling is pessimistic in her arguments. She explains that since criminal organization have become global and “substituted internal conflict with cooperation and common strategy, sharing resources and governmental patronage - international community is not capable to cope with the insecurity” (Sterling 1995, 53). Sterling quotes *Anti-Mafia Commission Report to the UN Assembly* (1990) where she acknowledges that “organized crime was ‘taking on the characteristics of an extremely dangerous world calamity’...International criminal organizations have reached agreements and understanding to divide up geographical areas, develop new market strategies, work out forms of mutual assistance and the settlement of conflict...and this on planetary level. We are faced with a genuine criminal counter-power, capable of imposing its will on legitimate states, of undermining institutions and forces of law and order, of upsetting delicate economic and financial equilibrium and destroying democratic life” (Sterling 1995, 55). She insists that criminal syndicates go where money is. Sovereign states are incapable of taking any measures in the environment where they are “hampered by all the baggage of statehood - patriotism, politics, accountable governments, human rights, legal structures, international conventions, bureaucracy, diplomacy – whereas the bid syndicates have no national allegiances, no laws but their own, no frontiers” (Sterling 1995, 211).

Transnational Un-Civil Society: **TOC as a Fundamental Non-State Actor**

The international system in the beginning of the new millennium is more open, complex, diverse, interconnected and risky than ever before. Networks have substituted the old morphology of societies having become the perfect means of accomplishment of a variety of both positive and negative purposes. Their main asset is that they flow around physical and virtual barriers, as well as across juridical boundaries. Contemporary global order is the direct outcome of multiple, interlocking patterns of transnational interaction driven by the networking logic. Within the broader context of transnational interaction,

strategies of TOC are one of the many components of an overall agenda designed by the new international setting –the network society (Castells 2004).

Citizens from all over the world have shown an unprecedented capacity of self-organization and mobilization, making full use of information, communication, and transport technologies to realize their goals. As much as globalization generates the emergence of a strong civil society it engenders the *shadow side* of globalization. The instruments and resources civil society organizations employ for their advantage and coordination are also used by criminal networks.

Criminal organizations represent a more malevolent kind of transnational actors, but one that is as “deeply entrenched as any non-governmental organization” (Williams 2001, 66). Not all global citizens have a sense of citizenship and belonging to a certain state, a sense of responsibility and obligation. Having preferred to exploit new opportunities to accomplish their goals, they create an *un-civil society* – a manifestation of globally collaborated by criminal networks disruptive, unwelcoming and threatening activities in the forms of terrorism and TOC. Opposite to the widely idealized image of civil society, civil groups are not always promoting proper in the utilitarian sense values. Civil groups might also advocate controversial ideas, reversed interpretations of universally-accepted social norms and human principles. “Of much deeper concern are the dark sides and murky corners of what has been called the ‘uncivil society’”. Global terrorism and the drug trade are potent expressions of the destructive power of non-state criminal networks and of their capacity to inflict tremendous damage not only to specific countries but to the international order as a whole” (Cardoso 2000, 4).

Summary

This article analyzes and synthesizes the key theoretical standpoints in IR concerning TOC, and identifies some of the critical tendencies in the transformation of the international system with respect to global criminal activities.

First, the role played by criminal networks should not be overlooked in the discipline of IR. The traditional emphases in IR concerning the understanding of conflict and cooperation among state actors have to be adjusted to encounter the rising significance of non-state actors’ politics. As opposed to adopting either a realist or a liberal perspective, a more useful way of thinking about TOC is through the theories of IR that recognize the prerogative of global non-state actors. In doing so, these theories should not only focus on civil society (non-state) actors such as *La Strada*, *Amnesty International*, or *Greenpeace* but also systematically analyze a full range of trans-border activities conducted by *un-civil society*, such as *Hizbullah*, *Yakuza*, *human trafficking*, and *drug trafficking groups*.

Second, the convergence of technology and liberalization of transnational flows of illegal goods and services have created countless opportunities for TOC. The range of activities pursued by global criminal organizations has broadened quantitatively as well as developed qualitatively. This greater success of transnational criminal enterprises has been, moreover, secured by the peaceful coexistence among geographically-dispersed counterpart criminal syndicates, and the interdependence between national governments and criminal organizations. Criminal actors are no longer unitary and independent players but rather constitute important nodes in the interdependent matrix of state and non-state actors. The problem is not simply that states are losing their sovereignty by continuously engaging in global networks. The real predicament is that the authority of states to command and regulate has been vitally damaged by the interdependencies brought about by globalization processes and the power vacuum they have produced. Due to the scale of transnational crime, it is unlikely that national anti-TOC programs can be successful if limited solely to national jurisdictions. Multilateral efforts through international cooperation have to be reinforced in order to overcome the disturbing uncertainties and challenges posed by TOC.

The role played by criminal networks should not be overlooked in the discipline of IR.

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European Arrest Warrant: Implications for EU Counterterrorism Efforts¹

Oldřich Bureš²

Introduction

This article provides an analysis of the introduction, implementation and implications of the European Arrest Warrant (EAW) for the European Union (EU) counterterrorism efforts. In addition, it demonstrates that EAW represents the only major practical application of mutual recognition in EU's Justice and Home Affairs (JHA) pillar thus far. As such, experiences with EAW are bound to influence the ongoing debates concerning the most appropriate mode of governance in this pillar. The structure of the article is as follows. It begins with succinct overviews of the origins of EAW and its key features, respectively, followed by an analysis of the implementation delays and complications at the national level. The next section offers an assessment of the value-added of the EAW to the EU's counterterrorism efforts. The principled objections to the EAW are summarized in section five. The implications of the adoption of EAW for the ongoing debates concerning the most appropriate mode of governance in Justice and Home Affairs are summarized in section six. The article concludes with a list of lessons learned from the introduction of EAW for both the EU's current counterterrorism efforts in particular and future developments in the Justice and Home Affairs pillar in general.

The Origins of the European Arrest Warrant

When the (then) European Communities (EC) Member States (MSs) began to develop what could be termed as an EC counterterrorism policy in the late

¹ I gratefully acknowledge the financial support provided by the Czech Science Foundation under the post-doc research grant no. 407/08/P016.

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1960s and early 1970s,³ they did so at two key levels: the legal and the operational.⁴ At the legal level, however, the EC MSs immediately encountered significant complications due to the fact that they all traditionally upheld the view that terrorism is predominantly a political crime and therefore upheld the principle that extradition should not be guaranteed.⁵ This position was also enshrined in the 1957 Council of Europe Convention on Extradition that provided the right to refuse extradition in cases where the offence for which extradition was being requested was a political offense or an offence connected with a political offense.

The first step towards abandoning this principle in regard to terrorist crimes came in 1977 with the adoption of the Council of Europe's European Convention on the Suppression of Terrorism (ECST), which, at least on the face of it, required ratifying states to apply the principle of *aut dedere aut judicare* (extradite the suspect or bring the suspect before your own judicial authorities) in the case of a terrorist offence or an offence connected with a terrorist offence. A closer examination of ECST, however, reveals that it is full of loopholes that have "bedeviled all efforts to strengthen European-wide cooperation against terrorism."⁶ To overcome these weaknesses, the EC Member States adopted a strategy designed to ensure that the existing international anti-terrorist legal provisions would be fully applied within the EC. Moreover, since the respective national criminal codes and definitions of terrorism diverged so greatly, "the aim was to inject a degree of predictability into the EC's public position vis-à-vis terrorism."⁷ To this end, in 1979, the EC Member States negotiated the so-called Dublin Agreement that ensured the ECST would be applied uniformly within the EC.⁸ The implementation of both the Dublin Agreement and ECST was, however, beset by difficulties as a number of EC Member States refused to ratify these agreements, primarily due to concerns over potential loss of

³ Malcom Anderson, "Counterterrorism as an Objective of European Police Cooperation," in *European Democracies Against Terrorism: Governmental Policies and Intergovernmental Cooperation*, ed. Fernando Reinares (Burlington, U.S.: Ashgate Publishing Company, 2000), 229.

⁴ The operational level is not further discussed in the article but it has been well covered elsewhere. See for example Mathieu Deflem, "Europol and the Policing of International Terrorism: Counterterrorism in a Global Perspective," *Justice Quarterly* 23, no. 3 (September 2006): 336-59; J. Peek, "International Police Cooperation Within Justified Political and Judicial Frameworks: Five Theses on TREVI," in *The Third Pillar of the European Union*, ed. Jörg Monar and R. Monar (Brussels: European Interuniversity Press, 1994), 201-07; G. Rauchs and D.J. Koenig, "Europol," in *International Police Cooperation*, ed. D.J. Koenig and D.K. Das (New York: Lexington Books, 2001), 43-62.

⁵ Paul Wilkinson, *International Terrorism: The Changing Threat and the EU Response*, Chaillot Paper No. 84 (European Security Studies Institute, October 2005), 29.

⁶ Wilkinson, *International Terrorism: The Changing Threat and the EU Response*, 30.

⁷ Juliet Lodge, "Terrorism and the European Community: Towards 1992," *Terrorism & Political Violence* 1, no. 1 (January 1989): 30.

⁸ For further information, see Meliton Cardona, "The European Response to Terrorism," *Terrorism & Political Violence* 4, no. 4 (Winter 1992): 251.

autonomy to deal with terrorism either on their own or on bilateral basis.⁹ As Doron Zimmerman noted:

European countries in general were deeply suspicious of allowing any external organization to interfere in their politically sensitive internal security, as opposed to criminal justice, affairs. This is irrefutably borne out by the necessity of the Dublin Agreement: terrorists were one's own affair; only "apolitical" criminals could be extradited.¹⁰

Consequently, it was not until the mid-1980s when the idea of a European judicial area was seriously entertained under the banner of the completion of single European market.¹¹

When the Maastricht Treaty on European Union was signed in February 1992, the previously informal cooperation frameworks were brought together under the new legal and structural framework of the EU and formed the basis of the Justice and Home Affairs Pillar. As Peter Chalk pointed out, integral to the situating of counterterrorism competencies in the Third Pillar was the notion that terrorism was, if no longer exclusively a domestic criminal issue of Member States, then certainly an *internal security problem* of the Union.¹² The Maastricht Treaty specifically referred to terrorism as a serious form of crime to be prevented and combated by developing common action in three different ways:

1. Closer cooperation between police forces, customs authorities and other competent authorities, including Europol;
2. Closer cooperation among judicial and other competent authorities of the Member States;
3. Approximation, where necessary, of rules on criminal matters.¹³

Prior to 9/11, some progress had been made in developing common actions in all three areas but their practical implementation was often painfully slow.

In the area of judicial cooperation, two important legal instruments were adopted in the 1990s: the Convention on Simplified Extradition Procedure

⁹ M.P.M. Zagari, "Combating Terrorism: Report to the Committee of Legal Affairs and Citizens' Rights of the European Parliament," *Terrorism & Political Violence* 4, no. 4 (Winter 1992): 292.

¹⁰ Doron Zimmermann, "The European Union and Post-9/11 Counterterrorism: A Reappraisal," *Studies in Conflict & Terrorism* 29, no. 2 (2006): 126.

¹¹ Lodge, "Terrorism and the European Community: Towards 1992," 32.

¹² Peter Chalk, "The Third Pillar on Judicial and Home Affairs Cooperation, Anti-Terrorist Collaboration and Liberal Democratic Acceptability," in *European Democracies Against Terrorism: Governmental Policies and Intergovernmental Cooperation*, ed. Fernando Reinares (Burlington, U.S.: Ashgate Publishing Company, 2000), 175.

¹³ Article K.1. After subsequent Treaty of Amsterdam revisions, Article 29.

between the Member States of the EU (1995) and the Convention Relating to Extradition between Member States of the EU (1996). The main purpose of both Conventions was to supplement and improve the application of both the 1957 European Convention on Extradition and the 1977 European Convention on the Suppression of Terrorism by imposing a lower threshold for extraditable offences, and by specifying those offences for which extradition may not be refused.¹⁴ The 1996 convention, for example, obliged EU Member States to abandon the right to use political exemption as grounds for refusing extradition. As such, the two conventions represented yet another attempt to ensure uniform application of existing key anti-terrorist provisions within the EU.

In the second half of the 1990s, however, the EU made only slow progress in constructing a true area of “freedom, security and justice.” Thus, in 1999, the first-ever European Heads of Government summit dedicated just to JHA issues was convened in Tampere in order to give the EU a clear policy direction to what had been hitherto an incoherent approach. It supplied an ambitious five-year plan with a number of targets and deadlines for the implementation of policies on immigration, border control, police cooperation and asylum. In addition, and most importantly for this article, the idea of a European Arrest Warrant also originated from the Tampere European Council, in which leaders of all EU MSs expressed their desire to improve judicial cooperation in the EU by abolishing the formal extradition procedures for persons “who are fleeing from justice after having been finally sentenced.”¹⁵ Prior to the September 11, 2001 terrorist attacks (9/11) in the United States (U.S.), however, the idea of a European Arrest Warrant proved to be highly controversial in a number of EU MSs,¹⁶ rendering impossible the necessary unanimous agreement on a Framework Decision. As Monica den Boer observed, “[t]he ‘Euro-warrant’ had already been on the shelves but the coordinated fight against terrorism provided a window of opportunity for political decision-making on this instrument.”¹⁷

¹⁴ Monica Den Boer and Jörg Monar, “Keynote Article: 11 September and the Challenge of Global Terrorism to the EU as a Security Actor,” in *The European Union: Annual Review of the EU 2001/2002*, ed. Geoffrey Edwards and Georg Wiessala (Oxford, UK: Blackwell, 2002), 21.

¹⁵ European Commission, “Extradition & Surrender Procedures Across the EU – European Commission,” European Commission, <http://europa.eu.int/comm/justice_home/fsj/criminal/extradition/fsj_criminal_extradition_en.htm>, 2004.

¹⁶ Italy was the most reluctant of all EU Member States to give its assent to the EAW. It claimed that the 32 offenses were too many and wanted the warrant’s 32 offenses reduced to six, including terrorism but excluding financial crimes. Press reports speculated that this position was due to allegations of corruption and tax evasion pending against Prime Minister Berlusconi in Italy and elsewhere in Europe. Kristin Archick, “Europe and Counterterrorism: Strengthening Police,” <http://www.law.umaryland.edu/marshall/ElectronicResources/crsreports/crsdocuments/RL31509_07232002.pdf>, 23/07 2002.

¹⁷ Monica Den Boer, “The EU Counterterrorism Wave: Window of Opportunity or Profound Policy Transformation?” in *Confronting Terrorism. European Experiences, Threat Perceptions and Policies*, ed. Marianne van Leeuwen (The Hague: Kluwer, 2003), 188.

Thus, it may be argued that it was only because of the momentum generated by 9/11¹⁸ – which forced the European leaders to finally recognize that the EU's open borders and different legal systems allowed terrorists and other criminals to move around easily and evade arrest and prosecution – that the Council was able to reach a political agreement in December 2001 on the Framework Decision on the European Arrest Warrant.¹⁹ The binding Council Framework Decision was duly approved in June 2002,²⁰ and in January 2004, the EAW began to replace the formal extradition procedures among the Member States.

Key Features of the European Arrest Warrant

The EAW is based on the principle of mutual recognition of judicial decisions among the EU MSs and *de facto* represents the first application of this originally Single Market/First Pillar governance mode in the EU's Third Pillar. Being faced with a rise in threats such as cross-border crime and terrorism, yet not being able to agree on harmonization of appropriate national legal counter-measures, the EU MSs decided to make mutual recognition the cornerstone of judicial cooperation. In essence, mutual recognition allows for the application of one Member State's law on the territory on another Member State. As it is stated in Article 1 of the Framework Decision on the European Arrest Warrant:

1. The European arrest warrant is a judicial decision issued by a Member State with a view to the arrest and surrender by another Member State of a requested person, for the purposes of conducting a criminal prosecution or executing a custodial sentence of detention order.
2. Member states shall execute any European arrest warrant on the basis of the principle of mutual recognition and in accordance with the provisions of this Framework Decision...

In practice, EAW is expected to enhance the free movement of criminal investigation, prosecutions and sentences across EU borders by replacing the existing instruments on extradition between the Member States. Extradition requests via EAW can be issued for two purposes: 1) for conducting a criminal

¹⁸ Some contend that the European Arrest Warrant is not so much the result of the 9/11 attacks, as it is the consequence of the Union's hasty implementation of counterterrorism-related measures in response to the attacks in the United States. Others would yet go still further and suggest that the quickened pace of its implementation was the result of U.S. diplomatic pressures following 9/11. See Zimmermann, "The European Union and Post-9/11 Counterterrorism: A Reappraisal," 131.

¹⁹ Council of the European Union. *Proposal for a Framework Decision on the European Arrest Warrant and the Surrender Procedures Between the Member States, Outcome of Proceedings of the Council*, EN 14867/1/01 REV1 (2001)

²⁰ Council of the European Union. *Council Framework Decision of 13 June 2002 on the European Arrest Warrant and the Surrender Procedures Between Member States - Statements Made by Certain Member States on the Adoption of the Framework Decision*, EN 2002/584/JHA 0001 (2002)

prosecution; and 2) for executing a criminal sentence. For the purpose of prosecution, an EAW can only be issued if the offence on which it is based is punishable in the issuing state with at least one year imprisonment. An EAW for the purpose of executing a criminal sentence can only be issued if the offence will lead to a minimum sentence of four months imprisonment. There are strict time limits for the execution of the EAW, which should lead to a significant speeding up of the entire extradition process. The state in which the person is arrested must return him/her to the state issuing the warrant within 90 days of the arrest. Moreover, if the detained person gives his consent to the surrender, the extradition shall occur within 10 days.

This acceleration is achieved by requiring only one judicial decision for both arrest and surrender.²¹ As a result of this innovation, which excludes any political involvement of the Ministers of Justice and/or Foreign Affairs, it is possible to argue that the entire EAW procedure is completely “judicialized.” In addition, the EAW considerably simplifies the entire extradition procedure for thirty-two serious criminal offenses by abolishing the traditional principle of dual criminal liability, which means that the crime for which the convicted person is requested no longer needs to be recognized in both the requesting and the requested states.²² These offences, not all of which are harmonized at EU level, include participation in a criminal organization, terrorism, trafficking in human beings, sexual exploitation of children and child pornography; trafficking in arms, ammunition and explosives; corruption, fraud, money laundering and counterfeiting of money. The EAW also abolishes the classification of political offense and nationality as legitimate criteria for refusal for extradition, further ensuring a smooth extradition process. In practice, this also means that EU Member States can no longer refuse to surrender to another Member State one of their own citizens who is suspected of having committed a serious crime, on the ground that they are nationals.²³ As implied by the principle of mutual recognition, the merits of the EAW are taken on the basis of mutual trust, which is supposed to lead to a quasi-automatic recognition of extradition requests within the entire territory of the EU.²⁴

²¹ In contrast, the traditional international extradition procedure requires a separate procedure for arrest and surrender.

²² It is important to note however, that the principle of double criminality still applies to for all other offences. It may also apply for the 32 listed offences to the extent they are not punishable in the Member States issuing the EAW by a deprivation of liberty of three years or more. For a detailed legal analysis of EAW, see Wouters and Naert, “Of Arrest Warrants, Terrorist Offences and Extradition Deals: An Appraisal of the EU's Main Criminal Law Measures Against Terrorism After ‘11 September’,” 909-35.

²³ The EAW Framework Decision does, nonetheless, specify a certain number of exceptions. For example, the implementation of extradition can be postponed for humanitarian reasons. Specific provisions were also made in the Framework Decision to ensure adequate protection of human rights.

²⁴ Julia Sievers, *Managing Diversity: The European Arrest Warrant and the Potential of Mutual Recognition as a Mode of Governance in EU Justice and Home Affairs*, Paper Presented at

Implementation Delays and National Transposition Complications

While it is too early to provide an authoritative assessment of the practical impact of the EAW on the judicial cooperation of EU MSs, some preliminary observations can already be made. To begin with, there has been a significant delay in implementing the EAW in a number of Member States. Even though the Framework Decision set January 1, 2004 as the final deadline for implementation, only eight Member States (Belgium, Denmark, Ireland, Finland, Spain, Sweden, Portugal, and the UK) incorporated all of the required provisions of the EAW in their national legislation by this date.²⁵ France, Luxemburg, Austria, and the Netherlands passed their implementing legislation by May 21, 2004, but Greece, Italy and Germany still had not and the Framework Decision contains no provisions on how to deal with such delay.²⁶ Consequentially, the EAW has been fully operational in most of the cases planned only since April 2005, when Italy became the last EU Member State to transpose the EAW into national law.

There are two possible explanations for these considerable implementation delays. Firstly, in several countries the enactment of the necessary constitutional provision took longer than expected. In July 2005, for example, the German Constitutional Court rescinded the German law transposing the EAW on the grounds that it did not sufficiently consider the fundamental rights of the German citizens. Although the actual EAW Framework Decisions as such was not contested by the court's ruling²⁷ and the German government had subsequently duly changed the transposing law to comply with the German constitution, at least one person wanted by the Spanish government via an EAW had to be released in Germany in the interim period in-between the courts ruling and new transposition law adoption. In response, the Spanish National Court issued a ruling that Spain will not apply the fastened EAW procedures for extradition request from Germany, because under Spanish Constitutional law extradition is permitted only on the basis of reciprocity. This *de facto* put the traditional

the EUSA Tenth Biennial International Conference, Montréal, Canada, 17 – 19 May 2007, 20. 05. 2008 <<http://www.unc.edu/euce/eusa2007/papers/sievers-j-08i.pdf>>, 11.

²⁵ European Commission, "Extradition & Surrender Procedures Across the EU - European Commission."

²⁶ Wouters and Naert, "Of Arrest Warrants, Terrorist Offences and Extradition Deals: An Appraisal of the EU's Main Criminal Law Measures Against Terrorism After '11 September'," 917.

²⁷ Annegret Bendiek, "EU Strategy on Counter-Terrorism," German Institute for International and Security Affairs, November 2006, <http://www.swp-berlin.org/en/common/get_document.php?asset_id=3477>, 22. The German government subsequently drafted a new transposition law for the EAW. It was adopted in July 2006.

lengthy extradition processes back in place,²⁸ confirming that mutual recognition and reciprocity have to go hand in hand.

On the judiciary side, the EAW was also considered by the Polish Supreme Court (in April 2005), by the Belgian *Cour d'Arbitrage* (in July 2005),²⁹ and by the Constitutional Court in Cyprus (in November 2005).³⁰ In other countries, the EAW implementation delays were at least partly due to the objections of conservative opposition parties that feared that “their fellow citizens will be exposed to the whims other judicial systems that they consider less than trustworthy.”³¹ Some European legal scholars have also argued that the introduction of EAW was a “step too far too soon”, warning that a number of practical problems are already beginning to emerge, in particular in relation to the protection of individual rights and legal certainty in the European judicial space.³² A Belgian association of lawyers, the *Advocaten voor de Wereld* challenged the Belgian implementing legislation before the Belgian Court of Arbitration, which subsequently made a reference to the European Court of Justice in a case challenging the *vires* of the EAW Framework Decision and the legality of the partial abolition of dual criminality. This challenge was potentially far more serious than the German, Polish and Cypriot cases because the very use of a Framework Decision, instead of a Convention, to adopt the EAW was at issue.³³ In the end, the ECJ decided that the Framework Decision was perfectly valid.³⁴

Secondly, although the EAW only applies within the territory of the EU and relations with third countries are still governed by extradition rules, EAW's introduction has also raised some concerns outside of the EU. The U.S. government, in particular, has been concerned that with the EAW in place, the EU Member States would give extradition and assistance requests from other EU Member States a higher priority than requests from the United States and

²⁸ Wilhelm Knelangen, “Die Innen- und Justizpolitische Zusammenarbeit der EU und die Bekämpfung Des Terrorismus,” in *Die Europäische Union Im Kampf Gegen Den Terrorismus: Sicherheit Vs. Freiheit*, ed. Erwin Müller and Patricia Schneider (Baden-Baden: Nomos, 2006), 152.

²⁹ Detailed information on the Polish case is available at: <http://www.statewatch.org/news/2005/apr/poland.pdf>. More details on the Belgian case are available at <http://www.libertysecurity.org/article370.html>.

³⁰ Poland and Cyprus eventually had to change their national constitutions.

³¹ Archick, “Europe and Counterterrorism: Strengthening Police,” 7, 12.

³² Susie Alegre and Marisa Leaf, “Mutual Recognition in European Judicial Cooperation: A Step Too Far Too Soon? Case Study - the European Arrest Warrant,” *European Law Journal* 10, no. 2 (March 2004): 200-17.

³³ European Union Committee UK House of Lords, “European Arrest Warrant - Recent Developments,” 30th Report of Session 2005-06, 04.04.2006, <<http://www.publications.parliament.uk/pa/ld200506/ldselect/ldcom/156/156.pdf>>, para. 33.

³⁴ European Court of Justice, “Judgement of the Court (Grand Chamber): Case C-303/05,” 04.05. 2007, 01.05.2008 <<http://curia.europa.eu/jurisp/cgi-bin/gettext.pl?where=&lang=en&num=79929496C19050303&doc=T&ouvert=T&seance=ARRET>>.

other third parties. As before 9/11, the death penalty has been a particularly controversial issue that has hindered the negotiation of a workable transatlantic standard for extradition and legal assistance.³⁵ Bilateral treaties with individual EU members have generally contained assurances that suspects extradited to the United States will not face the death penalty, but U.S. officials have been reluctant to agree to such a blanket guarantee in a treaty negotiated with the EU as a whole.³⁶ According to Archick, the Bush administration's main objective for an eventual extradition accord was to secure a provision permitting any EU national to be handed over to U.S. judicial authorities.³⁷ The EU officials, however, remain largely circumspect on whether they would be prepared to meet such a requirement given the national sensitivities involved and the likely objections of some EU Member States.³⁸

Value-added Due to the Introduction of the European Arrest Warrant?

The aforementioned critiques and implementation difficulties notwithstanding, EAW clearly makes the EU legal process of extradition and surrender more legible and transparent than the previous myriad of extradition conventions and bilateral agreements. According to an initial assessment by the European Commission, EAW's hitherto impact has been positive in terms of depoliticization, efficiency, and speed in the procedure for surrendering people who are sought:

The effectiveness of the EAW can be gauged provisionally from the 2 603 warrants issued, the 653 persons arrested and the 104 persons surrendered up to September 2004. ... Since the Framework Decision came into operation, the average time taken to execute a warrant is provisionally estimated to have fallen from more than nine months to 43 days. This does not include these frequent cases where the person consents to surrender, for which the average time taken is 13 days.³⁹

³⁵ EU law bans capital punishment among EU Member States and prohibits the extradition of suspects to countries where they could face the death penalty.

³⁶ Nora Bensahel, "The Counterterrorism Coalitions: Cooperation with Europe, NATO, and the European Union," RAND, <<http://www.rand.org/publications/MR/MR1746/MR1746.pdf>>, 2003.

³⁷ Archick, "Europe and Counterterrorism: Strengthening Police," 15.

³⁸ Berlin, for example, insists that even basic legal assistance provided by German authorities to the United States should not lead to the pursuit of a capital case or contribute to the application of the death penalty. In the past, German judicial officials refused to respond to U.S. requests for evidence in the case against Zacarias Moussaoui, who faced a possible death sentence in the United States for his alleged involvement in planning the 9/11 attacks. Archick, "Europe and Counterterrorism: Strengthening Police," 16.

³⁹ European Commission, "How Has the EAW Been Implemented by Member States?," European Union, <http://europa.eu.int/comm/justice_home/fsj/criminal/extradition/fsj_criminal_extradition_en.htm>, 06/04/2006.

The Commission did not provide a break down of the data for specific criminal offences but in the arguably most high profile terrorist application of EAW – the extradition of Hussain Osman from Italy to the UK following the terrorist attacks in London in July 2005 – the whole process took 60 days.⁴⁰ More detailed statistics have been subsequently presented in an annual report by the General Secretariat of the Council.⁴¹ The data in this report is based on a compilation of replies from MSs to a standardized questionnaire on quantitative information on the practical operation of the EAW. Unfortunately, for several reasons, the final product is not perfect. Some MSs do not collect data in all fields covered in the questionnaire and in other areas the data provided suggest that different MSs have interpreted the questions in different ways. There are also some obvious discrepancies in the figures,⁴² which the Council Secretariat is unable to explain because it merely collected the data. Overall, however, it is clear that EAW is being increasingly utilized by EU MSs.

The Commission, nevertheless, warned that this overall success should not make one lose sight of the effort that is still required by some Member States to comply fully with the EAW Framework Decision. The problem is, however, that as a Third Pillar instrument, the EAW Framework Decisions only provides the main guidelines of how mutual recognition should work in practice, but it has no direct effect. Consequentially, it needs to be implemented by national parliamentarians, who have some leeway in interpreting the Framework Decision's provisions. Available Commission reports indicate that the fact that EAW has not led to a quasi-automatic recognition of extradition requests within the entire territory of the EU as originally expected is indeed at least partly explainable by the fact that some national parliaments have added new procedures which hamper cooperation. Some Member States, for example, considered that, with regard to their nationals, they should reintroduce a systematic check on dual criminality or convert their sentences. Noticeable in some Member States is also the introduction of supplementary grounds for refusal, which are contrary to the Framework Decision, such as political reasons, reasons of national security or those involving examination of the merits of a case. In particular, some MSs have implemented the Framework Decision in a way which gives priority to their national constitutions or which appears to favor their own

⁴⁰ Home Affairs Committee UK House of Commons, "Justice and Home Affairs Issues at European Union Level," para. 162.

⁴¹ Council of the European Union, "Replies to Questionnaire on Quantitative Information on the Practical Operation of the European Arrest Warrant - Year 2006," 11371/3/07 Rev 3. 03.10. 2007, Statewatch, 01.05.2008 <www.statewatch.org/news/2007/oct/eu-arrest-warrant-stats.pdf>.

⁴² One glaring discrepancy is in the case of the 2006 figures for France: the document states that 1552 EAWs were issued and then explains that 918 EAWs were transmitted via Interpol and 1300 via the Schengen Information System.

nationals.⁴³ (For specific examples of additional safeguards by the German and British legislature on EAW transposition, see tables 1 and 2.) Moreover, there are cases in certain Member States where the decision-making powers conferred on executive bodies are not in line with the Framework Decision. Lastly, by ruling out the EAW's application to acts that occurred before a given date, a few Member States did not comply either with the Framework Decision. The extradition requests which they continue to present therefore risk being rejected by the other Member States.⁴⁴

*Table 1: Additional Safeguards
in the German Europäisches Haftbefehlsgesetz (EuHbG 2006)*

Procedure	EuHbG	Framework Decision
Three-step procedure including a judicial and an administrative authority	§ 79	Pure judicial procedure, no administrative authority involved
Ground for refusal	EuHbG	Framework Decision
If a German national is involved and the offence committed has (mainly) taken place on German territory	§ 80 (1) 2	No such limitation envisaged
No written confirmation presented that a German national will be returned to serve the sentence in Germany	§ 80 (1) 1	Art. 5: Guarantees do not require a written confirmation
Non-reciprocity: If another state cannot be expected to surrender in a similar situation	§ 83b, 1d	FD contains no such regulation

Source: Sievers 2007, p. 14.

Little information is available about the actual practice of day-to-day judicial cooperation, which is surprising given that according to the EAW's conception of mutual recognition, it is the judge of the national judicial authority who is in charge and who has a duty to accept foreign decisions as equivalent. In other words, since politicians are no longer allowed to interfere and judicial cooperation is now a purely judicial procedure that ought to be characterized by direct contact from judge to judge, national judges become actors in their own right in the international system. As a result, mutual recognition should create "a *legal*

⁴³ Italy, for example, has provided that execution of an EAW may be refused where the requested person is an Italian citizen who did not know that the conduct was prohibited. European Union Committee UK House of Lords, "European Arrest Warrant - Recent Developments," 30th Report of Session 2005-06. 04.04. 2006, 17/04/2008 <<http://www.publications.parliament.uk/pa/ld200506/ldselect/lddeucom/156/156.pdf>>, para. 26.

⁴⁴ European Commission, "How Has the EAW Been Implemented by Member States?", European Union, COM(2005)63, <http://europa.eu.int/comm/justice_home/doc_centre/criminal/doc/com_2005_063_en.pdf>. 01/08/2006.

system of horizontal cooperation which operates with more or less precise and binding rules.”⁴⁵ In practice, however, the cooperation between judges has not always been smooth. According to one recent study, for example, the German judges in charge of running the mutual recognition system pointed to problems caused by heterogeneity of judicial systems and cultural differences:

[W]ith an ironical undertone, some stereotypes were expressed: The Spanish legal system still suffers from the Franco dictatorship, the Italian system is slow and corrupt, detention conditions in Latvian prisons are unbearable, and the British adversarial system is of lower quality compared to the continental system ... [C]ooperation with Eastern Europe was still a problem. Cases were reported in which the Polish authorities issued an EAW based on minor offences which according to German law would not qualify for an EAW. ... Issuing an EAW for such an offence was regarded as completely out of proportion. In addition to the Eastern European countries, the UK was mentioned as a country with which cooperation in extradition matters would still be especially cumbersome. ... However, it was not the quality of the British judicial system that was criticized but the differences in procedures and division of competences between police and judicial authorities which would cause problems in practice. The division of competences between police and judicial authorities was mentioned as a problem in the cooperation with France as well.⁴⁶

The fact that heterogeneity is regarded as a major problem by German judges was also highlighted in an article of a German criminal law journal in 2006, where several judges expressed their fears about the misuse of EAWs and concern of mutual recognition against the background of heterogeneity of criminal law across 27 EU Member States.⁴⁷

The aforementioned study also covered the opinions of British practitioners dealing with the EAW requests on daily basis. They complained that Germany and Austria allow issuing an EAW if the police had “a strong suspicion” that a person committed a crime, meaning that an EAW would be issued in the investigation stage of the process and lead to interviewing a suspected person instead of prosecuting an accused. There was also more general criticism towards some Member States on their interpretation of the offences falling under the list of 32 categories. The country which was mentioned to be the best cooperation partner by the Brits was Ireland, primarily due to the shared common law tradition and the fact that the UK and Ireland could built on a longstanding extradition

⁴⁵ Sievers, *Managing Diversity: The European Arrest Warrant and the Potential of Mutual Recognition as a Mode of Governance in EU Justice and Home Affairs*, 7.

⁴⁶ Sievers, *Managing Diversity: The European Arrest Warrant and the Potential of Mutual Recognition as a Mode of Governance in EU Justice and Home Affairs*, 22-23.

⁴⁷ Hackner et al., “Das 2. Europäische Haftbefehlsgesetz,” *Neue Strafrechts Zeitung (NStZ)* 12 (2006): 663-69.

tradition on special conditions, based on the Backing of Warrants Act of 1965.⁴⁸ This resonates with the observations made by the German judges, who claimed that due to a shared legal tradition and the same language, judicial cooperation was most successful with Austria and Switzerland, even though Switzerland was not part of the EU mutual recognition system.⁴⁹ Thus, it appears that the more similar the national legal systems are, the more likely it is that judicial cooperation proves successful. This, in turn, suggests that in order to succeed in practice, mutual recognition requires at least some level of harmonization of substantive criminal law and justice procedures across all EU Member States.

Table 2: Additional Safeguards in the UK Extradition Act 2003

Ground for refusal	Extradition Act 2003	Framework Decision
Person was arrested for race, religion, gender, sexual orientation or political opinion	Section 13	FD refers to ECHR
Human rights concerns	Section 21	FD refers to ECHR
Requested person was acting in the interest of the UK or had an authorisation given by the UK State Secretary	Section 208	FD does not contain such a regulation
Hostage Taking Considerations	Section 16	FD does not contain such a regulation
If EAW is based on extraterritorial jurisdiction of issuing state and the offence is punishable by less than 12 months <i>by UK law</i>	Section 64	FD does not contain such a regulation
Additional assurances for person convicted in absentia such as right to defend himself in person on retrial, legal assistance on his own choosing, financial support if necessary, right to examine witnesses against him etc.	Section 20	Article 4 (7): Right to retrial without these additional assurances

Source: Sievers 2007, p. 18.

Principled Objections to European Arrest Warrant

The EAW has also been criticized on grounds of its principle key underlying principles. The first set of critiques concerns the fact that EAW abolishes

⁴⁸ Sievers, *Managing Diversity: The European Arrest Warrant and the Potential of Mutual Recognition as a Mode of Governance in EU Justice and Home Affairs*, 25.

⁴⁹ Sievers, *Managing Diversity: The European Arrest Warrant and the Potential of Mutual Recognition as a Mode of Governance in EU Justice and Home Affairs*, 23.

the requirement for dual criminality in the formal extradition processes across the EU. Dual criminality, however, derives from the principle of *nullum crimen sine lege* (no crime without law), which is constitutionally enshrined in a number of EU Member States and which also found expression in the EU in the 1957 European Convention on Extradition. A number of commentators have therefore argued that is constitutionally unacceptable to execute an enforcement decision relating to an act which is not a crime under the law of the executing state. For example, as noted in a UK House of Commons report, under the EAW a UK citizen can be extradited for an act which they commit in the territory of another EU state which is illegal under the law of the other state, but not under UK law:

For example, if a UK citizen dressed in Nazi uniform in Germany they could subsequently be surrendered back to Germany from the UK since the act is a criminal offence in Germany and is covered by the racism and xenophobia dual criminality exemption of the EAW. This works both ways. So, for example, another EU national could be surrendered to the UK for having sex with a person under 16 years old in the UK, even though the age of consent might be lower in the country from which they are surrendered. The act would be covered by the rape dual criminality exemption of the EAW.⁵⁰

The report also pointed to a grey area in cases where it is not legally evident on whose territory the act was committed, such as the internet publications. It gives the example of a UK national publishing material on the internet which denies that the Holocaust took place, an offence under Austrian law, where it may be unclear in whose territory the act has occurred. Here, the rules of the EAW are not clear-cut, although it should be noted that the scale of such cases is pretty small and there is no evidence that such cases have actually occurred thus far.⁵¹

The second set of objections to EAW concern the very principle of mutual recognition that was established by the 1999 Tampere European Council as the cornerstone of judicial cooperation. According to Jan Wouters and Frederick Naert, the fact that Member States automatically recognize each other's judicial decisions ordering the arrest of a person reflects a genuine paradigmatic shift in legal cooperation in the EU:

Traditionally, such cooperation is based on the rule that one State does not execute or enforce decisions of another State, unless otherwise agreed, e.g. in extradition treaties. As the UK Home Secretary expressed it, this

⁵⁰ Home Affairs Committee UK House of Commons, "Justice and Home Affairs Issues at European Union Level," Third Report of Session 2006-07, Volume I. 24.05. 2007, 17/04/2008 <<http://www.statewatch.org/news/2007/jun/eu-uk-hasc-report.pdf>>, para. 171-2.

⁵¹ Home Affairs Committee UK House of Commons, "Justice and Home Affairs Issues at European Union Level," para. 174.

dates from ‘an age when suspicion and distrust characterized relationships between European nations and the courts saw their role as to protect those fleeing from despotic regimes.’ In contrast, ... [the EAW’s principle] is fundamentally based on a “high level of confidence between Member States.”⁵²

The problem is that available analysis of the hitherto implementation of the EAW Framework Decision, as well as the daily practice of judicial cooperation, offer many examples of the prevalence of mutual distrust among EU MSs. To a certain extent, as noted above, this distrust is caused by the view that national standards of penal and procedural law in individual EU MSs differ too much to be mutually recognized. But apart from the lack of harmonization of criminal legislation across EU, further problems in some of the EAW cases can also arise due the fact that at least six offences (terrorism, computer-related crime, racism and xenophobia, sabotage, racketeering and extortion or swindling) of the 32 serious offences, for which EAW abolished the principle of dual criminality, are poorly defined.⁵³

The literature on mutual recognition also suggests that mutual trust is just one of at least four important prerequisites that need to be met in order for EAW to work well in practice. According to Sievers, the other three important prerequisites are equivalence, compatibility and institutional support structures:

- *Equivalence*: The Member States not only have to trust each other, in addition they need to accept each others legal systems as equally legitimate. Legislators and national judges need to acknowledge that a common goal such as efficient criminal prosecution and fundamental rights protection may be attained in an equal measure by the different policies of the foreign state. This requires legislators and judges to accept that different policies are not necessarily inferior. In JHA, the entire legal system must be recognized as equivalent and affording all the appropriate protections, notably in the area of fundamental rights.

⁵² It is important to note however, that the principle of double criminality still applies to for all other offences. It may also apply for the 32 listed offences to the extend they are not punishable in the Member States issuing the EAW by a deprivation of liberty of three years or more. For a detailed legal analysis of EAW, see Jan Wouters and Frederick Naert, “Of Arrest Warrants, Terrorist Offences and Extradition Deals: An Appraisal of the EU’s Main Criminal Law Measures Against Terrorism After “11 September”,” *Common Market Law Review* 41, no. 1 (August 2004): 919.

⁵³ This has been heavily criticized by Germany already during the negotiations before the actual introduction of EAW. In the end, Germany negotiated an exemption for five years, during which period courts in that country will examine whether the requirement of dual criminality is met for these six offences. Home Affairs Committee UK House of Commons, “Justice and Home Affairs Issues at European Union Level,” para. 170.

- *Compatibility*: The legal system of one member state needs to be compatible with the formal rules and procedures of other Member States. This might cause problems between very different systems, e.g. between common law (the UK and Ireland) and civil law countries (continental EU Member States). One problem in this respect might be the different competences assigned to police and public prosecutor, or the different kinds of evidence accepted in different phases of a court proceeding.
- *Institutional support structure*. Given the heterogeneity national authorities face, there need to be institutions that address problems which arise if the three preconditions are not yet fully met. These institutions foster the necessary trust; collect and provide information on foreign legal systems, help solve conflicts of jurisdiction and deal with problems arising from incompatibilities between justice systems. Institutional support structures thereby mitigate the transactions costs arising from putting a mutual recognition system into work. In judicial cooperation, it seems unrealistic to expect individual judges to be familiar with the procedural requirements of large numbers of different jurisdictions, let alone to co-ordinate complex cases involving a number of different Member States.⁵⁴

Concerning equivalence and compatibility, in a comparative case study of the implementation and operation of the European Arrest Warrant in Germany and the UK, Sievers found that these prerequisites of mutual recognition not been met fully thus far:

[D]espite the general support the new European extradition system gains, concerns among national parliamentarians and judges prevail. These concerns are caused by the heterogeneity of the European criminal justice systems parliamentarians and judges face. As a result, parliamentarians demand additional safeguards to ensure a high fundamental rights protection, and national judges act as gate-keepers of the national legal system and use their leeway to reject a European Arrest Warrant which diverges too much from well-known national standards.⁵⁵

She also noted that the European Judicial Network and Eurojust can be regarded as institutional support structures enhancing EU judicial cooperation, but neither has been used extensively in this role thus far.

Finally, some believe that the scope of EAW far exceeds the fight against terrorism and therefore they see it as threat to national sovereignty. Jonathan Stevenson, for example, suggested that the EAW, “although proposed on the

⁵⁴ Sievers, *Managing Diversity: The European Arrest Warrant and the Potential of Mutual Recognition as a Mode of Governance in EU Justice and Home Affairs*, 8-9.

⁵⁵ Sievers, *Managing Diversity: The European Arrest Warrant and the Potential of Mutual Recognition as a Mode of Governance in EU Justice and Home Affairs*, 10.

pretext of counterterrorism, appears to be part of a larger agenda, one that aims ... to expand the EU's supranational legal jurisdiction," and warned that this could lead to significant backlash from member states that "are becoming more worried about hemorrhaging national authority."⁵⁶ In contrast, while admitting that the new model "implies the transfer of another element of intergovernmental cooperation to the supranational level," Filip Jasinski argued that the EAW "would not be a breach of national sovereignty in respect of extradition decisions, since surrender of a suspect within the Union would not be regarded as classic extradition."⁵⁷ In this context, it has been also submitted that the adoption of EAW represents the demise of conventions in the JHA Pillar. Others, however, see this rather as "welcome development, bringing Third Pillar law-making closer to that in the First Pillar and making it more effective."⁵⁸ Finally, it should be also noted that the optimists are convinced that by reinforcing the internal EU procedures to act coherently and cooperatively, the EAW will significantly increase the credibility of the EU as a major player in the global fight against international terrorism and improve EU abilities to investigate and prosecute other transnational crimes.⁵⁹ The problem is, as Paul Wilkinson noted, that while the value of EAW in the fight against international terrorism "is *in theory* all too clear ... in *practice* ... [it] has been somewhat undermined by the reluctance and unwillingness of some key member states [sic!] to ratify it and by the continuing desire of certain member states [sic!] to maintain total national political control on these matters."⁶⁰

Modes of Governance in Justice and Home Affairs: Mutual Recognition or Harmonization?

As noted above, mutual recognition was expressly endorsed as the cornerstone of cooperation in criminal matters at the European Council in Tampere in 1999. This was re-stated in the Hague Program⁶¹ and the Lisbon Treaty enshrines the principle of mutual recognition in the Treaties for the first time

⁵⁶ Jonathan Stevenson, "How Europe and America Defend Themselves," *Foreign Affairs* 82, no. 2 (March/April 2003): 83.

⁵⁷ Filip Jasinski, "The European Union and Terrorism," *The Polish Quarterly of International Affairs* 11, no. 2 (2002): 44.

⁵⁸ Wouters and Naert, "Of Arrest Warrants, Terrorist Offences and Extradition Deals: An Appraisal of the EU's Main Criminal Law Measures Against Terrorism After "11 September", 915.

⁵⁹ Archick, "Europe and Counterterrorism: Strengthening Police," 2.

⁶⁰ Wilkinson, *International Terrorism: The Changing Threat and the EU Response*, 31.

⁶¹ European Union Committee UK House of Lords, "The Treaty of Lisbon: An Impact Assessment," 10th Report of Session 2007-08. 13.03. 2008, 17/04/2008 <<http://www.publications.parliament.uk/pa/ld200708/ldselect/ldcom/62/62.pdf>>.

in the area of judicial cooperation in criminal matters.⁶² Recently, however, a number of European policy-makers have expressed the opinion that mutual recognition is reaching its limits as a fundamental underlying principle of co-operation. Instead, some would like to see more harmonization between the law and policy of EU Member States, while others would advocate practical co-operation measures alone.

In essence, these views reflect a key dilemma of EU's counterterrorism policy: the need to cooperate more closely to fight terrorism and the reluctance to agree on, and/or duly implement, centralized solutions at the EU level. This dilemma, in turn, represents one important strand in the ongoing debate concerning the most appropriate mode of governance in Justice and Home Affairs. It therefore seems useful to analyze available forms of governance⁶³ which may provide solutions to this dilemma. The problem is that while there is a solid body of literature addressing the potential of alternatives to centralized decision-making, emphasizing multi-level governance⁶⁴ and governance via EU policy networks,⁶⁵ until recently,⁶⁶ mutual recognition as a mode of governance has not been in the center of attention. Moreover, most existing studies focus at the potential of mutual recognition in the First Pillar⁶⁷ and there are only few

⁶² European Union Committee UK House of Lords, "The Treaty of Lisbon: An Impact Assessment," 10th Report of Session 2007-08. 13.03. 2008, 17/04/2008 <<http://www.publications.parliament.uk/pa/ld200708/ldselect/lddeucom/62/62.pdf>>.

⁶³ I am not referring to the debate on "new modes of governance" focused on the role non-state actors because in the JHA domain, there has been no significant involvement of non-governmental/private actors. Instead, following Sievers and Monar, I use the concept of governance as a form of social coordination. The emphasis is on analysis of systems of institution-based internal rules that shape the actions of interdependent societal actors. Julia Sievers, *Managing Diversity: The European Arrest Warrant and the Potential of Mutual Recognition as a Mode of Governance in EU Justice and Home Affairs*, Paper Presented at the EUSA Tenth Biennial International Conference, Montréal, Canada, 17 – 19 May 2007. 20.05.2008 <<http://www.unc.edu/euce/eusa2007/papers/sievers-j-08i.pdf>>; Jörg Monar, "Specific Actors, Typology and Development Trends of Modes of Governance in the EU Justice and Home Affairs Domain," *New Modes of Governance Project*. 31.05. 2006, 30.05.2008 <http://www.eu-newgov.org/database/DELIV/D01D17_Emergence_NMG_in_JHA.pdf>.

⁶⁴ See Liesbet Hooge and Garry Marks, "European Integration from the 1980's: State-. Centric v. Multilevel Governance," *Journal of Common Market Studies* 34, no. 3 (1996): 341-78; Liesbet Hooge and Garry Marks, *Multi-Level Governance and European Integration* (Boulder, CO: Rowman & Littlefield Publishers, 2001).

⁶⁵ Kohler-Koch, B. et al. *Interaktive Politik in Europa. Regionen Im Netzwerk der Integration*. (Opladen: Leske & Budrich., 1998); John Peterson, "Policy Networks," ed. Antje Wiener and Thomas Diez (Oxford, UK: Oxford University Press, 2004), *European Integration Theory*.

⁶⁶ The 2007 special issue of the *Journal of European Public Policy* (vol. 14, no. 5) was entirely devoted to the topic of *Mutual Recognition as a New Mode of Governance*.

⁶⁷ Kalypso Nicolaidis, "Trusting the Poles? Constructing Europe Through Mutual Recognition," *Journal of European Public Policy*, 14, no. 5 (August 2007): 682-98; Fritz W. Scharpf, *Governing Europe: Effective and Democratic?* (Oxford: Oxford University Press, 1999); F. Schioppa, *Principles of Mutual Recognition in the European Integration Process*. (Houndmills:

studies investigating its application in JHA.⁶⁸ The following paragraphs of this section provide a succinct overview of the key points of these studies.

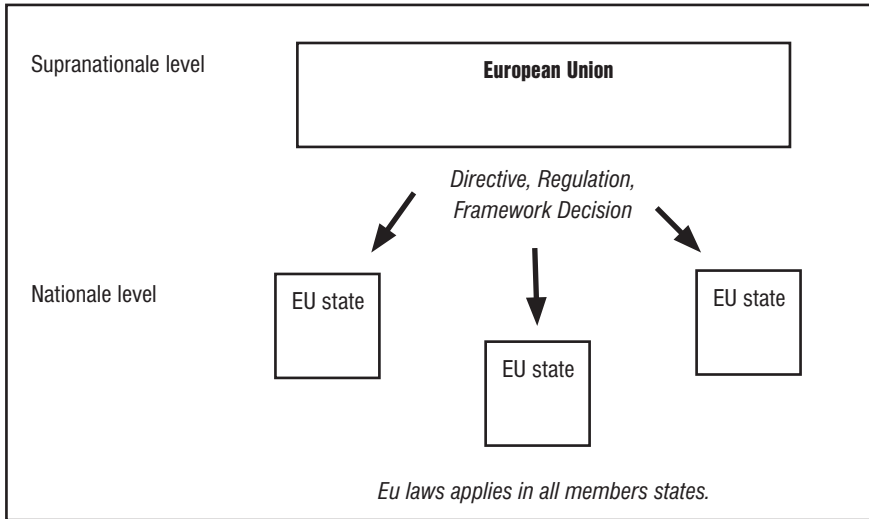
From the governance perspective, *mutual recognition* is a choice for a specific institutional set up among a set of alternatives. In the context of EU integration, at least two additional modes of governance can be identified: the *territoriality principle* (also called national treatment or host country rule) and *harmonization*. As Sievers noted, the difference between these strategies is the definition of the rule which is to apply in cooperation between EU Member States:

- *The territoriality principle* states that in the cooperation between the EU Member States the rule of the host country applies. This mode of governance is based on the rule of national sovereignty: States do not interfere in each others' affairs and territory determines jurisdiction. It is the classical form of intergovernmental cooperation on which most of the EU's Third Pillar was built until late 1990s.
- *Harmonization* of national law implies the agreement of all EU Member States on common EU-wide rules. These are then enforced by the Commission, which is in charge of monitoring the correct implementation and application and is enabled to start infringements proceedings at the European Court of Justice in cases of severe violation of the rules. This mode of governance is embodied in the classic Community method, which was the dominant integration strategy of the EU/EC's internal market until the 1980s. (For a graphic illustration, see figure 1)
- *Mutual recognition* requires an agreement among all EU Member States to recognize and enforce foreign law. This can take different forms. In the First Pillar, EU-foreign national law is recognized in form of the recognition of products produced according to EU-foreign national standards. In JHA, decisions of foreign judicial authorities in the form of European Arrest Warrants are to be recognized and enforced in the host state (see the EAW chapter). As a result, the laws of one EU Member State takes effect on the territory of another EU country; territory and national jurisdiction are no longer identical.⁶⁹ (For a graphic illustration, see figure 2)

Palgrave Macmillan, 2005). Susanne K. Schmidt, "Mutual Recognition as a New Mode of Governance," *Journal of European Public Policy*, 14, no. 5 (August 2007): 667-81.

⁶⁸ Sandra Lavenex, "Mutual Recognition and the Monopoly of Force: Limits of the Single Market Analogy," *Journal of European Public Policy*, 14, no. 5 (August 2007): 762-79; Sievers, *Managing Diversity: The European Arrest Warrant and the Potential of Mutual Recognition as a Mode of Governance in EU Justice and Home Affairs*.

⁶⁹ Sievers, *Managing Diversity: The European Arrest Warrant and the Potential of Mutual Recognition as a Mode of Governance in EU Justice and Home Affairs*, 4-5.

Figure 1: Harmonization

Source: Sievers, 2007.

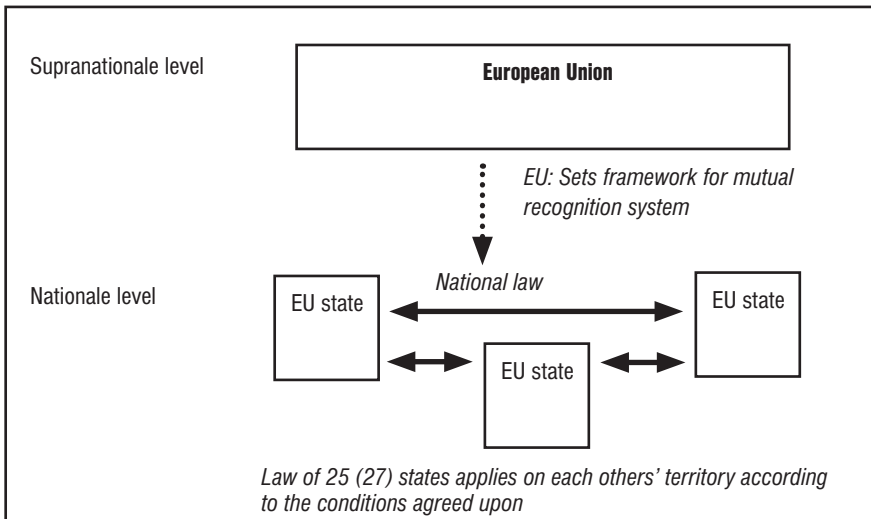
All three modes of governance have their strengths and shortcomings. Due to the strong national sovereignty concerns, the *territoriality principle* of international cooperation principle intentionally leaves a wide margin for political discretion to the Member States. As such, it is considered not very helpful when aiming at creating a common market, a common judicial sphere or a common counterterrorism policy:

[T]errorism in the EU is essentially a transnational phenomenon. National legal provisions to counter terrorism can be examined to study their effectiveness or otherwise in countering the current threat. However, just as the post-Westphalian model of the nation-state no longer serves us in the economic arena, the cracks between the laws of different jurisdictions in countering terrorism that provide opportunities for terrorists to exploit should, to the extent that is humanly possible, be avoided.⁷⁰

Harmonization (sometimes also called approximation), in contrast, significantly infringes on national sovereignty and that is perhaps the key reason why it has not been the favorite governance mode in EU Justice and Home Affairs, a policy area which belongs to the core functions of statehood and as such has traditionally been characterized by strong sovereignty concerns.

⁷⁰ O'Neill, "A Critical Analysis of the EU Legal Provisions on Terrorism," 26.

Figure 2: Mutual Recognition



Source: Sievers, 2007.

To a certain extent, mutual recognition can be seen as a middle ground between the principle of territoriality and harmonization. In contrast to harmonization it is perceived to be less infringing on national sovereignty and thereby easier to agree on (see figures 1 and 2). In the EU's First Pillar, where mutual recognition has been the central mode of governance, it helped to overcome trade barriers caused by differences in national product regulation. Based on the positive experiences with mutual recognition in the Single Market, the EU heads of state decided to copy this mode of governance and make it the "cornerstone" of cooperation in the Third Pillar. They hoped that mutual recognition will enable the EU to build the promised Area of Freedom, Security and Justice because agreeing on centralized rules to address the existing cooperation problems did not prove politically feasible thus far.⁷¹ In other words, the hope is that mutual recognition will provide answers to the aforementioned key dilemma of EU counterterrorism policy, e.g. how to manage diversity of national legal systems while avoiding demanding harmonization measures at the EU level?

Concluding Remarks: Lesson Learned from the Introduction of the European Arrest Warrant

The analysis of the EAW presented in this article suggests that although it is certainly not flawless, it has the potential to offer genuine value added to the EU

⁷¹ Sievers, *Managing Diversity: The European Arrest Warrant and the Potential of Mutual Recognition as a Mode of Governance in EU Justice and Home Affairs*, 2-3.

counterterrorism efforts. Moreover, from the larger Justice and Home Affairs perspective, EAW represents the hitherto only practical application of mutual recognition in the third pillar. The experience with EAW, however, also reveals that even though it has been difficult enough for the EU heads of states manage to agree to the introduction of mutual recognition in principle, the real challenge is to put a mutual recognition system into work in practice. Specifically, this study has identified at least four reasons that explain the difficulties encountered during the process of actual implementation of the EAW. Firstly, the national parliaments in several EU Member States did not share the enthusiasms for mutual recognition in judicial cooperation and used their leeway in transposing the EAW Framework decision to national law to add extra procedures and safeguards (see table 2). Secondly, because of the prevailing heterogeneity of judicial systems and cultural differences across the EU Member States, the practical cooperation between judges has not always been as smooth and automatic as expected. Thirdly, the very principle of mutual recognition has been challenged on legal grounds in several EU Member States and there are still some concerns that the abolition of dual criminality in the formal extradition processes across the EU introduced by EAW contradicts the “no crime without law” principle, which is constitutionally enshrined in a number of EU Member States. Fourthly, and perhaps crucially, the problems with EAW’s implementation and practical execution suggest that the four important prerequisites for a successful application of mutual recognition (1. mutual trust, 2. equivalence, and 3. compatibility of national criminal law and criminal procedures, and 4. institutional support structures) have not been fully met thus far. Thus, as Nicolaidis and Sievers noted, mutual recognition as a governance mode entails a paradox:

On the one hand, it aims at managing diversity without demanding harmonization; on the other hand, the preconditions of mutual recognition are more likely to be met where the degree of divergence is low. This indicates that, given the heterogeneity of EU criminal law systems, mutual recognition as an easy-to-agree-on alternative to harmonization has its limits.⁷²

The limits of mutual recognition were also acknowledged in a recent report by the British House of Commons, which argued that the mutual recognition principle does not appear to enjoy the full support it once did when the Framework Decision on the EAW was adopted in 2002. Some experts interviewed by the writers of the report actually went so far as saying that “the mutual recognition principle as a basis for police and criminal justice co-operation is doomed.”⁷³

⁷² Sievers, *Managing Diversity: The European Arrest Warrant and the Potential of Mutual Recognition as a Mode of Governance in EU Justice and Home Affairs*, 3.

⁷³ Home Affairs Committee UK House of Commons, “Justice and Home Affairs Issues at European Union Level,” Third Report of Session 2006-07, Volume I. 24.05. 2007, 17/04/2008 <<http://www.statewatch.org/news/2007/jun/eu-uk-hasc-report.pdf>>.

While the British may be once again too pessimistic, it is clear that mutual recognition in Justice and Home Affairs cannot function when it is not used by national judges. Over time, the judges may learn more foreign languages, acquire better e-skills and perhaps even start to trust their foreign counterparts a bit more than they do now. Eurojust, whose primary task is to provide “immediate legal advice and assistance in cross-border cases to the investigators, prosecutors and judges in different EU Member States,”⁷⁴ could also offer some remedies to the increased transactions costs that the EAW *de facto* transferred from the political decision-making stage to the implementation and application stages, e.g. to national judges. However, neither Eurojust, nor multiple foreign-languages fluent national judges, can do away with the heterogeneity of national criminal justice systems across Europe. Thus, although wholesale harmonization in the JHA pillar appears to be both impractical and politically unfeasible, the experience with the implementation of EAW suggests that some common EU-wide minimum standards defined on the European level may be necessary for mutual recognition to work in practice.

⁷⁴ In cases of assistance in cross-border judicial cooperation, Eurojust is working alongside another recently established unit – the European Judicial Network (EJN), which became operational in 1998. While EJN is essentially a decentralized information sharing network connecting EU lawyers and judges working on criminal cases, Eurojust is a centralized unit. European Commission, “Eurojust Coordinating Cross-Border Prosecutions at EU Level,” http://europa.eu.int/comm/justice_home/fsj/criminal/eurojust/fsj_criminal_eurojust_en.htm, 2004.

Securitizing Piracy Off the Coast of Somalia

Bilyana Tsvetkova¹

Introduction

Piracy off the coast of the failed state of Somalia has been growing at an alarming rate.² Last year (2008), over 120 attacks have been reported, resulting in the seizure of more than 40 ships and the kidnapping of more than 600 crew members, and about \$30 million (USD) in ransom has been paid.³ Somali piracy disrupts international trade, funds the vicious war in Somalia, provides breeding ground for terrorists, a convenient route for illicit economies, and can lead to serious environmental damage.⁴ Regardless of the fact that most of these threats have been present for several years, international coordinated response to fight piracy off the coast of Somalia has emerged only in the last several months. This research analyses the reasons presented as justification for the current international response by using the framework of traditional security theory and securitization theory. The main argument of this research is that Somali piracy has recently gained the status of an international security issue primarily due to its direct effects on the oil supplies to Western states, and not due to any of the alternative reasons.

To advance this argument, this research commences by outlining the conceptual framework of the traditional security theory and the Copenhagen securitization theory, and continues by describing the modernized version of piracy that has emerged since the 1990s. After demonstrating that piracy has become a major security concern for the failed Somali state and the region, the paper explains two potential paths through which the issue of piracy along the Somali coast can be considered as an international security threat. First, it can be securitized by the potential dangers that the Somali failed state can present as a breeding ground for terrorism. Second, the issue can be presented as a

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² Middleton 2008, p. 3.

³ Maliti 2008; Bengali, 2008.

⁴ Middleton 2008, p. 3.

threat to human security because of increasing attacks on vital international deliveries being shipped for needy Somalis through the Gulf of Aden. Third, piracy has emerged as a serious threat to international trade in particular the global shipping of oil. By analyzing the impact that Somali piracy has recently had on major trade relations, this article supposes that Somali piracy has gained the status of an international security issue because of its damaging impact on oil supplies to Western states and not because of its relationship with state failure in Somalia, the region, breeding ground for terrorism or human security. To sustain this argument, this work uses the securitization theory to analyze how the issue of piracy along the Gulf of Aden was treated before it began to affect the economic interests of major states and how it became a pressing international concern in the last several months. Finally, this work discusses the effectiveness of current international anti-piracy policies off the coast of Somalia.

Conceptual Framework

This contribution is based on two main theories – traditional security theory and securitization theory as outlined by the Copenhagen School of Critical Security Studies (CSS).

At the core of security studies is the phenomenon of war. In the character of realism, the traditional theory of the discipline assumes that the state is the main entity that must be protected and that war is the main threat to its existence.⁵ Because power positions are never equal and weaker states constantly try to change the balance, a relentless security competition emerges, which makes the possibility of war always present.⁶ As forces are the main tool for enhancing state protection and facing threats to a state, the offensive and defensive military capabilities of states and their perceptions of each other's intentions are the central research topics.⁷ Consequently, security studies can be defined as “the study of the threat, use, and control of military force”.⁸ This work uses traditional security theory to prove how piracy has emerged as a national security threat by fueling the conflict in Somalia.

In the 1990s a heterogeneous body of literature, criticizing the traditional definition of security emerged. It argues that approaching the problem of security by only examining military capability presents “a substantial barrier to progress” in the field because it excludes other issues that can present a threat to the state, such as environmental disasters, severe epidemics, etc., which also require sustained attention by the scholarly community.⁹ To resolve this

⁵ Buzan et al. 1997, p. 21.

⁶ Mearsheimer 1994, p. 12.

⁷ Walt 1991, pp. 212-213; Buzan 1991, p. 19.

⁸ Nye and Lynn-Jones 1988, p. 212.

⁹ C.A.S.E. Collective 2006, p. 448.

problem, these scholars propose a more methodologically sophisticated theory of security studies, which offers an expansion of the definition to include issues that affect indirectly, but still significantly the security of the state.¹⁰ One of the leading schools in this new approach is the Copenhagen school of CSS, arguing that securitizing an issue is a social construct.¹¹ This approach locates actors in a social structure that both constitutes these actors and is simultaneously constituted by their interaction.¹² To identify a move to securitization, Buzan suggests adding four nonmilitary topics to the already existing military domain: political, economic, societal and environmental. Political security analyzes the states' organizational stability, their governance systems and the ideology that makes them legitimate. Economic security concerns "access to resources, finance and markets necessary to sustain acceptable levels of welfare and state power".¹³ Societal security looks at "sustainability, within acceptable conditions for evolution, of traditional patterns of language, culture and religious and national identity and custom". A concept first officially established in the international community by the UNDP (United Nations Development Programme) Human Development Report, 1994, called human security can also be included in this category.¹⁴ Human security is hereby defined in a more narrow way than the initially presented definition as "the protection of the vital core of all human lives from critical and pervasive environmental, economic, food, health, personal and political threats".¹⁵ Environmental security refers to the maintenance of essential for human existence local and planetary biosphere.¹⁶

According to Ole Waever, 'security' may be viewed as an *illocutionary* process, called a speech act, which regards the utterance of 'security' itself to be the act. By verbally framing an issue as a security issue, a representative of a state relocates the particular issue out of its non-politicized or politicized status and elevates it to the security sphere. The issue becomes a matter of national security, an "existential threat", over which the state claims to have special rights that justify any policies regarding the particular issue.¹⁷

This work uses securitization theory to prove that Somali piracy has emerged as a regional and international security threat because of its strong impact on international trade, terrorism, human security; regional illicit arms trade networks and the environment. This work uses the definition of piracy proposed by the International Maritime Bureau (IMB), stipulating that piracy is an "act of attempting to board a ship with the intent to commit theft or any

¹⁰ Buzan et al. 1997, p. 23.

¹¹ C.A.S.E. Collective 2006, p. 448.

¹² Farrell 2002, p. 51.

¹³ Buzan 1991, p. 19.

¹⁴ Hampson et al. 2002, p. 28.

¹⁵ Owen 2004, p. 383.

¹⁶ Buzan 1991, p. 18-20.

¹⁷ Waever 1995, p. 54; Lipschutz 1995; Williams 1998, p. 435.

other crime and with the attempt or capability to use force in furtherance of that act.”¹⁸

The Changing Nature of Somali Piracy

Origins of Somali Piracy

In 2004, after years of conflict, the Somali Transitional Federal Government (TFG) was formed. It was officially designed to hold office for five years and Abdullahi Yusuf was elected president in October of that year. However, the TFG was too weak and thus unable to take up residence in Somalia until June 2005, and even then it failed to establish its authority throughout most of the country. It has been constantly undermined by powerful warlords and Somali clans that are known to be the country's real governors.¹⁹ The extremely weak government and virtually nonexistent justice system created favorable conditions for piracy.²⁰ It began in the early 1990s as an attempt by Somalis to protect their waters from foreigners who were over-fishing. In many ways Somali pirates consider themselves as coastguards. Piracy started along Somalia's southern coast and began shifting north in 2007. This resulted in the formation of multiple pirate gangs in the Gulf of Aden, which allowed for significant sophistication of their operations.²¹

Modernized, Supported and Well-Supplied

Piracy is one of the world's oldest professions, however the romanticized vision of swigging from rum, making cowards walk the plank, and hoisting a flag with a depiction of skull and crossbones is no longer a relevant description for Somali pirates. Piracy, particularly along the Somali coast, has taken advantage of the era of modernization and has undergone a significant upgrading in the types of weapons, vessels and methods it deploys.²² It has replaced the cutlass with automatic weapons, primarily the infamous AK-47, anti-tank rocket launchers and grenades; weapons readily available in Somalia.²³ Old-fashioned frigates, used in the past, have been replaced with speedboats, which are fast and maneuverable. To increase their range of attack, Somali pirates also use “mother ships”, which are usually fishing trawlers pirates capture close to the shore and afterwards use as staging posts for attacks further out to sea.²⁴

¹⁸ Ong – Webb, pp. xii-xiii.

¹⁹ CIA Factbook, 2008.

²⁰ Cliffe 2005, pp. 13-14.

²¹ Hunter 2008.

²² Hunter 2008; Ong-Webb, 2006.

²³ Konstam 2008a; Malti 2008.

²⁴ Konstam 2008b; Malti 2008; Middleton 2008, p. 4.

Somali piracy today involves murder, rape and, recently, more sophisticated methods of kidnapping and extortion.²⁵

Somali pirates are supported by influential clans, by members of the TFG, by many in Somali society, and by several business communities in neighbouring countries. The pirates are primarily based in the semi-autonomous regions of Puntland and Somaliland. Although their approximate location is well known, it is hard for the TFG to capture and convict them because Somalia does not have state-owned warships and has a very weak justice system.²⁶ Moreover, there is evidence to suggest that members of the TFG benefit from piracy gains and therefore the current dysfunctional government has an incentive to permit the continuation of hijackings.²⁷ Furthermore, piracy is believed to be controlled by influential clans in Somalia, which allegedly have strong links to the Somali government, as well as with businessmen in Puntland.²⁸ Additionally, Somali society has expressed its support for piracy, and considers it as a lucrative and attractive undertaking. According to Somali citizens, piracy has become a fashionable and appealing business for Somalis, which, although illegal by international law, is 'socially acceptable' in Somalia mainly because it provides rich remunerations. In a country where poverty is so wide-spread, \$2 million (USD) – the average ransom for a hijacked ship – is a strong incentive for supporting piracy. It was reported that from January 2008 until November 2008, pirates off the Somali coast collected roughly \$30 million (USD) in ransom only. Piracy provides a chance to achieve a higher standard of living and join Somalia's new economic elite. Due to these attractive aspects, more Somalis consider piracy a worthwhile business venture.²⁹

Yemen, across the Gulf of Aden, is reportedly the location from where the pirates receive the majority of their weapons. A significant number of weapons are also bought directly from the Somali capital, Mogadishu. Observers' note that Mogadishu weapon dealers receive deposits for orders via a 'hawala' company; an informal money transfer system.³⁰ Additionally, Somali pirates maintain contacts in Dubai, and neighboring countries, which they use to purchase new weapons, boats, and necessary technology needed to conduct their attacks. Much of the ransom money earned from previous hijackings is allocated for this purpose.³¹

²⁵ Konstam 2008.

²⁶ Grosse-Kettler 2004, p. 24.

²⁷ Muradian and Ewing 2008.

²⁸ Lunsford 2008.

²⁹ Hunter 2008.

³⁰ Ibid..

³¹ *Seized Tanker Anchors off Somalia* 2008.

Somali Piracy as a National Security Threat

Although Somali piracy primarily targets foreign vessels, it presents a national security threat that exacerbates the situation of state-failure in Somalia because it: first, contributes to fueling the instability within Somali territory and thus, further undermines the authority of the TFG; second, the weak power of the TFG created a self-perpetuating circle in which the failed state provides favorable conditions for the emergence of a strong organized piracy network, which in turn, maintains the current, weak government and unstable political system. This reason however, cannot be considered as a justification for the recently observed international anti-piracy policy because it has presented an additional threat to the failed Somali state since the early 1990s.³²

Originally, piracy was regarded as apolitical; carried out for financial gain void of political motivation beyond the direct act of hijacking or attacking a maritime target.³³ However, since the late 1990s, Somali piracy has dramatically increased and attracted rebel groups who have joined piracy in order to generate additional revenues for war-fighting.³⁴ Also, pirates collaborate with Somali Islamist insurgent groups. For instance, Union of Islamic Courts (UIC), which took control of much of southern Somalia in 2006, has been suspected of collaboration with Puntland pirates. After the UIC were ousted, the partnership with pirates strengthened. Such partnership takes a variety of forms ranging from training to technology supplies, and provisions of safe-houses and safety areas. The UIC use the pirates to train their own forces in naval tactics so that they can provide protection for arms being smuggled in Somalia from Eritrea.³⁵ Moreover, although data is scarce, it has been reported that money from piracy ransoms has helped pay for the war in Somalia, including funds to the US terror-listed Al-Shabaab. These hardliners, known as the Shabab, have a certain degree of control over several pirate groups, and provide operating funds and specialist weapons in return for a share of ransoms. It is reported that about 2,500 Somalis youth have been trained by the Shabab in cities along the Somali coast.³⁶ Piracy may be a marginal problem in itself, but the connections between organized piracy and insurgent groups on land make piracy a strong factor that contributes to weakening the TFG. Therefore, according to the traditional definition of security, piracy can be considered as justification for recent anti-piracy approaches since it has been part of the wide spectrum of security challenges faced by Somali since the early 1990s.

³² Hunter 2008.

³³ Valencia 2005.

³⁴ Hunter 2008.

³⁵ Plaut 2008.

³⁶ Middleton 2008, p. 9.

Somali Piracy as a Regional Security Issue

Somali piracy presents a regional security threat in three ways. First, seen through the framework of the traditional security theory, the links between piracy and insurgent groups affect the stability of the Somali government. In turn, a failed Somali state produces destabilizing effect on other governments in the region as it provides a suitable route for illicit trade, especially in arms and ammunition.³⁷ Second, using securitization theory, piracy is an economic security issue because it affects vital economic trade relations since the Gulf of Aden is one of the world's busiest shipping lanes. This further endangers the income of neighboring countries engaged in commercial shipping. Finally, the environmental danger than an oil spill would cause – and severely affect the East African coastline.

Illicit Trade

Somalia has earned the reputation of being *the world's largest duty free shop* due to its well-established illicit network of sea ports, overland trucking companies and established channels through the porous borders of neighboring countries.³⁸ Some of the more important illicit trading commodities that pass through Somalia are arms and explosives. Because of the lack of a functional government, smugglers can conduct their operations freely. For example, weapons have been smuggled through Somalia into Kenya (August 2003) and to the Ogaden National Liberation Front in Ethiopia (2003). Arms and ammunition have become constant trading goods in the country. Consequently, the entire region is affected. As arms are at the basis of any sustainable governance system, and are a vital resource for the fuelling and prolongation of violence, private armament resulting from the Somali trade exacerbates the threat to regional stability.³⁹ Although these negative impacts present a pertinent justification for the securitization of piracy off the coast of Somalia, like the threat to the Somali failed state, they have also mostly occurred about a decade before the recent actions. Thus, they are partially responsible for heightened international concern, but are not the main reason for it.

Loss of Revenue from Reduced Ship Traffic

As revenue loss from reduced ship traffic for regional states has been significantly endangered by Somali piracy attacks mainly in the last year, this economic concern, from all hereby presented regional security concerns, is

³⁷ Grosse-Kettler 2004, p. 28.

³⁸ Grosse-Kettler 2004, Preface.

³⁹ Grosse-Kettler 2004, p. 28; The Lawless Horn 2008.

most likely to have contributed to the emerged international anti-piracy policy. However, as argued later on, it is not the major reason for their emergence.

About 50 cargo ships per day transit the Gulf of Aden, a strategic waterway that links the Indian Ocean with the Red Sea, the Suez Canal, and the Mediterranean Sea.⁴⁰ In the first half of 2008 21,080 vessels transited the Gulf of Aden on their way to or from the Suez Canal. This accounts for one-tenth of the world's seaborne trade.⁴¹ Countries along the Gulf benefit greatly from this high-traffic shipping lane as they levy taxes for each pass. Frightened about a drop in revenue from ship traffic through the Suez Canal, Egypt hosted a meeting of seven Arab nations including Saudi Arabia, which saw pirates seize a supertanker loaded with \$100 million (USD) worth of crude oil. The meeting concluded with the group recommending the establishment of committees that would meet in Yemen in early 2009 to develop concrete steps to combat piracy in the Gulf of Aden.⁴² This urge for an organized action clearly demonstrates the priority that these countries have given to the increase of piracy in the Gulf of Aden and justify the claim that it has become a security issue for them.

Environmental Threat

Additionally, piracy may be presented as a threat to the environment in the region. The issue has become important only recently because of the more powerful weapons Somali pirates have started to use. In order to be able to seize large oil tankers, pirates use anti-tank rocket launchers and grenades – weaponry widely available in Somalia. As their attacks have become more frequent and more aggressive, pirates can potentially hit an oil tanker and cause oil spillage, which could result in a major environmental disaster.⁴³ Oil spills at sea are generally much more damaging than oil spills on land as they can spread over hundreds of nautical miles and form a thin oil slick above the water. As oil spills are difficult to clean from the water, it has the potential to spread rapidly and cover beaches with a thin coating of oil. This can kill local flora and fauna as well as coastal and sea-borne wildlife.⁴⁴ In severely impoverished regions like Somalia and Yemen, where people rely heavily on fishing and agriculture, such an environmental damage can be detrimental to the wellbeing of the population.⁴⁵ This makes the link between environmental security and piracy more explicit. Although this argument has appeared only in recent years and thus can be considered as one of the reasons for the coordinated international response it should be noted that the environmental security argument has been

⁴⁰ Slobodan 2008.

⁴¹ Poten & Partners 2008.

⁴² Malti 2008.

⁴³ Konstam 2008a; Middleton 2008, p. 4.

⁴⁴ UCSB Hydrocarbon Seeps Project 2008.

⁴⁵ CIA Factbook 2008.

presented, so far, mostly by international and non-governmental organizations (NGOs) and does not appear prominently in speech acts of political leaders. As the international response has been initiated by governments and international institutions based on participation by national governments, it is highly unlikely that this argument has been a major reason for the coordinated response. To prove this statement, further research on the role of NGOs on this issue is required.

Piracy as an International Security Threat

The main reason that piracy has provoked an international coordinated response in recent months is not due to its relation to national or regional security, but rather to its link to *international* security, and mainly to Western states. Piracy in the Gulf of Aden may be considered a matter of international security due to several reasons. First, according to the traditional security theory, through the impact of piracy on the failed Somali state, the issue may emerge as an international security concern because it can present a terrorist state haven from where international terrorist groups, such as Al Qaeda, can operate and prepare their attacks. Second, Somali piracy can be securitized as an international matter when it presents a threat to human security by preventing fundamental food supplies to the Somali people.⁴⁶ Third, according to the securitization theory, through the direct effect on international trade, especially oil, piracy can affect vital economic industries. Regardless of the numerous aspects that piracy affects, the paper argues that the current action has been triggered mainly by the high impact Somali piracy exerts on international oil trade.

A Breeding Ground for Terrorism

As argued above, piracy is linked to fueling state failure in Somalia, and a failed state offers a thriving environment for international terrorist groups because of lack of state prosecution and access to illegal economic networks. Moreover, the fact that Somalia is a predominantly Muslim state increases the likelihood of terrorist networks, also predominantly Muslim, to be accepted and find support in the region.⁴⁷ By providing a safe-haven for terrorist networks such as Al Qaeda, the issue clearly becomes an international concern. As the purpose of terrorists is to affect the stability of the state through violent attacks on strategic objects that attract social, media, and political attention, facilitating terrorism makes piracy a security threat.⁴⁸ Following the 9/11 attacks against the US, Somalia further gained international, and particularly US attention as a possible safe-haven for Islamic terrorists. This concern became

⁴⁶ Maliti 2008.

⁴⁷ Peterson 2002, p. 69.

⁴⁸ UNSC 2004.

the primary focus of US policy toward the country. The US Department of State spokesperson, Sean McCormack reported “We do have concerns about the Al Qaeda presence in Somalia, and specifically individuals and their presence in Somalia.”⁴⁹ Somalia is believed to have been the base for the cells that attacked and blew up simultaneously two U.S. embassies in Nairobi and Dar es Salaam in 1998. It is also believed to have been the main base for the Al Qaeda attack on an Israeli-owned hotel near Mombasa, and a failed attempt to shoot down an Israeli airliner in 2002.⁵⁰ A more serious threat is the potential development of direct collaboration between terrorist groups and Somali pirates. The danger is that Al Qaeda (or other international terrorist organization) can seek involvement in the illegal enterprise, especially because of the recent dramatic increase in revenue from ransom that pirates gain. Al Qaeda has been involved before in both hindering international shipping commerce and in the piracy affecting Southeast Asia.⁵¹

The Threat to Human Security

About half of Somalia’s foodstuffs, especially rice, sugar and pasta, are transferred to Somali territory via sea, and piracy has seriously affected the delivery of both humanitarian and commercial food supplies to needy Somalis on a regular basis. Over 600,000 Somalis are currently facing severe food shortages in southern Somalia. Because of piracy attacks, the UN Food Program was forced to temporarily suspend its deliveries in 2007, which further exacerbated the situation.⁵² As securitization theory stipulates, prevention of the provision of vital food supplies is considered as one of the components of human security. Therefore, the malicious prevention of food supply deliveries may be enough to cast piracy as an acute threat to security.

International leaders have securitized the issue of piracy off the Somali coast by deploying this argument in their public proclamations. Javier Solana’s spokesperson, for instance, has emphasized that “piracy is one of the most challenging threats [...] particularly to the people of Somalia who have had their humanitarian support hampered by acts of piracy”. A spokesperson of the U.S. Department of State explained at a daily press briefing that security measures must be taken against Somali pirates again on the basis of the same humanitarian concern.⁵³ Additionally, in its resolutions condemning piracy off the Somali coast, the UN Security Council (UNSC) highlighted that piracy obstructs the “delivery of humanitarian aid to Somalia”.⁵⁴

⁴⁹ Gardner 2006.

⁵⁰ Ibid.

⁵¹ Lunsford 2008; Ong-Webb 2006, p. xxviii.

⁵² Special Report Somalia 2001; Maliti 2008; Middleton 2008, p. 7.

⁵³ McCormack 2008.

⁵⁴ UNSCa 2008; UNSCb 2008.

Although piracy has been presented in the international sphere as a threat to human security, this cannot be the main justification that has triggered the initiation of the international anti-piracy response because it has existed years before the current international mobilization took place.

The Threat to the Global Economy

The strongest link between piracy and international security, made through the securitization theory, is the threat piracy presents to the global economy. The effects of piracy on the global economy are visible in at least two ways. First, piracy disrupts the international trade of oil being transported from the Middle East to Western states. Second, piracy raises the overall price of all international commerce going through the Gulf.

The Gulf of Aden is an essential route for about 20,000 vessels (per annum), which contain about 7 percent of the world's oil production and 11 percent of the world's seaborne petroleum.⁵⁵ Oil is a vital resource for the economy and power of each country because it is the main source of energy on the basis of which virtually all components of a national economy function. It affects, among many others, the production of weapons and the military, directly related to the wellbeing of the state. Thus, especially for big consumer countries like the US and other Western States, the constant supply of this resource is of prime importance. According to the US Bureau of Economic Analysis, "the availability of oil, natural gas, and coal is what made the US rise to a global economic superpower".⁵⁶

The US alone consumes some 25 percent of global oil production. Oil provides for more than 90 % of the fuel used in the US's transportation sector, therefore, a rise in the price of oil will result in rise in the price of all other industries and prices.⁵⁷ Hence, maintaining the supply of oil constant and affordable is essential.

The danger of piracy leads to increasing prices of oil. Only in the last three months, piracy has made insurance premiums for the Gulf of Aden increase tenfold. With an average insured loss of between \$2 million and \$3 million per incident, the cost to insurers from Somali piracy only in 2008 has increased to around \$100 million, which made insurance companies raise the costs of insurance. The raise in insurance costs, consequently, results in increase of the value of a single transit through the Gulf of Aden, which is "enormous amount of money".⁵⁸ The increase of transit costs ultimately affects the whole trade by rising prices of oil from the Middle East for both final consumers and shipping

⁵⁵ Q&A: Piracy in the Gulf of Aden, 2008.

⁵⁶ Pfeiffer 2005; US Department of Energy 2008.

⁵⁷ US Department of Energy 2008.

⁵⁸ Norris 2008.

companies.⁵⁹ This increase of price can force traders to avoid shipping oil and other products through the Gulf of Aden and divert around the Cape of Good Hope. The route through the Gulf of Aden is much shorter. The much longer journey adds 12 to 15 days to a tanker's trip, at a cost of between \$20,000-\$30,000 a day.⁶⁰ Therefore, this would also add considerably to the costs of oil from the Middle East. In any case, piracy increases the cost of oil. Especially at a time of financial crisis, when resources become more expensive, this is of grave concern.

Since October 2008, the importance of the piracy problem for international trade has been often mentioned on top of the list of reasons that influential political figures have provided as justification for securitizing the issue. British Foreign Secretary David Miliband explained an initiated operation under British command by saying that it is essential for the international community to "begin to establish international order in seas that are vital to trade".⁶¹

After the hijacking of the biggest ever hijacked Saudi oil tanker, Saudi Foreign Minister Saud al-Faisal said his country would join international efforts against piracy, and called the Somali pirates "a disease that has to be eradicated."⁶² The United States also demonstrates its primary concern about commercial routes. Washington spokesperson reports that piracy "has very real economic implications".⁶³ Condoleezza Rice refers to the problem in the same manner: "it is seriously an important issue to maintain freedom of navigation of the seas".⁶⁴ In the last few months, the UN Secretary General has delivered numerous speeches where he deplores piracy and links it to obstruction of sea trade and humanitarian disaster.⁶⁵ The UNSC also prioritizes "the safety of commercial maritime routes" in the Gulf of Aden.⁶⁶

Which Security Argument Made the International Community Act?

Analyzing the incentives of the major international players for securitizing Somali piracy and launching a collective policy to combat it is important because it can clarify whether this response can be applied to other piracy-infested regions. As outlined above, international actors justify the recent internationally coordinated action to be a result of piracy being a threat to human lives and human well-being (human security), terrorism (securitization theory), and trade

⁵⁹ Norris 2008; Maliti 2008.

⁶⁰ Maliti 2008.

⁶¹ Lekic 2008.

⁶² Ambah 2008.

⁶³ McCormack 2008.

⁶⁴ Rice 2008.

⁶⁵ Secretary-General deplores latest acts of piracy off coast of Somalia 2008.

⁶⁶ UNSCa 2008.

(economic security). However, the paper argues that although piracy presents a threat to all these components, the reason for the coordinated international actions is triggered by the threat that piracy poses to international economic trade and oil in particular. This can be proven by demonstrating that piracy before was already a security threat for the abovementioned aspects and only recently did its impact escalate enough to affect trade in oil.

International Action Prior to October 2008

Piracy, as already explained in the previous section, has had a serious impact on food delivery to Somalia before the recent escalations of piracy attacks along the Somali territory.⁶⁷ Before the recently activated international response, piracy was also already linked to insurgent groups. Links between pirates and the Islamic insurgency group UIC have been reported since 2006. Documents warning against a potential relationship between pirates off the coast of Somalia and international terrorist networks such as Al Qaeda have also been drafted as early as 2005.⁶⁸ Human security and terrorism can serve as an additional argument supporting the securitization of the Somali piracy but cannot serve as the main catalyst for the occurrence of recent policies. The argument that the abovementioned two security concerns did not lead to the recently observed international coordinated response is further supported by looking into the general actions, taken against Somali piracy before its impact on trade taking place only in recent months.

International action to combat piracy in the Gulf of Aden prior to October 2008 was haphazard as actions were largely taken on national levels, without sufficient multilateral coordination. The international community, and individual states, did attempt to deal with piracy around Somalia though efforts remained sporadic. The most successful one has been as a reaction to the obstruction of food delivery supplies from the World Food Programme. There were several uncoordinated reactions from Canada, Norway and the UK to help the process by guarding the ships with humanitarian supplies, however, these countries could not provide for a consistent and permanent security of the ships and their efforts to safeguard the delivery of basic food to Somalia remained with little success.⁶⁹ A Combined Taskforce 150 (CTF150) with a broad mandate to assist in the “war on terror”, which has also been involved in deterring several pirate attacks, was created in the region to patrol the Gulf of Aden, Gulf of Oman, Arabian Sea, Red Sea and the Indian Ocean. However, it had only fifteen ships, which provided an inadequate force considering the large area they had to protect.⁷⁰ To strengthen the hand of international naval

⁶⁷ Special Report Somalia 2001.

⁶⁸ Ong-Webb 2006, p. xxviii.

⁶⁹ Middleton 2008, pp. 7 – 8.

⁷⁰ Middleton 2008, pp. 7 – 9.

forces, on 2 June 2008 the UN SC passed the US/France-sponsored resolution 1816 giving foreign warships the right to enter Somali waters 'for the purposes of repressing acts of piracy and armed robbery at sea' by 'all necessary means'; however, the resolution does not call upon any nation in particular to take action.⁷¹ The most recent initiative involves the establishment in August 2008 of a 'Maritime Security Patrol Area' (MSPA) that coalition navies will patrol. The zone the MSPA patrols is a very narrow corridor between Somalia and Yemen. It presupposes that shipping stays only in this area; however, recent hijacks, among which the hijacking of the largest Arabic oil tanker, prove that these measures are to date with little impact. In recent months naval patrols have been unilaterally sent by Malaysia, India, China, and Russia; yet, they were sent temporarily to protect national vessels and had little overall impact on the pirates. In October the UNSC adopted Resolution 1838, which like Resolution 1816, condemns acts of piracy in the region around Somalia. Under Chapter VII, Resolution 1838 calls again on states to take part in actively fighting piracy by deploying naval vessels and aircraft, but does not call upon any state in particular to act.⁷²

International Action Since October 2008

International media sources and governments started to pay close attention to the problem of Somali piracy only since October 2008. The issue gained international significance when pirates seized several large ships carrying oil. Among the hijacked vessels was the biggest oil tanker ever hijacked, which carried cargo of 2 million barrels of petrol – a quarter of Saudi Arabia's daily output of oil, worth more than \$ 100 million.⁷³

On 15 October 2008, the EU announced the establishment of a mission under the European Security and Defense Policy (ESDP) whose mandate was to provide a coordination cell (EU NAVCO) of the different naval vessels and aircraft in the region for the fight against piracy. Such coordination could improve the efficacy of the fight against piracy but it is severely understaffed and poorly financed to fulfill its mandate efficiently. It consists of one Commander and only four naval offices, which makes the initiative more symbolic than practical.⁷⁴ The U.S. military and NATO have deployed warships to patrol the region.⁷⁵ Although the NATO force has successfully delivered nearly 30,000

⁷¹ Kraska and Wilson 2008; UNSCa 2008.

⁷² UNSC 2008b; Kraska and Wilson 2008.

⁷³ Seized Tanker Anchors off Somalia 2008.

⁷⁴ European Union Naval Coordination Cell 2008; EU NAVFOR Somalia 2008; Middleton 2008.

⁷⁵ Bengali 2008.

tons of humanitarian supplies to Somalia, it has been unable to stem an upsurge in pirate attacks off Somalia.⁷⁶

The European Union formally launched its first naval endeavor, a Somali anti-piracy task mission on December 15, 2008. Six EU warships and three maritime reconnaissance aircraft patrol the region and escort cargo ships carrying relief aid through pirate-infested waters to Somalia, as the NATO vessels have done since the end of October. The task force has the same duties as the NATO mission, including escorting cargo vessels, and deterring pirate attacks. In addition, about a dozen other warships from the United States, India, Russia and Malaysia have joined the anti-piracy efforts and are now patrolling the region.⁷⁷

Policy Recommendations

Despite recent international efforts, experts claim that the piracy increase off the lawless coast of Somalia is not likely to abate anytime soon and is even likely to deteriorate.⁷⁸ The way to eradicate Somali piracy is through interrupting the larger, complex system that supports it inland. First, an effective agenda should involve, a robust intelligence collecting more data on pirates' supply chains and connections to clans and the TFG. Intelligence operatives and analysts have almost no reliable details about how the pirates operate. Also, it is not completely clear what happens to the money pirates bring in from seizures and ransoms; much of it is paid to attackers and in bribes to locals, but a large portion disappears. Once U.S. and allied commanders have solid information about who the pirates are and how they operate, it will be clearer what policies should be supported to take apart their networks.⁷⁹

Second, the international community has to engage more actively in international and regional efforts to facilitate the peace process in the country and strengthen Somalia's fragile governance. As long as there is no effective legal enforcement to prosecute pirates on land, the country provides a safe haven for their activities.⁸⁰ In late December 2008, the UN General Secretary appealed to states to initiate a Multinational Force (MNF), rather than a typical peacekeeping operation in Somalia, equipped with full military capabilities to support the cessation of armed confrontations in the country. Despite his efforts to engage the international community in such response, no UN member state has yet taken the leading role and no encouraging response has followed.⁸¹

⁷⁶ Lekic 2008.

⁷⁷ Lekic 2008.

⁷⁸ Lunsford 2008.

⁷⁹ Muradian and Eging 2008.

⁸⁰ Shank 2008; Mikkelsen 2008; Somalia: To Move Beyond the Failed State 2008.

⁸¹ Ban Forwards Possible Next Steps on Somalia 2008.

Third, an important aspect in reducing pirates' power is through curbing gun flows which they use to supply themselves with modern weaponry and surveillance technology. In 1992 the UN SC passed Resolution 733, imposing a comprehensive arms embargo on Somalia⁸², however in the following years, the UN SC took very little action to ensure its implementation. UN investigators responsible for monitoring the success of the embargo reported that the flow of weapons in Somalia increased dramatically in 2005. In recent months the UN SC has reinitiated efforts to improve the impact of the embargo. In mid December 2008, the UN SC issued a statement, urging for stronger enforcement of Somali arms embargo and reformed the panel, monitoring the embargo.⁸³ International actions have to initiate more programs aiming at researching and eventually curbing the flow of guns in the region.

As collecting data on pirates through intelligence, strengthening the TFG, and curbing arms controls are adequate but time-consuming measures, a reasonable short-term solution is the installation of security personnel on merchant ships. Since there are insufficient numbers of these men in the Armed Forces of the nations involved, security personnel has to be provided by private security companies. Insurers and shippers have expressed complains about this proposal because of the array of legal and liability questions such contractors like Blackwater have provoked. Moreover, hiring private security is too costly for merchants.⁸⁴ Regardless of the drawbacks, the advantages of such a patrol should be considered seriously as a short-term solution to the piracy danger.

Conclusion

Piracy off the coast of Somalia has been a growing concern. In recent years, it has provided funds that feed the vicious war in Somalia, hinders vital humanitarian supply to Somalis and has a strong potential to become a weapon of international terrorism or a cause of environmental disaster. However, the most important for regional and international actors is that it threatens to drastically disrupt international trade. Only due to intensified and diversified recent impact on international trade of oil, has piracy emerged as an international security concern grave enough to trigger an international coordinated response. To fight the problem, the international community has to engage more actively in tracking the cause, not the symptom of the current crisis, and facilitate state stability and gun control inland.

⁸² UNSC 1992.

⁸³ Security Council urges stronger enforcement of Somali arms embargo 2008; UNSC 2008c.

⁸⁴ North 2008; Muradian and Ewing 2008; Pirates Become Bolder 2008.

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The Gulen Movement: An Islamic Response to Terror as a Global Challenge¹

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Introduction

Whilst globalization seems to be winning the battle against both modern and traditional movements which were, until fairly recently, quite active on both the national and the regional levels, it is doubtful that the challenges brought about by globalization can be easily met by some of the world's stronger movements, some of which have been bred by the clashing visions of globalization itself (cf. Hoffman, 2002). To see history in its fullest form, one should be aware of the need for negotiating those clashing visions within globalization as well as the political agendas and transcripts – some of which are hidden – of the various players who may also possess other versions of reality in the context of making history (cf. Benjamin, 1969; Scott, 1990). Islam, as a universal religion struggling to maintain its cultural character and values as well as a secure place in the face of rapidly emerging global challenges, cannot exempt itself from the on-going clashes, part of which are not identified clearly enough as definitions and redefinitions of various concepts pertaining to globalization are still underway.

Controversy over Global Issues

Following the agreement signed by the Yalta Conference, the victorious leaders of World War II (February 1945), the old world order was succeeded

¹ This article is derived from a conference paper presented at the Gulen Conference entitled: Islam in the Age of Global Challenges, organized by Georgetown University, Washington, DC, 13-15 November, 2008.

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by a new world order defined by bi-polarity and later represented by NATO and the Warsaw Pact. The rest of the world would fluctuate between the two global powers, through various alliances. The Cold War bipolar system, which preserved a form of political, economic and military balance [of power/of terror] between 'East' and 'West' for nearly fifty years, has been replaced by a US-dominated unipolar system following the collapse of the Soviet Union between 1989 and 1991. The rise of the US as the leader of this new historical epoch has also been accompanied by imposing labels that would define and, most probably, shape the transition emerging so rapidly after the Cold War. Sweeping generalizations of terms such as 'global terrorism,' 'fundamentalism,' 'Islamism,' 'Jihadism' (etc), would be widely covered by the Western media and used by Western politicians for demonizing terror-related activities and lauding globalization as a manifestation of free-market enterprises, although those terms were and will remain in search of a context in which they gain either negative or positive connotations.

Thus, covering Islam would be part of a campaign targeting Islamists or Muslim extremists libeled in the media as terrorists; and covering globalization would be part of the need to promote democracy, transparency, human rights, international business, international affairs, information technology networks, and so forth (cf. Said, 1997). Such terms with all their manifest or hidden agendas are part of global conflicting discourses and therefore they need to be revised and reexamined in light of the context from which they operate. Hence, there is some doubt about each of the items in question and whether or not they serve ideological, political or economic enterprises and policies across the world. This does not mean that the challenges brought about by these global clichés are not real. In fact, to meet such challenges for what they are, we need honest research in various disciplines to reveal the impact they pose on global stability. It is with the Muslim and non-Muslim scholars involved in academic research activities that such global terms can be placed in context and therefore become better understood if the world is ready to combat terrorism and expose the side effects of globalization as an irrevocable fate. So far, these terms, more especially globalization and terrorism, have not been fully exhausted when it comes to the comprehensive definitions we need to harbor, or use as a starting point for further field explorations of key terms. In contrast, terms such as 'national aspiration' and 'resistance,' for instance, have receded to the background or lost much of their meaning when 'tackled' as news, shot as part of film-making, or compiled as documents for archive material (Said, 2001; Chomsky, 2006; Pappe, 2006). Edward Said capture this well when noting that

the Islam before us is attenuated perforce by our power to represent it for our purposes, and reduced for the occasion by a state, a government, a group in response to us: this is far thing from Islam as such, and at present the encounter between "us" and "them" does neither very much credit. More

significantly, in what it covers it hides far more than it explicitly reveals (Said, 1997: 69).

Said's attempt to debunk the Western discourse that mistakes Islam for Islamism, or sees the two as interchangeable in the context of global challenges, is for the most part a matter of representation or rather (mis)presentation. This implies that Islam has not been well-studied or fully understood by Western scholarship, much less so by much of the Western media and Western political and cultural elites. Examples of this abound.³ Said's statement also implies a call for a constructive dialogue between the West and the Muslim World for a fuller understanding of the boundaries defining the agendas of the two camps which Fethullah Gulen does not see as adversarial in light of the global challenges undermining the stability of the international community. As a matter of fact, the Gulen Movement has long embarked on repositioning Islam, both as a faith and a way of life, in the world by reintroducing it as a strong contributor to domestic, regional and global stability. The practical side of the movement in Turkey and beyond is clearly manifested in the school education system adopted by Gulen and his followers.

The Gulen Movement: An Islamic Response to Global Challenges

Inspired by the Turkish Nursi Movement, M. Fethullah Gulen was among the few Muslim leaders, across the world, whose response to the challenges posed by global instability had been presented prior to the 9/11 attacks against New York and Washington.⁴ In fact, Gulen had already placed his movement in the context of accepting to meet the local and global challenges in a world defined, if not actually controlled, by the worldviews of secularists and their strong hold of the state and its functions in almost all the fields of human activity including: free trade, human rights, democratic institutions, international law (etc).⁵ In short, if a state is to be accepted as a sovereign equal, it must ape the Western model of the state or else it potentially faces being labeled 'rogue.'

³ Examples include Salman Rushdie's novel *Satanic Verses* (1988), Samuel Huntington's *Clash of Civilizations* (1993), and the Danish Jyllands Posten's cartoon drawings (2005) mocking Prophet Mohammad, to mention a few.

⁴ Reference to Said Nursi (1867-1960) who organized the Followers of Nour (Light) and called for the establishment of an Islamic state that would be based on Islamic law and ruled by the ulama (Muslim scholars). For further details about the influence of Nursi, see *Turkish Islam and the Secular State*, ed. H. Yavuz and J. Esposito, Syracuse University Press, 2003; and *Islam: Continuity and Change in the Modern World*, 2nd ed., John Voll, Syracuse University Press, 1982.

⁵ One of the economic and trade activities assigned and prescribed by globalization is abiding by the dictates of the International Standard Organization (ISO) for export/import commodity specification, without which a country cannot be part of the world free trade system. Another

In this context, religion would be reduced to an individual practice of worship, to recall Martin Luther's phrase "Everybody, his own priest," and not an institutional authority whose impact on the formation of power and government functions could be highly influential. Gulen, who views secularist worldviews as ineffective, and in this he concurs with Rodney Stark who argues that the theory of secularization as a social scientific faith "was the product of wishful thinking" (1999: 269), is cautious not to demonize the state, although he was prosecuted by the secularist state for his outspoken ideas as a religious activist who may have been a threat to the stability of *Kemalist* Turkey.⁶

Gulen, thanks to his Turkish experience, contends that religion has a significant say in building the spiritual contentment and welfare programs of a society, recalling the successive failures of the three military coups that took place in Turkey during the 1970s and 1980s. In an interview with Nuriye Akman, Gulen commented on the corruption of the secular state by saying that "(y)ou cannot call the people in charge to account. They are protected, shielded, sheltered, and thus they have been left alone" (Akman, 2004: 10).

However, Gulen's Turkish experience cannot be the whole story of the encounter between secularism and Islam when bigger challenges are in wait. This also goes beyond the wishful thinking of Abdul-Aziz Al-Naim (1990) who hoped for some type of "reconciliation between Islamic law and the benefits of secularism within a religious framework" (Ibid: 10). Yet the Turkish experience has not left Gulen without a vision. His hypothesis of the emerging mode of faith synthesized is quite note-worthy in the battle over the welfare of the Muslim community. It is not a 'fundamentalist' version, nor a 'secular' model as would be spelled out by modernist paradigms and idioms, but a cultural ideal nourishing on eternal spiritual virtues deriving from Islam as the youngest of the three world major monotheistic faiths. Gulen's mission to redefine and re-examine true religious values in terms of their relevance and socio-moral character as revealed in *Al-Qur'an* (the Muslim Holy Book), and preached by Prophet Mohammad's *Hadith*, is not an easy task to accomplish amidst countless problems, most of which range from the dire living conditions of the majority of Muslim population to security issues and identity politics.

Within this uneasy atmosphere of the clashing visions and interests trying to shape interconnected societies and cultures, Gulen and his followers have chosen to toil hard, in Turkey and elsewhere, to redefine Islam and reintroduce it to both Muslims and non-Muslims in a world that does not seem to have settled accounts with itself over globalization as a controversial term. To be more specific, since the first Gulf War (1991), and the collapse of the Soviet

activity on global level takes the form of adopting a liberal political system of the state whose manifest characteristics are democratic general election, transparency and accountability.

⁶ *Kemalists* are Turkish politicians and statesmen, followers of Kemal *Ataturk* (Turkish for father of Turks), the founder of the secular, modern republic of Turkey after World War I.

Union that occurred thereafter, the momentum in search for a new world order in which globalization assumed a prevailing role has not slowed down irrespective of the asymmetric global power relations that ended, unexpectedly, in the interest of the Western world led by the US.

However, a formidable global challenge appeared following 9/11. Terms such as ‘Islamist’ and ‘Islamism’ began to enter daily parlance – thanks to media and film industries – as the equivalent of ‘terrorist’ and ‘terrorism’ requiring international alliances as means of suppression and ultimately victory; militarily, politically and ideologically. Since those tragic attacks – which claimed nearly 3000 civilians and undermined the opportunity for a positive commencement to the 21st century – the entire international community, specifically the Islamic world,⁷ has been, in one way or another, embroiled in Bush’s ‘war on terror.’ Most (self-identified) Islamic countries, together with the rest of the international community, denounced the 9/11 attacks as acts of terror. Yet, state policies to combat terrorism have varied greatly despite the official outspoken statements released by various governments. The tides of support turned in response to successive Bush proclamations in the US Congress, and elsewhere, as waging the ‘war on terror’ was presented as a priority for all states, excluding none.⁸ The direct result of such a reprioritization was the military invasion and occupation, led by the US and its allies, of Afghanistan (2001) and Iraq (2003) respectively. Despite these actions, terrorism has not subsided, and the two conflicts continue to rage, claiming heavy damages to property and incalculable losses of human life.

In the ‘Islamic world,’ various responses to this global challenge have entered into the post-colonial structure of the state, cracking down on suspected underground activists, and at the same time maintaining oligarchic rule in collusion with the military. In some Islamic states, the state declared war against local ‘Islamist’ movements which have begun to fight back. Other states chose to withstand democratic change and have annulled the results of general elections which may have permitted some Islamic movements to take office, and assume political and administrative leadership.⁹ Still, other states seem to have tacitly connived at, if not colluded with, their in-house Islamic movements in

⁷ The term “Islamic world”, often referred to by the media and politicians in the West as something homogeneous, seems ambiguous and misleading, for the term cannot be true in light of the socio-cultural, political, religious and linguistic differences in the vast space encompassing Muslims and non-Muslims. For further illustration, see Edward Said’s *Covering Islam*, New York: Vintage Books.

⁸ See, for instance, President George W. Bush’s “Address to the Nation on U.S. Policy in Iraq” on January 10, 2007. The speech is available at: <http://whitehouse.gov/news/releases/html>.

⁹ I herein recall the “first” democratic experience in Algeria as regards the 1992 general election which was won by the Islamic groups/parties but the result was soon annulled by the Algerian military, and that gave rise to horrendous acts of violence across Algeria. Those Islamic groups did not have the chance to effect any change in the structure of the state and its various functions.

defense of Islam against global threats. The outcome was unexpected, however, for some Islamic countries have witnessed civil turmoil and social upheavals, and above all instability and a higher rate of violence as is the case in Iraq, Pakistan, Somalia, the Sudan – to name a few.

Some Islamic movements, including Gulen's, responded to the pressures of global challenges addressing terrorism in very different ways than their governments. Such Islamic movements, and the states from which they operate, might have viewed acts of terrorism in a similar way, but part ways over the means to combat terrorism. One of the reasons for the widening gap between secularist states and religious movements is the controversy over the specific meaning and definition of the term terrorism. In this respect, many religious movements, including Gulen's, have raised doubts about a conclusive definition of terrorism, and whether military occupation, forced expulsions, land-grabs and institutional acts of vigilantism,¹⁰ or sieges¹¹ conducted by some states are part of the working definition of terrorism.

In theory, and as a spontaneous reaction to 9/11, terrorism is denounced by both states and Muslim movements alike. However, when it comes to translating such reactions into a suitable definition of terrorism, states and Muslim movements differ substantially, as each transmits messages on different frequencies either to respond to Western agendas and its 'war on terrorism,' or challenge the West for some undeclared or hidden agenda whose emblem is the advancement of Islam.

Among the various responses issued by global Islamic movements that repudiated and denounced terrorism, Gulen's response has been the most articulate. Its emphasis on both Islamic faith and tradition provides, as he argues, effective transition to the new global era. Gulen's reaction to terrorism, as a global challenge, is mainly found in two books, one written by Gulen himself in 1993, the other edited by Unal and Williams in 2000: and the same reaction reappears with a little variation in Gulen's personal discourse regarding multiculturalism and pluralism. Gulen's followers assert that his vision has a positive impact on contemporary debates which attempt to shape the future of Muslims and non-Muslims alike through advancing inter-faith dialogue among key-representatives of major world religions.

What about the practical side of the Gulen Movement? In this respect, Yavuz (2003) recounts education as the most significant project for the cultivation of religious and scientific truths as well as cultural and humanistic values in younger generations in Turkey, among Turkish-speaking countries of Central

¹⁰ The Israeli Jewish immigrant settlers' confiscation of Palestinian land and private property and acts of terrorizing and humiliating civilians in the occupied Palestinian territories, serves as an example.

¹¹ The closure of border crossings of the Gaza Strip by both Israel and Egypt, serves as a good example.

Asia, and in the Turkish exilic communities in Europe and the US. The Gulen Movement has responded to static realities in Turkey for the sake of effecting some considerable change across the community. It has built hundreds of educational centers (schools and universities), social welfare centers and hospitals. Some schools have also been constructed in the Muslim Kurdish community of Northern Iraq. Gulen's unique leadership in the field of education, being an educator himself, has been highly commended as:

a combined ulama-intellectual persona, Gulen not only preaches inner mobilization of new social and cultural actors, but also introduces a new liberative [sic.] map of action.... His goals are to sharpen Muslim self-consciousness, to deepen the meaning of the shared idioms and practices of society, to empower excluded social groups through education and networks, and to bring just and peaceful solutions to the social and psychological problems of society (Yavuz, 2003: 19).

Although Gulen's Movement has been active across the Turkish social strata, its target population has been the middle class: business and media people who have been the most important sources of financing and supporting it in the ways needed to frame the Turkish national identity in terms of Islam, irrespective of ethnic differences dividing Turks and Kurds. Less targeted social classes in Turkey are marginalized and socially excluded groups. Turkish women, even without headscarves, have also been active members of the Gulen Movement.

The Gulen Movement's standpoint against violence within Turkey, and abroad, has been uniform as it derives anti-violent sentiments from Islamic teachings as prescribed in *Al-Qur'an* and *As-Sunna* (Arabic for Prophet's everyday practice and conduct). To Gulen, Islam throughout history "came to mean the same thing" (Gulen, 2004: 239), for the principal concepts and values cultivated by *Al-Qur'an* and preached and practiced by Prophet Mohammad have been the solid constituents of Islamic *Shari'a* (Arabic for jurisprudence and jurisdiction), and most of these provisions and regulations if properly observed do not conflict with international, secular law in the fields of human rights, freedom of thought and expression, education for all, peace based on active dialogue, and repudiation of all forms of violence. It is the last of these that needs to be further examined as it forms the basis of the argument posed in this research.

Gulen's Islamic Discourse

In Favor of Human Rights

During the Cold War one of the most potent weapons deployed by the West was the issue of human rights which were typically prioritized during any

negotiations between the leaders of each respective camp. Human rights are still being advanced by Western leaders and thinkers, even more forcefully now that Western-inspired globalization has come to determine, to a degree, the relations between states, has entered public rhetoric and is being thoroughly discussed at a multitude of international summits, and by various agencies of the UN. An Islamic response to human rights issues have been constantly communicated by Gulen and his followers as part of the Islamic message that ennoble the status of human beings, irrespective of race, color and gender. Gulen's immediate source in this regard is the word of God as revealed in *Al-Qur'an*.

O mankind, We have created you male and female, and appointed you races and tribes, that you may know one another; surely the noblest among you in the sight of God is the most God-fearing of you; God is All-knowing, All-aware (*Al-Hojorat, XLIX: 13*)

Commenting on the above *Qur'anic* verse in the context of human rights, Gulen asserts that "such an evaluation cannot be found in any other religion or any modern system ... or any human rights commission or organization" (2004: 34). As this principle defining human rights is universal, he contends, it is timeless and should be applicable to all human societies irrespective of cultural and/or religious differences. The meaning of this very verse is reiterated in different wording in many of the *Qur'anic Suras*¹² and *ayat*¹³ (See, for instance, *An-Nisa*, IV: 93), and the same meaning is carried extensively by Prophet Mohammad in his *Hadith*. Islam approaches human rights from the stance of the basic principles of freedom of faith, life, reproduction, mental health, and personal property – all to be preserved and observed even by force of Islamic law (See Tirmidhi, *Diyat*: 22; Abu Dawud, *Sunna*: 32). The Islamic principle of universal mercy can also be part of this context, for human life is highly honored and praised by God who confers on man the title of 'vicegerent.'

As for tolerance and dialogue, they are to be observed by true Muslims as prescribed in *Al-Qur'an* and preached by the prophet. There is no coercion into Islam as faith, and nobody is made a Muslim by force. Dialogue is the key-element that characterizes the relation between Muslims and non-Muslims, and accordingly this frames the inter-faith dialogue which Gulen advocates for a fuller understanding of the world major religions as they approach one another. The following *suras*, among others, call for a dialogue as a means to settle misunderstanding, disputes and conflicts:

Call thou to the way of thy Lord with wisdom and good admonition and dispute with them [non-Muslims] in the better way; surely thou Lord

¹² *Sura/Suras* (Arabic for *Qur'anic* chapter/chapters), 114 in all, of which *Al-Qur'an* as text is made.

¹³ *Aya/ayat* (Arabic for *Qur'anic* verse/verses) of which the *sura/suras* are made.

knows very well those who have gone astray from His way, and He knows very well those who are guided (*an-Nahl*, XVI: 125).

and

And the servants of the All-merciful are those who move on earth in humility, and when the ignorant address them, they say ‘peace’ (*Al-Furqan*, XXV: 63).

Against Terror

As regards tolerance and forgiveness, Gulen explains how true Muslims should behave towards the ‘other’ expecting nothing in return for their humane behavior. Against this conduct based on non-violence, a Muslim who performs his/her religious duties properly cannot be a terrorist; and here lies the power of Gulen’s Islamic discourse to correct the stereotypical image blemishing Islam under labels such as Islamists or extremists or terrorists which are commonly mistaken as interchangeable. In Islam, killing a human being is an abhorrent act that is equal in gravity to *kufir* (Arabic for blasphemy), as Gulen explains in many of his public speeches and articles. In the wake of the 9/11 terrorist attacks, Gulen issued a statement condemning the horrendous act and the perpetrators, naming Bin Laden as the most hateful to himself, for Bin Laden “has sullied the bright face of Islam” (Akman, 2004). He apologetically admits that “[e]ven if we were to try our best to fix the terrible damage that has been done it would take years to repair” (ibid).

If Islam is libeled as regressive, violent and reactionary by some influential media outlets, Gulen would attribute that to misunderstanding and ignorance. Such media must be mistaking a Muslim culture for the broader Islamic culture which is now non-existent and which badly needs to be revised by qualified Muslim scholars if the true image of Islam is to be addressed worldwide. If this is not done however, Gulen thinks that Muslims will not be able to contribute much to the balance of the world in the near future. He does not recognize the modern state, represented by current political regimes, as an effective tool for cleaning up the stain tarnishing the true image of Islam, for to him the Islamic State had long vanished since the Mongols ravished and burnt Baghdad, the capital city of the Islamic Abbasid Caliphate, in 1258. That central Islamic State was then succeeded by a number of Islamic emirates which in turn were conquered by the Ottomans who assumed leadership of the Muslim world until the outbreak of WWI (1914-1918), when the Ottoman Caliphate crumbled. He also holds the current apparatus of the state/regime in the Muslim world responsible for inadvertently raising or harboring fundamentalist groups due to the absence of educational curricula which ought to develop and promote the

concept of cultural awareness which enables learners to recognize and accept the 'other' for what the 'other' is irrespective of differences in religion, color, gender or race, as well as construct citizens who ought to be sensitive to the issues of fundamentalism and extremism.

Therefore We prescribed for the children of Israel that who so slays a soul not to retaliate for a soul slain, nor for corruption done in the land, shall be as if he had slain mankind altogether; and whoso gives life to a soul, shall be as if he had given life to mankind altogether (*Al-Maida*, V: 32).

He argues that "a real Muslim, one who understands Islam in every aspect, cannot be a terrorist ... for Islam does not approve of the killing of people in order to attain a goal ... and therefore all of these tenets and interpretations require revision and renovation by cultivated people in their fields" (Gulen, 2004). In an interview with Nuriye Akman (Zaman, 2004), Gulen admits that those terrorists have been raised among us, but they have been manipulated and turned into robots by professional criminals voicing themselves as Islamists. For Gulen, the situation could have been and still can be prevented by means of education.

There is a remedy for this [terror]. The remedy is to teach the truth directly. It should be made clear that Muslims cannot be terrorists. Why should this be made clear? Because people must understand that if they do something evil, even if it is as tiny as an atom, they will pay for that both here and in the Hereafter (Gulen, 2001).

In theory, the above quote sounds like a good policy in need of implementation in real-life situations. However, in the absence of a Muslim State that enforces Islamic laws; punishing acts of terror in relation to Islamic *Shari'a* (Arabic for law), to guarantee justice across the Muslim community, there are doubts that a secular state in the absence of *Shari'a* could ever succeed. Hence, there is a gap between Islamic policy and state practice when justice, as the end-goal, must be served.

It is a great shame, Gulen says, that Islam, whose tenets and values are universally addressed for the good of humanity, should be equated by others with terrorism. "This is an enormous historical mistake" (*Turkish Daily News*, 2001). Terms like *Jihad/Jihadism*¹⁴ are being abused by both Muslims and non-Muslims for hidden agendas. Islam advances the cause of *Jihad* in two ways. The first is the *greater Jihad* against the internal enemy of a Muslim; that is, the individual instinctive tendency to do evil which one must fight to maintain an upright and righteous Muslim status. In this respect, I recall

¹⁴ *Jihad* (Arabic for struggle), and not Jihadism or Jihadists, is the term *Al-Qur'an* prescribes for Muslims to observe and carry out in case of self-defense to maintain the word of God and the global mid-most position of the Islamic *Umma* (Arabic for nation).

Sigmund Freud's concept of hostility and aggression being part of the human instinctive life which must be curbed and constantly checked by rules and laws set by civilization in the service of its cultural ideals (Freud, 1937). The second is the *lesser Jihad* against the external enemy of the Islamic *Umma* (Arabic for nation) where the violence used in the context of self-defense is legitimate and strongly recommended.

God has preferred in rank those who struggle [in the path of God] with their possessions and their selves over the ones who sit at home (*An-Nisa'*, IV: 95).

And in another *Surah*

Thus we appointed you a midmost nation that you might be witnesses to the peoples, and that the Prophet might be a witness to you; and fight in the path of God with those who fight with you, but aggress not; God loves not the aggressors (*Al-Baqarah*, II: 190).

In the same vein, Islam preaches patience and wise thinking and warns Muslims of taking any news for granted lest they do harm to the innocent.

O believers, if an ungodly man comes to you with a tidings, make clear, lest you afflict a people unwittingly, and then repent of what you have done (*Al-Hojorat*, XLIX: 6).

As far as forms of violence are handled as real challenges in the context of globalization, Fethullah Gulen has constant recourse to *al-Qura'an* and *al-Hadith* for a solution, thus by repudiating acts of violence and terror across the globe, he is also voicing the position of true Islam in a world that needs to understand Islam as it is – a global message of peace, tolerance, and forgiveness. However, the Gulen Movement which has chosen to reactivate and revitalize Islam through education, and has so far succeeded in gaining followers and supporters in Turkey and beyond, has also chosen to distance itself from politics and the functions of the modern state. In the long run, the educational project, together with other community service projects, could be rewarding enough to place the movement as a force of change on local and global levels. However, not much of this is guaranteed along this path. The Gulen Movement, whose chief executive officer is one man, Gulen himself, needs to redefine the managerial functions of its hierarchal organizational structure by turning itself into an institution governed by the most effective tools of modern management, above all of which come accountability and strategic planning. Otherwise, the Movement would only enjoy a short life-span, which could be as long as the life span of its founder. Other Turkish Islamic and quasi-Islamic movements may have been influenced by the Gulen Movement, but they are fairing much better in trying to transform Turkey into a modern nation-state, a regional influential

state, and perhaps a player in global power relations. If one of the global challenges facing Turkey and Turkish Islamic movements is the reaffirmation of its identity as a secularist/Muslim country (99% Muslim population), there should be a dialogue leading to an ‘inter-marriage’ between Islam and secularism.

Alternative Perspectives

Unless the Gulen Movement reexamines its strategy as an effective popular leverage of transforming the Turkish state and society into a modern Muslim nation, it would be simply referred to as one of those movements which tried to encourage a change but fell short of achieving its stated mission. In a secularist state like Turkey where the *Kemalists* and the military still exercise power, the chances for apolitical Islamic movements to effect a radical change across the secularist institutions shaping the state and the nation would be quite slim. Political parties and activists, like the *Refah* and the *Fazilet*, have tried to do that over the last two decades of the Twentieth Century but have been banned by law for the potential threat they were accused of posing against the secular state. The *Justice and Development Party*, currently in power, is almost facing the same fate although it has won the general election with majority of votes in the Turkish Parliament, and has succeeded in electing one of its key-leaders, Abdullah Gul, as President of the Republic. Accordingly, if the Gulen Movement keeps distancing itself from the democratic process of power relations, despite all the achievements it has made in the fields of education, public health, and the media, it would be hard for such a movement to gain a solid position capable of effecting a radical change across the Turkish community. Islamic ideals and values build the Muslim character, and quality education builds careers, but these may not be competitive enough to transform a nation, like Turkey, in the short run. The *Justice and Development Party* had already won many city councils and municipalities – Tayyip Receb Erdogan, himself, was elected mayor of Istanbul before assuming power as Prime Minister – on the eve of preparing for the general election.

Concluding Remarks

Although the Gulen movement has been struggling to correct the image of true Islam to both Muslims and non-Muslims alike, much more can be done to translate Gulen’s ideas into practice for a real transformation of the supra-structure of the Turkish state. Advocating and monitoring high quality education at school and university levels, together with sponsoring public health centers and hospitals, and gaining a foothold in the field of media (newspapers and television stations), are all effective means to address Islamic culture to the new generations in Turkey and Turkish-speaking communities elsewhere.

Gulen's attempt to revitalize Islam as a force of change is highly potential and practical but it needs time to meet local and global challenges.

On the global level, the theoretical ideas of the Gulen Movement have begun to gain some, but not enough, Western recognition, and this in particular is owed to Gulen's residence in the US since the 1980s, and the facilities his residence has offered him as lecturer, public speaker and writer in the field of Islamic faith and culture. Advancing the cause of peace, tolerance and forgiveness as human values fostered by Islam, Gulen has chosen to sustain these global values through quality education, for both genders, on the basis of equal opportunity. For Gulen, the goal of quality education is to improve the life of the people who join his schools and through them for the wider community. In so doing, Gulen is trying to counter the global campaign mistaking, and eventually mis-presenting, Islam and Muslims as sponsors of violence and terror targeting global stability and world peace. However, it would be oversimplified to call the Gulen Movement a radical force of change, effective enough to meet all global challenges, especially when terror-related activities carried out by Muslim extremists or other militants who may also claim to be operating in the same name.

Any alternative of Gulen's Movement cannot be far from its sincere attempt to renovate religion as a potential contributor to global peace and equilibrium in the face of global challenges. Equally important is the need on the part of the West to re-examine its preconceptions about Islam. For the West to meet the likes of Gulen Movement halfway, both camps alike, as Norman Daniel has put it, need to identify prejudices and misconceptions which have for a long time added to the dim pictures drawn about one another (Daniel, 1993). Globalization, seemingly a positive trend, advanced by technology and openness, is in fact the creation of powerful, capitalistic countries through the agency of global business tycoons – bankers and shareholders of world financial centers as well as media networks, oil companies and weaponry magnates – who plan to keep control of the world, once by making wars and very often by creating scarecrows and puppet governments to intimidate 'rogue' countries and secure the biggest market share for their businesses, even if those businesses prove to be globally detrimental.¹⁵ Those who claim to be seeing the current global picture in a different way may be misreading the fullest picture of history, to recall Benjamin, in an attempt to voice themselves as 'independent scholars'.

¹⁵ Reference goes to the current international financial crisis starting in the United States as early as 2007 with real estate stocks going down, worsening with Wall Street crisis in the summer of 2008, and the subsequent impact on the global financial, economic, and social stability.

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Bush, Clausewitz, and Grand Strategic Imperatives: Keeping Political Ends Primary¹

Bryan Groves²

Introduction

As former President George W. Bush relinquished the reigns as Commander-in-Chief to President Barak Obama, it is fitting to reflect on how the US will remember Bush in years to come. Whether or not one agrees with his decision to commit U.S. forces to military action against Saddam Hussein and his Ba'ath Party regime in Iraq, it is clear that Bush's legacy will largely be determined by how Iraq turns out – as a stable, free, and peaceful democracy or something short of that. There is certainly plenty of room for continued improvement in the conditions on the ground and ample time for the political, security, and economic situation to further deteriorate. Yet, since the so-called 'surge,' and the change in US counterinsurgency strategy in Iraq, developments have taken a fundamentally, and undeniably positive turn. It appears that a favorable outcome is plausible, if not likely. The future of the global 'war on terrorism' under the Obama administration must, and certainly will, deviate in certain facets from the policies pursued by Bush. One of the primary ways in which Barak must differ from Bush is that he must implement a Clausewitzian perspective whereby political objectives clearly guide all his grand strategic decisions.³ During the pre-surge years, President Bush did not follow Clausewitz's grand strategic imperative of first setting a clear political end that determines the means used to reach it. The consequences were several lost years, fighting for a free, stable, and democratic Iraq with resources and means incommensurate

¹ The views and opinions expressed in this essay are those of the author and not necessarily those of the Department of the Army, the US Military Academy, or any other US governmental body.

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³ Carl von Clausewitz, *On War*, p. 88-89.

with that end. Bush began to get it right with his new plan for Iraq. Obama must do likewise, despite facing a severe international economic recession among other pending crises.

The Case of Iraq

Pre-War Planning and an Organizational Mistake

Although the Bush administration made several mistakes in assessing Iraq's post-invasion environment, the State Department had properly assessed much of the situation and did develop a plan for Iraqi reconstruction. The State Department outlined its plan in a massive document known as the *Future of Iraq Project*. They developed it between August 2002 and April 2003, with consultation from other agencies. Similar to Dobbins, the report envisioned many of the problems that we have since seen occur in Iraq. The report recommended 'debaathification,' but not to include the entire administration since the current institutional structure in Iraq was important for maintaining social order. The report also recommended gradually reducing the Iraqi Army by half, eventually using the element that was left for combating drug smuggling and terrorism. The project highlighted the extent 12 years of UN sanctions had crippled Iraq, and increased corruption. It emphasized the difficulty and the importance of fixing this situation soon after the invasion and suggested that oil revenues pay for it.⁴ In hindsight, the State Department seems to have had a qualified assessment of the situation. Paul Bremer and the Coalition Provisional Authority (CPA) would have done well to follow its recommendations.

The main reason that the *Future of Iraq Project* recommendations were neglected was that (then) Secretary of Defence Donald Rumsfeld outmaneuvered the State Department and received Bush's nod for the Defense Department to be the lead agency overseeing reconstruction efforts in Iraq.⁵ This was a problem because it meant that the US military – as the organization with the most people on the ground in Iraq and as the designated lead proponent – would form the de facto leadership in *all* state-building efforts in Iraq. This is problematic because the military is designed to fight and win armed conflicts; it is not designed to accomplish the myriad of other tasks inherent in state-building. Instead of simply focusing on the security situation, and providing a stable environment from which political, economic, civil-administrative, and humanitarian tasks could be undertaken, the military was the final authority on *all* decisions. Rumsfeld, like the military, approached the problems and tasks in Iraq from a military perspective, and therefore an operational one, rather than a strategic

⁴ The National Security Archive, "New State Department Releases on the 'Future of Iraq' Project," available at <http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB198/index.htm>, accessed March 14, 2008.

⁵ Bob Woodward, *State of Denial*.

political perspective. This hierarchy reverses Clausewitz's principle of political objectives determining the military means.⁶

That this occurred, and the manner in which it occurred, is both insightful and worrisome. There is little explanation for it other than the power of personality and the dynamics of political relationships within the Bush administration. (Then) Secretary of State Colin Powell did not enjoy the same access to Bush that Rumsfeld did.⁷ Technically Powell outranked Rumsfeld by holding the senior Cabinet position. It is likely that Rumsfeld's previous experience as Defense Secretary in Ford's administration was responsible for his ability to navigate Washington's political channels more capably, and demand the ear of Bush with greater frequency, skill, and effect. The result was an increased ability to secure favorable decisions for himself, and the Department of Defense. This often occurred at the expense of Powell, the State Department, and more importantly the nation. The squabble over who would lead the US's post-invasion effort was not settled by Bush's designation of the Defense Department as effectively maintaining a leadership role. There continued to be a last minute power struggle between Rumsfeld and Jay Garner (the initial US envoy to Iraq following the invasion). Instead of recognizing the need to include staff for Garner from all pertinent agencies, Rumsfeld insisted on providing him staff only from within the Defense Department. This was true even when the Defense Department was not the agency best suited to fill a position.⁸

The State Department should have been responsible for coordinating the host of state-building activities, for which it is better suited than the military. The State Department in general, and one of its subordinate organizations, the United States Agency for International Development (USAID) in particular, should have exerted greater engagement in meeting the needs of the Iraqi people. These organizations should have brought the people, the money, and the equipment necessary to fulfill, or hire Iraqi contractors, to complete reconstruction requirements. Instead, military commanders served as makeshift mayors over local communities, contracted, and oversaw the work that was being done. Such efforts detracted from work related to securing the towns, and outlying areas they were ultimately responsible for. It is true that such activities contribute to security by gaining the trust of a local population and it is also true that security concerns were a big part of why the State Department was not more involved. Security levels in Iraq did not permit State Department officials to travel around Iraq unescorted. However, it was also a problem that the State Department could not get substantial numbers of quality people to go to Iraq.⁹ This is because Iraq duty is dangerous and because, until recently,

⁶ Carl von Clausewitz, *On War*, p. 87-89, 605.

⁷ Bob Woodward, *Plan of Attack*.

⁸ Bob Woodward, *State of Denial*, p. 129.

⁹ Associated Press, "With Shortage of Volunteers, U.S. State Department to Order Diplomats to Serve in Iraq," available at <http://www.foxnews.com/story/0,2933,305616,00.html>, October 28, 2007, accessed May 4, 2008.

the State Department's policies did not allow obligatory deployments of its people into combat zones. (Former) Secretary of State Condoleezza Rice's policy overturning this outdated practice was a positive step, but occurred too late to make a difference during the decisive early stages of the post-invasion state-building efforts. So, instead of an integrated effort among the major contributing organizations (State, Defense, USAID, Treasury, CIA, and NGOs), the missions of other organizations shifted to the military.

The result, on a microscopic level, was that the military carried out tasks for which they were not specialists. On the broader level the result was that the US made military means the only means of accomplishing unclear political aims – a mistake that has been extremely costly. This occurred because Bush – not wanting to repeat the mistakes made by (former) President Lyndon B. Johnson's micromanagement during the Vietnam War – adopted a hands-off approach, preferring to defer decisions on the direction of the war to the generals on the ground. Bush mistakenly continued this approach until implementing the 'surge.'¹⁰

Other Challenges and More Mistakes

Recent years have seen the exodus of many of Iraq's upper and middle classes.¹¹ Without these individuals to form the backbone of a budding civil society, Iraq is finding the internal dimensions of its state-building task more difficult. The CPA's policies of 'debaathification' and the dismissal of Iraqi Security Forces (ISF) further exacerbated this problem by removing the leadership from Iraqi institutions, and crippling their ability to properly function. It stripped them of a ready-made stability force which would have been extremely useful during the initial post invasion days when there was a window of opportunity during which the ISF could have secured Iraq's borders and prevented terrorists (foreign and domestic), those stirring up sectarian violence, and criminals from establishing substantial footholds in the post-Hussein vacuum. While the process of vetting the 485,000 Iraqi Army personnel would have been challenging, the alternative has proven significantly more costly.¹²

¹⁰ President George W. Bush, "President's Address to the Nation," 10 January 2007, available at <http://www.whitehouse.gov/news/releases/2007/01/20070110-7.html>, accessed May 4, 2008.

¹¹ R. Nolan, "Global Views: Iraq's Refugees," June 12, 2007, available at http://www.fpa.org/topics_info2414/topics_info_show.htm?doc_id=509313, accessed May 4, 2008.

¹² LTC (ret.) Oliver North reported that this was the number of soldiers in the Iraqi Army when Paul Bremer disbanded it in Spring 2003. He reported this in March 2008 during his "War Stories" segment on Fox News when commemorating five years of Americans fighting for freedom in Iraq.

The past few years have seen major US-led efforts to train a new force to replace the one that Paul Bremer dismissed.¹³ These units are vital for Iraq to protect itself against internal and external threats, but it must be a dependable force. Lieutenant General (retired) William Odom and Lawrence Korb offered an alternative view of training ISF. They believe that training more ISF is counterproductive because they lack a sense of national identity. Iraqi soldiers and police may use the training they receive from American soldiers and marines to fuel more civil violence by abandoning their units and joining militias or independently carrying out vendettas they have harbored and are now equipped to act on.¹⁴ This scenario is possible, but the earlier decision to release ISF left the US with few plausible alternatives to training a new group of ISF. The US could, hypothetically, provide Iraq with a surrogate security service indefinitely or leave Iraq without its own security capability; neither of these, however, are realistic options.

The 'Surge' and a New Plan

The recent change in tactical and operational means to establish a secure and stable Iraq has been known simply as the 'surge' because of its predominant feature: a surge of approximately 30,000 additional US troops, and the training of another 100,000 Iraqi Security Forces. Bush announced this plan in January 2007. It involved more soldiers and more marines who arrived in Iraq largely between March and August 2007. They were primarily positioned in and around Baghdad and in the western province of Al Anbar, respectively.

Bush's strategic objective was for the Iraqi government to make the important decisions necessary to take the country forward politically in the 'breathing space' that the additional troops would provide by increasing security in the most troublesome and most critical areas of Iraq.¹⁵ This was a prudent decision and a significant shift from Bush's previous strategy and through it he demonstrated, for the first time since the launch of Operation Iraqi Freedom, a Clausewitzian understanding of first determining overarching political objectives, and then matching appropriate means to accomplish those ends. The new strategy also meant that Bush's strategy was based, for the first time, on correct assumptions about the conditions on the ground and what they required.¹⁶

¹³ Hannah Hickey, "Bremer defends disbanding Iraqi army as the 'most important decision I made,'" April 27, 2005, available at <http://news-service.stanford.edu/news/2005/april27/bremer-042705.html>, accessed on May 4, 2008.

¹⁴ LTG (ret.) William Odom and Lawrence Korb, "Training local forces is no way to secure Iraq," *Financial Times*, July 19, 2007.

¹⁵ President George W. Bush, "President's Address to the Nation," 10 January 2007, available at <http://www.whitehouse.gov/news/releases/2007/01/20070110-7.html>, accessed May 4, 2008.

¹⁶ National Security Council, "Highlights of the Iraq Strategy Review: Summary Briefing Slides," January 2007.

Along with the new strategy Bush appointed a new top general in Iraq, General Petraeus.

General Petraeus agreed with the new strategy and was charged with implementing it. In addition to additional manpower, Petraeus outlined new means for their tactical deployment. The new tactics coincided with those he had recently outlined in the US Army's new counterinsurgency manual; *FM 3-24*.¹⁷ The new operational philosophy was a return to counterinsurgency principles long understood and employed by the US Army Special Forces. Now all US ground troops in Iraq utilize them. Petraeus' new tactics involved a greater dispersion of troops among the Iraqis. It moved US and Iraqi soldiers from a few heavily protected enclaves to many smaller patrol bases. These were run at the company and platoon level instead of at the battalion, brigade, or higher level, as had previously been done. The plan recognized that an increased tactical presence would hinder the operations, planning, and safe dwelling of insurgents, terrorists, and those fermenting sectarian violence.

Petraeus' operational concept centered on a proven counterinsurgency strategy that involves: securing the 'hearts and minds' of the local populace by orienting security missions towards a population-based security strategy, instead of a target-based security strategy. This is important because it recognizes that long-term success is contingent on securing the support of the local population. If a majority of citizens feel safe, they will tend to have a more favorable impression of their government and of the US's involvement in their country. They will also be more likely to provide information leading to further arrests of violent and criminal elements.

A further goal of the new plan is best expressed by three words: "Clear, Hold, and Build."¹⁸ 'Surge' troops and Petraeus' new tactics constitute the 'clear' portion of the plan. The 'hold' phase involves holding the security gains garnered during the 'clear' phase, even after authority for a sector's security is transferred to Iraqis. The 'build' phase entails building on the security gains to do the other work involved in state-building. This means improving local civil administration, making infrastructure and reconstruction improvements, and fostering political progress and the development of an enduring civil society.

The State Department chipped in with the advent of Provincial Reconstruction Teams (PRTs). Rice began the PRT program in November 2005, but the teams are now an integral part of the 'build' phase of the new US plan in Iraq. PRTs operate in all eighteen provinces of Iraq and primarily involve civilian elements, but coordinate their actions with the military brigade who has responsibility for the area in which they are working. PRTs focus on three of the five

¹⁷ FM 3-24, Counterinsurgency, available at <http://www.fas.org/irp/doddir/army/fm3-24.pdf>, accessed May 4, 2008.

¹⁸ "Strategy for Victory in Iraq: Clear, Hold, and Build," March 20, 2006, available at <http://www.state.gov/p/nea/rls/63423.htm>, accessed May 4, 2008.

portions of Dobbins' plan for successful state-building: political institutions and democratization, civil administration, and economic reconstruction.¹⁹ The PRTs relieve the military of some of its additional duties and enable it to focus on the security mission – a task for which it has been trained and for which it is well equipped. Although all details have yet to surface, the initial assessment is that PRTs have been successful in furthering the state-building effort.²⁰

There are signs that the 'surge' is working. Until recent violence around Basra in spring 2008, the security situation had returned to 2004 to 2005 levels in most quantifiable measures. This included number of attacks, number of Iraqi and US casualties (military and civilian), and levels of Iraqi displacement (internal and external). The level of oil production has nearly returned to prewar levels. There is \$100 million (USD) per year flowing from Baghdad to the average Iraqi province (compared to \$0 in 2004). And Iraq's global rank for corruption is at its lowest level since 2003.²¹ These indicators demonstrate that the 'surge' has produced favorable results.

The real measurement of the 'surge's' success, however, is not the improved security situation now. That is an indicator of tactical, or at best, operational success. Strategic success will be measured in two parts. The first factor is whether the ISF are robust enough to maintain the security gains when the 'surge' troops are redeployed from Iraq. This will test their competence, will, and loyalty. The result will either prove Bush correct for pursuing this mid-course correction in strategy, or prove Odom and Korb correct in their assessment that the training of the ISF was a mistake because Iraqis' true loyalties lie along tribal, ethnic, and religious lines rather than with the national government.

The second lasting measurement of success is whether Iraqis take the remaining, and most important, political steps and compromises necessary to unite their country. This is largely beyond US control – besides diplomatic leveraging to pressure the Iraqi executive and their legislators. Several developments demonstrate the beginnings of a national identity and increased political competence. On February 13, 2008, the Iraqi government conducted a logrolling maneuver to pass important legislation that constituted an important compromise between the various ethnic groups over contentious issues, including the level of power for the central government.²² The 2008 offensive

¹⁹ Provincial Reconstruction Teams Fact Sheet, March 20, 2008, available at http://iraq.usembassy.gov/pr_01222008b.html, accessed May 4, 2008.

²⁰ General (ret.) Barry McCaffrey, "General McCaffrey Iraq AAR," available at <http://smallwarsjournal.com/blog/2007/12/general-mccaffrey-iraq-aar/>, accessed May 4, 2008.

²¹ Jason H. Campbell and Michael E. O'Hanlon, "The State of Iraq: An Update," March 23, 2008, available at http://www.brookings.edu/opinions/2008/0309_iraq_ohanlon.aspx, accessed April 24, 2008.

²² Jason Gluck, "Iraq's Unheralded Political Progress," *Foreign Policy*, March 2008, available at http://www.foreignpolicy.com/story/cms.php?story_id=4236&print=1, accessed April 24, 2008.

in Basra demonstrates that Maliki will not cater to Shiites and their militias on all issues, and five of the eleven political benchmarks have arguably been achieved.²³ One of the central objectives yet to be accomplished in the political arena, is also one of the largest and most difficult issues – oil revenue sharing. This issue and outcomes on the status of Kirkuk and continued negotiation over the power balance between the central government and the provinces will determine whether Iraq is politically viable over the long term.

Looking Back and Ahead

What Went Wrong?

Assuming the decision for war, the fundamental problem was that the administration did not have one clear political aim. The political objectives were incongruous and each required different means to achieve them.²⁴ This led to the deployment of means not best suited to accomplish what, over time, has become the only political goal – a democratic Iraq. In addition, the State Department should have led the post-invasion reconstruction efforts instead of the Department of Defense. This together with the US's poor organization for state-building meant the US was not prepared to win the peace that followed the war. As for the smaller yet still significant mistakes the US made, I succinctly state below what I cover in more detail in other areas of this paper:

1. Miscalculation on the number of troops that would be required for post-invasion stability;
2. Disbanding the Iraqi Army and police forces;
3. Debaathification;
4. Abu Ghraib and other horrible incidents;
5. Employing a target-based security strategy versus a population-based security strategy. This strategy entailed staying in military enclaves versus dispersing into smaller and more numerous bases among the people;
6. A poor public relations campaign that does not consistently register well with Americans or Iraqis and is beat by insurgent and terrorist propaganda;

²³ Jason H. Campbell and Michael E. O'Hanlon, "*The State of Iraq: An Update*," March 23, 2008, available at http://www.brookings.edu/opinions/2008/0309_iraq_ohanlon.aspx, accessed April 24, 2008.

²⁴ Chris Angevine, a joint Law – International Relations graduate from Yale University and a Fulbright Scholar, mentioned this in a talk we had about Professor Odom's take on what went wrong in the Iraq War, 28 April 2008.

7. Employing too narrow a view of the global ‘war on terrorism,’ or the “struggle against violent extremists.” This view results in too heavy a focus on the *military* aspects of the struggle instead of on the intelligence, law enforcement, financial, public relations, and the long term battle of *ideas* and of *values*.

It is striking to notice that all of these, except for the notable exception of numbers four through six, have been primarily political in nature. Abu Ghraib and other similar abuses are horrific and have been terribly damaging to state-building efforts in Iraq. They also tarnished the US’s image in the world. However, these are not reflective of the entire US military and it has pursued justice for the wrong doers.²⁵ As for number six, Petraeus addressed this mistake with his new operational methods and progress is being made with security gains and regaining the trust of the Iraqi people.

Keeping Sight of the Political Context in Clausewitzian Fashion

Obama needs to publicly redefine victory in Iraq in a political context. Bush and his administration often spoke of ‘winning in Iraq’ or achieving ‘victory in Iraq,’ but their terminology was imprecise. What is victory, and at what level are they referring to victory? Political victory, and hence success in Iraq, means a viable (preferably democratic) Iraq able to govern and protect itself without external assistance. This should be the US’s current aim in Iraq and what victory implies. Obama agrees. A White House document that accompanied the ‘surge’ indicates that the current US strategic goal is “a unified democratic federal Iraq that can govern itself, defend itself, and sustain itself, and is an ally in the War on Terror.”²⁶ The problem is that it has not been well communicated to the American public. This understanding of victory was largely lost when Bush spoke of ‘winning in Iraq.’ The context is often tied to the military and the correlation with the broader political context for the US’s state-building in Iraq is lost in the discussion about the ebb and flow of the security situation.

The new administration under Obama needs to shift focus from US military Generals to the political process. Prior to the surge, President Bush adopted an approach of regularly indicating he would simply follow the recommendations of the commanders on the ground in Iraq who understood the security situation. His point, understandably, was to make decisions based upon the facts on the ground. Bush did not want to cater to domestic political calls for what he

²⁵ At least twelve soldiers have been convicted of various charges related to the Abu Ghraib incident, all including dereliction of duty. More information is available at http://en.wikipedia.org/wiki/Abu_Ghraib_torture_and_prisoner_abuse#Courts-martial.2C_nonjudicial.2C_and_administrative_punishment, accessed May 4, 2008.

²⁶ National Security Council, “*Highlights of the Iraq Strategy Review: Summary Briefing Slides*,” January 2007.

saw as artificial timelines for bringing troops home. He believed that a troop drawdown must be attached to the conditions on the ground. The theory behind this is sound. Coupled with Bush's motivation to avoid micromanaging the military, one can understand Bush's *laissez faire* approach toward his Generals.

But Generals require strong strategic leadership to set proper parameters for political aims, and subsequently what their missions should consist of. The various aims touted for the Iraq War entailed different missions for the military. Three of the top reasons for invading Iraq were: regime change; the dismantling of Iraq's weapons of mass destruction (WMD) program; and instilling a democratic regime. These three political aims all require significantly different military missions.²⁷ For instance, a military operation could potentially accomplish the first two objectives with little external assistance, and in months. On the other hand, the third objective takes years and requires much more than merely military operations, but a long-term, well coordinated interagency effort. Bush failed to provide appropriate strategic leadership because he failed to provide the military leadership a clear political aim. A clear "political purpose (which is) the supreme consideration"²⁸ is necessary for Generals to develop a military mission which fits that objective. When provided, the political aim enables war to be one appropriate means of reaching the end, simply "the continuation of policy by other means."²⁹

Bush did change commanders in Iraq, and of the US Central Command prior to implementing the 'surge,' thereby illustrating his role as Commander-in-Chief. Yet since the surge, Bush has continued to publicly elevate Petraeus more so than Ryan Crocker, the American Ambassador to Iraq. The result is that the US views Petraeus as a potential savior of the US endeavor in Iraq, but hardly knows who Ambassador Crocker is. This is problematic because it shifts the focus to the military – with accompanying expectations that they will be able to accomplish the job alone – and away from the political realm, where the lasting work is to be done. Bush's rhetoric probably does not reflect his true priorities, but merely the context of the current situation, and a favorable manner by which to sell the 'surge.' It is an effective tactic because it elevates the military, shifts focus and responsibility away from Bush, and capitalizes on the respect and support that the American public has for the US military. However, together with Bush's failure to articulate a clear political aim, it is troubling. At worst, these are an indication that Bush did not understand Clausewitzian grand strategic principles. At least, it sends a wrong signal to the American public that the military situation is ultimately the driving force in Iraq when in

²⁷ Chris Angevine, a joint Law – International Relations graduate from Yale University and a Fulbright Scholar, mentioned this in a talk we had about Professor Odom's take on what went wrong in the Iraq War, 28 April 2008..

²⁸ Carl von Clausewitz, *On War*, p. 87.

²⁹ Ibid.

reality the political situation both in Iraq and in the US should be what shapes the military's involvement.

Organizing for State-Building

Thomas Barnett offers a possible solution to the US's poor organizational structure for state-building. His plan is meant to organize for mission accomplishment, facilitating winning the long term state-building struggle that the US currently faces in Iraq, Afghanistan, and Kosovo. He advocates splitting the US military into two elements, a Leviathan Force and a Systems Administration Force. The first would have the mission of winning US wars; the second of winning the peace. The first would tear down networks; the second would build them. The former would retain the bulk of US conventional military capability, particularly heavy armor units and Special Forces. A mix of light infantry and psychological operations units would comprise the latter, along with elements from the State Department and other agencies. The Leviathan Force would not be subject to the International Criminal Court (ICC), while the Systems Administration Force would.³⁰

Barnett's idea for restructuring and redefining the mission of various elements involved in America's state-building endeavors offers a unique approach, and one that the country should strongly consider. While his concept is not without fault and he does not offer enough details to make the concept implementation ready, he does base his ideas on developing a more fitting approach to matching ends with appropriate means. His transformation – in organization and mission – would better equip the US to meet global needs. It also provides a solution to current US weaknesses by better utilizing existing capabilities. Finally, Barnett's concept could form the basis of a strategic compromise between the EU and the US in the 'long war' against terrorism.³¹ The two actors may be able to resolve some of their post 9/11 differences over perspectives for waging the war against terrorism and reach common ground on important values to defend, and a methodology for so doing.

Final Thoughts

The problem is a political one at its core, and one that the US now has little direct control over. The US can set the conditions for success for Iraq, to include substantial assistance on the security front – both in direct terms on the streets and in training the ISF, both of which the US continues to do. However, political

³⁰ Thomas Barnett, "*The Pentagon's New Map for War and Peace*," February 2005, available at <http://www.ted.com/index.php/talks/view/id/33>, accessed March 23, 2008.

³¹ Michael Howard, "*What's In A Name?: How to Fight Terrorism*," *Foreign Affairs*, January/February 2002, available at <http://www.foreignaffairs.org/20020101facomment6553/michael-howard/what-s-in-a-name-how-to-fight-terrorism.html>, accessed May 4, 2008.

progress on contentious issues is up to the Iraqis. The Iraqis' logrolling on February 13, 2008 offers hope on the political front in Iraq, but much remains to be done to demonstrate that the success experienced a year ago was not an isolated incident.³²

In a general sense, what the US can and must do is facilitate Iraqi ownership of their country. The transition in US presidents can facilitate this shift in security responsibility. Obama's statements during the campaign to withdraw US combat forces within sixteen months of taking office³³ adds pressure to Iraqi Prime Minister Nuri al-Maliki and his administration to rapidly prove they are able to govern and secure their country without massive amounts of US military forces. Obama can increase political leverage with Maliki and even give the latter better bargaining power with his fellow Iraqi leaders by making elements of future aid conditional on successful achievement of certain political, security, and economic benchmarks. In the meantime, Obama must focus on the grand strategic imperative. He must clearly and consistently communicate the political aim, continue allocating appropriate means toward its accomplishment, and adapt those means as conditions change.

Specifically, the US needs to continue the population-based security strategy, while realizing it is a means toward the end and not the end in itself. The US should increase the number of PRTs and their resources to bolster their capabilities. The work they do is critical to long term success by contributing to better security, to an improved economy, and to better governance. The US needs to continue training, equipping, and transferring greater authority and responsibility to ISF, while preparing a thorough plan for a responsible and phased withdrawal of the 'surge' troops. The US should plan for withdrawing more units, but should not execute further withdrawals until conducting a reassessment after the initial drawdown is complete.

The US must also engage the regional powers that can help Iraq develop Westphalian sovereignty.³⁴ The US needs to encourage states in the Middle East to develop a Regional Security Pact.³⁵ The Pact needs to address political and diplomatic, economic, security, and humanitarian dimensions. It will not be easy to negotiate, but it is a realistic way to address Iran's negative involvement in Iraq. It is realistic because each state in the region has a stake in preventing the explosion of a regional conflict and an even greater humanitarian crisis than has been experienced to date. Despite the costs, challenges, and past mistakes,

³² Jason Gluck, "Iraq's Unheralded Political Progress," *Foreign Policy*, March 2008, available at http://www.foreignpolicy.com/story/cms.php?story_id=4236&print=1, accessed April 24, 2008.

³³ Senator Barack Obama, "Obama-Biden Website: War in Iraq," available at <http://www.barackobama.com/issues/iraq/>, accessed January 19, 2009.

³⁴ Stephen Krasner, "Sovereignty, Organized Hypocrisy," p. 11–20.

³⁵ Professor Jolyon Howorth, during his *Europe, the U.S., and the Iraq Crisis* class at Yale University, April 24, 2008.

the US cannot afford to abandon Iraq, or to continue indefinitely at current levels of military and financial involvement.³⁶ Based on his extensive campaign rhetoric to the contrary, we can expect Obama to withdraw the bulk of US forces from Iraq by the mid-term election in two years or before. As he does so, he should follow the general policy guidance I have outlined, while maintaining the Clausewitzian imperative of keeping political aims at the forefront of US' grand strategic objectives. This constitutes the best and most realistic opportunity for a stable, sovereign Iraq. These factors will be key to Obama's ability to successfully negotiate the transition of American forces out of Iraq, and they will be central to Bush's ultimate legacy.

³⁶ This is true in a military sense because of the toll that repeated deployments take on military personnel, their families, and enlistment. It is also true financially. Although the US could sustain financial support for current levels of involvement in the Iraq War for a long time, it cannot do so indefinitely and certainly not without significant tradeoffs in the level of financial support available for domestic programs. This is especially true in light of the ongoing US and global recessions.

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The EU-Iran Dialogue in the Context of the Ongoing Nuclear Crisis

Pierre-Emmanuel Dupont¹

Introduction

The EU-Iran ‘Comprehensive Dialogue,’ launched in 1998 following the election of reformist President Khatami, did not achieve any significant results, mostly as a consequences of the controversy surrounding Iran’s nuclear program. It involved high-level discussions on political matters, as well as on energy and commercial relations (through the construction – by the European Commission – of two bilateral *Working Groups*). On the eve of the controversy (2002), despite many difficulties, the EU’s relations with Iran were developing in a positive direction. The negotiation of a *Trade and Co-operation Agreement (TCA)*, linked to a *Political Dialogue Agreement (PDA)*, was well on the way. Seven years later, despite continuous diplomatic efforts, and progress made by the International Atomic Energy Agency (IAEA) and Iran in the verification process of the peaceful nature of Iran’s nuclear infrastructure, EU-Iran relations have significantly degraded, which implies serious consequences in bilateral trade as well as with respect to the regional security situation. The purpose of this paper is to provide a critical analysis of the EU-Iran institutional dialogue framework and to assess the impact of the nuclear crisis on it, before examining prospects for the renewal of the EU engagement.

EU-Iran Dialogue on the Eve of the Nuclear Crisis

2002, which saw the commencement of the current crisis, was also the year when, after a substantial period of relative distance, a comprehensive dialogue between the EU and Iran, in the form of regular meetings, had been re-established. Along with political and strategic issues, this dialogue focused on energy, trade and investment cooperation. A High-level bilateral *Working*

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Group on Energy and Transport was established in 1999, followed in 2000 by a *High-level Working Group on Trade and Investment*. On 7 February 2001, the European Commission (EC) adopted a Communiqué – approved by the Council in May 2001 – setting out the perspectives and conditions for developing closer relations with Iran: having as one key objective the conclusion of a *Trade and Co-operation Agreement* (TCA)². The EC, noting that the “EU is Iran’s largest trading partner,” and that “trade with Iran has enormous potential in view of the country’s rich endowments of petroleum, natural gas, and minerals, as well as agricultural wealth and industrial potential,” stated that “the EU has an interest in encouraging Iran to base its trade on the rules and obligations of the WTO”³.

A mandate for such an agreement was presented by the Commission to the Council in November 2001 and was adopted in June–July 2002. The negotiations for an EC–Iran TCA, linked to negotiations on a Political Dialogue Agreement (PDA), had been launched in Brussels in December 2002.⁴ Subsequently, EU relations with Iran were developing in a positive direction, despite difficulties affecting political issues.

The Origins of the Iranian Nuclear Programme

The Iranian nuclear power program began in 1957, under the rule of Mohammad Reza Shah Pahlavi, and as a US initiative.⁵ Iran was perceived by the US, at that time, as an unconditional ally, eligible for nuclear technology transfers, in accordance to the Eisenhower Doctrine.⁶

In the early 1970s, in view of the results of estimation of its national stock of oil, Iran adopted a program on power-supply source diversification, and established the *Atomic Energy Organization of Iran* (AEOI).⁷ The country

² See ‘EU–Iran: Commission proposes mandate for negotiating Trade and Co-operation Agreement’, IP/01/1611, 19 November 2001, <http://ec.europa.eu/external_relations/iran/news/ip01_1611.htm>.

³ ‘EU–Iran: Commission proposes mandate for negotiating Trade and Co-operation Agreement’.

⁴ See ‘The EU’s relations with Iran. Overview’, on the website of the European Commission, <http://ec.europa.eu/external_relations/iran/intro/index.htm>.

⁵ For the historical context, see BARZIN (N.), *L’Economie Politique de Développement de l’Energie Nucléaire en Iran (1957–2004)*, Thesis presented at EHESS, 2004, <www.payre.com/iran/theses/Political_Economy_of_the_Iranian_Nuclear_Industry.pdf>.

⁶ See National Security Council 5906/1, ‘Basic National Security Policy’, 5 August 1959; unclassified in 1996 (White House Office, Office of the Special Assistant for National Security Affairs: Records, 1952–1961, NSC series, Policy Papers subseries, box 27, Dwight D. Eisenhower Library, Abilene, Kansas), p. 9. Quoted by G. Kostrewa-Zorbas, *American Response to the Proliferation of Actual, Virtual, and Potential Nuclear Weapons: Lessons for the Multipolar Future*, (Johns Hopkins University, 1998). See also N. Barzin, *Ibid.*, pp. 46 et seq.

⁷ See G. Ghannadi-Maragheh, ‘Atomic Energy Organization of Iran’, Paper presented at the World Nuclear Association Annual Symposium 2002, World Nuclear Association, 4–6 Sep. 2002, <www.world-nuclear.org/sym/2002/ghannadi.htm>.

developed an ambitious plan to build 22 nuclear power reactors.⁸ On the eve of the 1979 Islamic Revolution several agreements for implementing the Iranian nuclear program had been signed between the AEOI and various US, German and French firms. The nuclear power program was significantly slowed due to the victory of the Islamic Revolution, particularly because of the denunciation of nuclear contracts between Iran and Western countries, and afterwards due to the consequences of the Iran-Iraq war (1980-1988).

During the second half of the 1980s, after attempts to renew contacts with the European countries failed, Iran actively began to develop a cooperative relationship with China in the field of nuclear energy,⁹ but the US pressured China to cancel its offers. During the same decade Iran also turned to the USSR for the purchase of nuclear plants¹⁰.

By the mid 1990s, under US pressure, practically all countries (with the above-mentioned exception of Russia), capable of exporting nuclear equipment and technologies, had refused to cooperate with Iran in the field of nuclear energy.¹¹

The Road to the Tehran Agreement (2002–2003)

In 2002, Khatami announced plans “to construct, over the next 20 years, nuclear power plants with a total capacity of 6000 Mega Watts (MW) as part of a long-term energy policy to make up for the expected depletion of Iran’s extensive fossil fuel reserves”¹².

⁸ See D. Poneman, *Nuclear Power in the Developing World* (George Allen & Unwin, London, 1982), p. 86, 92; A. Hessing Cahn, *Determinants of the Nuclear Option: The Case of Iran, Nuclear Proliferation in the Near-Nuclear Countries* (Ballinger Publishing Co., Cambridge, 1975).

⁹ Khlopkov, A., ‘Iran’s Nuclear Program in the Russia-US Relations’, *Yaderny Kontrol (Nuclear Control) Digest*, Vol. 8, No.3-4 (Summer/Fall 2003), p. 4, available at <http://pircenter.org/data/publications/ykd12-2003.pdf>.

¹⁰ See BARZIN (N.), *Ibid.*, pp. 197 sq. See also Orlov, V.A., and Vinnikov, A., ‘The Great Guessing Game: Russia and the Iranian Nuclear Issue’, *The Washington Quarterly*, Vol. 28, No. 2 (spring 2005), pp. 49–66.

¹¹ Khlopkov, A., ‘Iran’s Nuclear Program in the Russia-US Relations’, p. 59.

¹² See Statement by H.E. Reza Aghazadeh, President of the Atomic Energy Organization of Iran, at the 46th General Conference of the International Atomic Energy Agency, Vienna, 16 Sep. 2002, <<http://www.iaea.org/About/Policy/GC/GC46/iran.pdf>>. Also referred to in IAEA DG Report to the Board of Governors, ‘Implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran’, GOV/2003/40, 6 June 2003, par. 2, <http://www.iaea.org/Publications/Documents/Board/2003/gov2003-40.pdf>. The mere fact that Iran needs to develop nuclear energy has been challenged by some (See e.g. See T. W. Wood *and al.*, ‘The Economics of Energy Independance for Iran’, 14 (2007) *The Nonproliferation Review*, No. 1, available at www.cns.miis.edu/pubs/npr/vol14/141/141wood.pdf), while others have admitted that the previsible decline of Iranian oil production will threaten in the near future the country’s development (e.g. See Roger Stern, ‘Iranian petroleum crisis and United States

At the same time, according to Kile, evidence began to emerge [...] that the Atomic Energy Organization of Iran had engaged in sensitive nuclear fuel cycle activities, including uranium enrichment and plutonium separation, without declaring them in a timely manner to the IAEA, as it was required to do under the terms of its full-scope safeguards agreement.¹³

This information “gave rise to concern in Europe and the USA that Iran was attempting to put into place, under the cover of a civil nuclear energy programme, the fuel cycle facilities needed to produce fissile material—plutonium and enriched uranium—for a clandestine nuclear weapon programme.”¹⁴ The evidence originated primarily from an Iranian opposition group, which in August 2002, accused the Iranian government of building two secret nuclear sites, a nuclear production plant and research lab at Natanz and a heavy water production plant at Arak¹⁵.

Due to the unfolding nuclear crisis, negotiations between the EU and Iran for the TCA were suspended in June 2003. Since the end of 2003 however, three EU members; France, Germany and the United Kingdom – the so-called ‘EU3’ – acting through the EC, and with the High Representative for the EU’s Common Foreign and Security Policy (HR/SG) Javier Solana, took over EU leadership of negotiations with Iran in an attempt to resolve the crisis.¹⁶ On 21 October 2003, agreement, known as “Tehran Agreement”¹⁷ was reached, which was considered “a major diplomatic achievement for Europe: the premiere of an EU speaking with one voice and wielding ‘soft power’ to good effect. The agreement effectively positioned the EU/EU3 between the two main protagonists – Iran and the US – as well as strengthened the role of the IAEA.”¹⁸ Under this agreement the Iranians pledged to temporarily suspend uranium enrichment and cooperate with the IAEA, and the EU recognized “the right of Iran to enjoy peaceful use of nuclear energy in accordance with the NPT”, assumed that “once international concerns (...) are fully resolved Iran could

national security’, *Proceedings of the National Academy of Sciences* (PNAS), Vol. 104, No. 1, pp. 377-382).

¹³ Kile, S. N., ‘Nuclear arms control and non-proliferation’, *SIPRI Yearbook 2005: Armaments, Disarmament and International Security* (Oxford University Press, Oxford, 2005), p. 555.

¹⁴ Kile, S. N., ‘Nuclear arms control and non-proliferation’, in *SIPRI Yearbook 2005*, p. 555.

¹⁵ See ‘Group: Iran’s Nuke Program Growing’, The Associated Press, 15 August 2002; in *New York Times*, <<http://www.nytimes.com/>>.

¹⁶ Kile, S. N., ‘Nuclear arms control and non-proliferation’, *SIPRI Yearbook 2006 : Armaments, Disarmament and International Security* (Oxford University Press, Oxford, 2006), p. 618.

¹⁷ ‘Statement by the Iranian Government and visiting EU Foreign Ministers’, 21 October 2003, available at <http://www.iaea.org/NewsCenter/Focus/IaeaIran/statement_iran21102003.shtml>.

¹⁸ Jan de Pauw, ‘Iran, the United States and Europe: The Nuclear Complex’, 5 December 2007, <http://www.globalpolicy.org/security/sanction/iran/2007/1205iranuseu.htm>.

expect easier access to modern technology and supplies in a range of areas.” Unfortunately, over the ensuing months, and despite the fact that Iran signed the NPT Additional Protocol on Nuclear Safeguards on 18 December 2003,¹⁹ “the deal became mired in disputes over the length and scope of application of the moratorium amid allegations of bad faith from both sides”²⁰.

The EU’s Diplomatic Momentum (2004–2005)

Throughout 2004, the EU3 resisted the US demand that the Iran nuclear issue be placed under UN Security Council’s (UNSC) competences. They argued that Iran’s latest steps warranted a more conciliatory approach²¹. They also argued that a referral to the UNSC would be premature and possibly counter-productive as it may spur Iran to disengage from its cooperation with the IAEA or withdraw from the NPT altogether.

The disagreement between the EU3 and the US over the UNSC referral highlighted fundamental differences over respective strategies for addressing WMD proliferation and the risks and challenges posed by WMD. Some analysts have portrayed the issue as posing a crucial test to the credibility of the EU’s multifunctional strategy of ‘conditional engagement’: specifically, whether that strategy – which includes the prospect of improved political and economic ties, but also, if necessary, the imposition of sanctions – can deliver real and sustainable results in addressing concerns about Iran’s nuclear activities.”²² In doing so, the EU formulated “an alternative approach to US policy regarding the use of force to address proliferation challenges”²³.

In autumn 2003, intense negotiations were held between Iran and the EU3, with the participation of Javier Solana. “The main issue was the E3’s demand that Iran completely suspend its uranium enrichment programme.”²⁴ A new agreement, known as “Paris Agreement”, was reached on 14 November 2004, stating *inter alia* that Iran had decided, on a voluntary basis, to continue and extend its suspension to include all enrichment related and reprocessing activities. The suspension would be sustained “while negotiations proceed on a

¹⁹ See ‘Iran Signs Additional Protocol on Nuclear Safeguards. Signing Ceremony Takes Place at IAEA’, 18 December 2003, <<http://www.iaea.org/NewsCenter/News/2003/iranap20031218.html>>.

²⁰ Kile, S. N., ‘Nuclear arms control and non-proliferation’, in *SIPRI Yearbook 2005*, p. 561.

²¹ ‘US, Iran face off over EU nuclear draft: diplomats’, ABC News, 23 Nov. 2004, <<http://abcnews.go.com/International/print?id=276168>>.

²² Kile, S. N., ‘Nuclear arms control and non-proliferation’, in *SIPRI Yearbook 2005*, p. 563-564.

²³ G. Quille and R. Keane, ‘The EU and Iran: towards a new political and security dialogue’, in S. Kile (ed.), *Europe and Iran. Perspectives on Non-proliferation* (Oxford, Oxford University Press, 2005), pp. 112.

²⁴ Kile, S. N., ‘Nuclear arms control and non-proliferation’, in *SIPRI Yearbook 2005*, p. 561-563.

mutually acceptable agreement on long-term arrangements.”²⁵ The aim of the long-term agreement on suspension was to provide ‘objective guarantees’ that Iran’s nuclear programme was exclusively for peaceful purposes as well as guarantees regarding nuclear, technological and economic cooperation between the EU and Iran and “firm commitments on security issues.”²⁶ The agreement “called for negotiations to be launched by an E3–Iranian steering committee, which was also responsible for setting up working groups on political and security issues, technology and economic cooperation, and nuclear issues”; following this agreement and as a result, in January 2005 the EU-Iran TCA negotiations resumed.²⁷

As noted by Kile, “The 2004 E3–Iran suspension agreement has come under criticism, particularly in Israel and the USA”. And in 2005, the year during which Mahmoud Ahmadinejad was elected as the new Iranian President, “the international controversy over the scope and nature of Iran’s nuclear programme intensified.”²⁸ At the beginning of 2005, the main point of contention in the Iran-EU3 negotiations “continued to be the future of Iran’s enrichment programme.”²⁹ Kile goes on to argue that

The E3 insisted that Iran accept a complete and permanent cessation of the programme. They argued that this was the only meaningful ‘objective guarantee’ that Iran’s nuclear activities were exclusively for peaceful purposes. At the same time, they recognized Iran’s right to develop nuclear energy and pledged to facilitate Iran’s access to nuclear technology and fuel. This included a promise to support Iran’s acquisition of a light-water research reactor to replace the heavy-water reactor under construction at Arak.³⁰

As anticipated, the EU demand implied a permanent cessation of Iran’s uranium enrichment programme, a demand that was categorically rejected by Iran. According to Kile,

[Iranian officials] said that the E3 had accepted in the Paris Agreement that suspension of Iran’s enrichment activities was a temporary measure. They also emphasized that, as a nonnuclear weapon state party to the NPT, Iran was legally entitled to develop sensitive nuclear fuel-cycle facilities, including uranium enrichment, as part of its civil nuclear programme. Iranian officials stated repeatedly that the country would restart enrichment

²⁵ See ‘Iran-EU Agreement on Nuclear Programme’, 14 November 2004, <www.iaea.org/NewsCenter/Focus/IaeaIran/eu_iran14112004.shtml>.

²⁶ Ibid, pp. 561-563.

²⁷ Kile, S. N., ‘Nuclear arms control and non-proliferation’, in *SIPRI Yearbook 2005*, pp. 561-563.

²⁸ See Kile, S. N., ‘Nuclear arms control and non-proliferation’, in *SIPRI Yearbook 2006*, p. 618.

²⁹ Ibid, p. 619.

³⁰ Ibid, pp. 619-620.

activities, with appropriate assurances about their peaceful purpose, once the remaining safeguards issues had been resolved.³¹

In May, Iran proposed a ‘general framework’ for resolving the nuclear controversy. The Iranian proposal met with a firm refusal, as it would have allowed Iran to maintain a limited uranium enrichment capability in exchange for new, intrusive transparency measures. EU negotiators “refused to deviate from their position that Iran must permanently suspend all enrichment-related activities, including uranium conversion.”³² In August 2005 Iran resumed uranium conversion activities at Isfahan. The EU considered this resumption a breach of the Paris Agreement. Days later the EU/E3 made a formal proposal, demanding that Iran stop developing its nuclear fuel cycle and place all its nuclear work under tight safeguards, in exchange for a package of incentives. This offer received an aggressive response. As noted by Brzoska, Neuneck and Meier,

Although the far-reaching offer the EU-3 extended to Iran in August 2005 was economically attractive, it neither alleviated the Iranian government’s fear of military action, nor did it open the way to what would have been a highly symbolic offer of compensation to the Iranian government for suspending its enrichment programme. Money and fine words were not enough for Iran to voluntarily constrain its right to the peaceful use of nuclear power, as guaranteed in the Nuclear Nonproliferation Treaty (NPT).³³

In September 2005, the IAEA demanded that Iran cease its conversion activities. The subsequent negotiations between Iran and the EU/EU3 on the nuclear issue “broke down after having made little progress,”³⁴ while TCA and PDA negotiations were suspended again by the Commission.

³¹ Kile, S. N., ‘Nuclear arms control and non-proliferation’, in *SIPRI Yearbook 2006*, p. 620. See the speech of the main Iranian negotiator in 2004, Supreme National Security Council (SNSC) secretary Hassan Rowhani, on 30 November 2004 : having in mind that Europe and the US “both believe that Iran should not get involved in the nuclear fuel cycle activities”, he stated that “if the negotiations fail to recognize our rights to the effect, we will proceed with our activities”, ‘Rowhani: Europe, US disfavor Iran’s involvement in nuclear fuel cycle activities’, IRNA, 30 November 2004, available at <www.globalsecurity.org/wmd/library/news/iran/2004/iran-041130-irna06.htm>.

³² Kile, S. N., ‘Nuclear arms control and non-proliferation’, in *SIPRI Yearbook 2006*, p. 621.

³³ Michael Brzoska, Götz Neuneck, and Oliver Meier, ‘Diplomatic Means Have not been Exhausted: Against Alarmism in the Conflict over Iran’s Nuclear Programme’, Paper presented at the Joint Conference of the Pugwash Conferences and the Center for Strategic Research, on ‘Iran’s Nuclear Energy Program: Policies & Prospects’, Tehran, 25 April 2006, available at <www.pugwash.org/reports/rc/me/tehran2006/neuneck.pdf>.

³⁴ Kile, S. N., ‘Nuclear arms control and non-proliferation’, in *SIPRI Yearbook 2006*, p. 619.

A Deepening of the Crisis (2006–2007)

In January 2006, Iran recommenced the enrichment process. This decision, following the August 2005 resumption of uranium conversion, was portrayed by France, Germany and the UK as “a clear rejection of the process the E3/EU and Iran have been engaged in for over two years with the support of the international community (...)” as well as “a further challenge to the authority of the IAEA and international community”³⁵. As a consequence, the month after, the nuclear file was submitted to the UNSC. On 4 June 2006, following a meeting in Vienna, the five permanent UNSC members and Germany (the so-called P5+1 countries) offered “a package of incentives” previously agreed at the ministerial meeting in Vienna on 1 June 2006, aimed at encouraging Iran to give up its nuclear enrichment activities. Iran claimed the offer contained ‘ambiguities’ and, flouting the deadline to respond by the end of July, said it would respond by 22 August. This delay provided grounds for the US and the EU/E3 to secure a UNSC meeting, and on 31 July 2006, UNSC Resolution 1696 was adopted.³⁶

Despite US calls for the immediate imposition of sanctions, other members of the UNSC appeared reluctant to take further steps. As the EU set a two-week deadline for Iran to clarify its position, two separate tracks emerged, with the US lobbying for sanctions while the EU, China and Russia advocated continued dialogue.

During September 2006, Solana, held talks in Vienna and Berlin with Ali Larijani (Head of Iran’s Supreme National Security Council), while the US and five other states (France, Britain, Germany, China and Russia) decided to set another deadline in early October 2006 for the suspension of uranium enrichment by Iran.³⁷ After Solana noted Tehran’s “lack of openness with regard to suspension of enrichment,” the talks were broken off. In October, the three European Foreign Affairs Ministers and their US’, Chinese and Russian counterparts (E3+3) met in London to hear Solana’s report. They decided to resume the course charted by resolution 1696, and to initiate the consultations required to adopt measures under article 41. On 23 December 2006 Resolution 1737 (2006) was adopted unanimously by the UNSC,³⁸ which made the suspension of all enrichment, and heavy water-related activities in Iran compulsory.

³⁵ See IAEA Information Circular, ‘Communication dated 13 January 2006 received from the Permanent Missions of France, Germany and the United Kingdom to the Agency’, INFCIRC/662, 18 January 2006, at <www.iaea.org/Publications/Documents/Infcircs/2006/infcirc662.pdf>.

³⁶ UNSC Resolution 1696 (2006), Full text at <www.daccessdds.un.org>.

³⁷ See ‘Early October New Deadline for Iran’, *Washington Post*, September 21, 2006, A15, <www.washingtonpost.com>.

³⁸ UNSC S/RES/1737 (2006), available at <www.iaea.org/NewsCenter/Focus/IaeaIran/unsc_res1737-2006.pdf>.

Uncertainties about the Development of the Crisis (2007 to the present)

On 24 March 2007, noting Iran's failure to implement its demands contained in resolution 1737 (2006), and in light of the IAEA's 22 February 2007 report³⁹, the UNSC unanimously adopted Resolution 1747, which reaffirmed the obligations imposed on Iran in resolution 1737 to suspend its "proliferation sensitive nuclear activities," added to the list of entities and individuals targeted for financial sanctions, imposed a ban on all arms exports from Iran, and called upon states and financial institutions to not enter into new financial arrangements with Iran. Prior to the adoption of the resolution, several Iranian officials including President Ahmadinejad, Foreign Minister Mottaki, and Iran's Chief Nuclear Negotiator, Ali Larijani reaffirmed, in separate statements, that Tehran was open to formal negotiations on its nuclear program, but that unconditional suspension of uranium enrichment should not be considered a prerequisite to the talks.⁴⁰ For its part, the US immediately renewed its calls for the strengthening of sanctions against Iran.⁴¹

Nevertheless, the situation, which was quite tense during Spring 2007, with new threats of military intervention against Iran being voiced by several US officials, was about to change significantly. Indeed, negotiations resumed a few weeks after the 24 March Resolution, between Iran and Solana, while IAEA teams continued inspecting nuclear facilities in Iran. On 24 June 2007, the IAEA Director General met with the Secretary of the Supreme National Security Council of Iran (SNSC):

During that meeting, it was agreed that, within the following 60 days, a plan should be developed on modalities for resolving the remaining safeguards implementation issues, including the long outstanding issues (GOV/2007/22, para. 9). The modalities were discussed in meetings, led by the Deputy Director General for Safeguards and the Deputy Secretary of the SNSC, which took place on 11–12 July 2007 and 20–21 August 2007 in Tehran, and on 24 July 2007 in Vienna. On 21 August 2007, a plan (hereinafter referred to as the "work plan"), which includes understandings between the Secretariat and Iran on the modalities, procedures and timelines for resolving these matters, was finalized.

³⁹ International Atomic Energy Agency, "Implementation of the NPT Safeguards Agreement and Relevant Provisions of Security Council Resolution 1737 (2006) in the Islamic Republic of Iran: Report of the Director General," GOV/2007/8, February 22, 2007, at <www.iaea.org>.

⁴⁰ See 'Iran defiant on nuclear programme', BBC, 21 February 2007, available at <www.nti.org/e_research/profiles/Iran/Nuclear/1825_6349.html>.

⁴¹ See 'U.S. urges sanctions against Tehran', *The Washington Times*, 16 May 2007, <www.nti.org/e_research/profiles/Iran/Nuclear/1825_6349.html>.

It was however a surprise for many when on 27 August 2007, after several rounds of talks were held throughout the summer, the IAEA circulated the text of a document entitled “Understandings of the Islamic Republic of Iran and the IAEA on the Modalities of Resolution of the Outstanding Issues.”⁴² A few days after, a new IAEA DG report was released. While deploring that contrary to the decisions of the SC, “Iran has not suspended its enrichment related activities, having continued with the operation of PFEP, and with the construction and operation of FEP (and) is also continuing with its construction of the IR-40 reactor and operation of the Heavy Water Production Plant,”⁴³ the report confirmed that several outstanding issues *were* either being resolved (Plutonium Experiments), or on the way to being resolved (Acquisition of P-1 and P-2 Centrifuge Technology). Moreover, as part of the August 2007 Work Plan, Iran had pledged to provide, over the course of the next few months, answers to written questions from IAEA, as well as clarifications and access to information, as regards the remaining outstanding issues.

Far from welcoming this development, the main parties involved in the nuclear controversy, the US as well as the EU3, appeared determined to carry on an uncompromising policy towards Iran. On 28 September 2007, following a meeting in New York hosted by (then) Secretary of State Condoleezza Rice, the Foreign Ministers of Russia, China, Britain, France, Germany and the US, and Solana, issued a joint statement⁴⁴ on Iran’s nuclear program.

This document stated that a resumption of negotiations with Iran “on a comprehensive long-term agreement” required that Iran “fully and verifiably suspend its enrichment-related and reprocessing activities, as required by UNSC Resolutions 1737 and 1747”. It recalled that : “The Security Council has offered Iran the possibility of “suspension for suspension” - suspension of the implementation of measures if and for so long as Iran suspends all of its enrichment-related and reprocessing activities, as verified by the IAEA. (...).

⁴² IAEA Information Circular (INFCIRC/711), ‘Communication dated 27 August 2007 from the Permanent Mission of the Islamic Republic of Iran to the Agency concerning the text of the “Understandings of the Islamic Republic of Iran and the IAEA on the Modalities of Resolution of the Outstanding Issues”’, <www.iaea.org/Publications/Documents/Infircs/2007/infirc711.pdf>.

⁴³ International Atomic Energy Agency, “Implementation of the NPT Safeguards Agreement and Relevant Provisions of Security Council Resolution 1737 (2006) in the Islamic Republic of Iran: Report of the Director General,” GOV/2007/48, 30 August 2007, par. 3-8 and 25, <www.iaea.org/Publications/Documents/Board/2007/gov2007-48.pdf>.

⁴⁴ ‘P5+2 Statement on Iran’, September 28, 2007, <www.state.gov/r/pa/prs/ps/2007/sep/92944.htm>; See ‘Split in group delays vote on sanctions against Iran’, International Herald Tribune, September 28, 2007, <www.ihl.com/articles/2007/09/29/africa/29iran.php>; ‘Sanctions for Tehran are delayed at the UN’, International Herald Tribune, September 29-30, 2007, p. 1. See also a comment by R. Nicholas Burns, Under Secretary for Political Affairs in the U.S. Department of State: ‘On-the-Record Briefing After Secretary Rice’s Meeting with the P-5 Plus Germany Plus EU’, September 28, 2007, <www.state.gov/p/us/rm/2007/92953.htm>.

In view of the fact that Iran has not fulfilled the requirements of UN Security Council Resolutions 1737 and 1747, including the suspension of its enrichment and reprocessing activities”, the P5+2 have agreed “to finalize a text for a third UN Security Council Sanctions Resolution under Article 41 of Chapter VII of the Charter of the United Nations with the intention of bringing it to a vote in the UN Security Council”. These new sanctions are to be voted unless the reports of the European Union’s High Representative for Common Foreign and Security Policy Dr. Solana⁴⁵ and IAEA Director General Dr. El Baradei⁴⁶, both expected for November 2007, show “a positive outcome of their efforts⁴⁷.”

EU envoy Javier Solana and the new Iranian negotiator Said Jalili met on 30 November 2007 in London to discuss renewed negotiations on Iran’s nuclear programme. Solana later described the talks as “disappointing”⁴⁸. E3+3 political directors met on 1 December and agreed that, since there was no new opening from Iran, work on elements of a new resolution should start. As a consequence, the Brussels European Council of 14 December 2007 reaffirmed the mandatory nature of suspension, stating that:

82. The European Council reaffirms its deep concern at Iran’s nuclear program and underlines that the acquisition by Iran of a nuclear military capability would be unacceptable. In this regard, it deplores that Iran has still not complied with its international obligations as reiterated in UNSC Resolutions 1696, 1737 and 1747, to suspend all enrichment-related and reprocessing activities in order to restore confidence in the entirely peaceful nature of its programme.

83. The European Council furthermore regrets that neither High Representative of the EU Javier Solana, following his discussions with the Iranian nuclear negotiator, nor the Director-General of IAEA Mohamed El Baradei were able to report a positive outcome, particularly in the fulfilment by Iran of the requirements of the UN Security Council.

84. The European Council calls upon Iran to provide full, clear and credible answers to the IAEA, to resolve all questions concerning Iran’s nuclear

⁴⁵ The Joint Statement asks Dr Solana “to meet with Dr. Ali Larijani, Secretary of Iran’s Supreme National Security Council, to lay the foundation for future negotiations”.

⁴⁶ “We look forward to DG El Baradei’s November report to the IAEA Board of Governors on the level, scope, and extent of Iran’s cooperation and transparency” (“P5+2 Statement on Iran”).

⁴⁷ ‘P5+2 Statement on Iran’.

⁴⁸ See ‘EU ‘disappointed’ by Iran talks’, International Herald Tribune, 30 November 2007, <www.iht.com/articles/2007/11/30/africa/iran.php?WT.mc_id=rssafrica>.

activities, to ratify and implement the Additional Protocol and to fully implement the provisions of the Comprehensive Safeguard Agreement, including its subsidiary arrangements. It emphasises that carrying out these actions and the transparency measures as requested by the IAEA would constitute a positive step to build confidence concerning Iran's nuclear programme.

85. The European Council reaffirms its full and unequivocal support for efforts to find a negotiated long-term solution to the Iranian nuclear issue and underline that the proposals presented by the High Representative on 6 June 2006 would give Iran everything it needs to develop a civil nuclear power industry while addressing international concerns.

86. The European Council reiterates its full support for the work in the UN Security Council to adopt further measures under Article 41, Chapter VII, of the UN Charter and recalls that, following the General Affairs and External Relations Council conclusions on Iran of 15 October, consideration has begun on additional measures that might be taken in support of the UN process and the shared objectives of the international community. In light of the upcoming decisions to be taken by the UN Security Council, the next General Affairs and External Relations Council will decide what action the EU will take⁴⁹.

However, at the same time Russia appeared to sow confusion when it delivered its first shipment of nuclear fuel to the Bushehr Reactor (December 2007); subsequent shipments were made during January 2008, in order to allow Iran to begin operating the facility in summer 2008.⁵⁰ Meantime, the process of resolution of the remaining outstanding issues gained momentum. On 13 January 2008, the IAEA announced that Iran had agreed to answer all remaining questions about past nuclear activities within four weeks⁵¹. But while the outcome appeared imminent, intense pressure was put on the IAEA. In the beginning of February 2008, it was reported that the forthcoming IAEA's report on Iran's compliance with the August 2007 Iran-IAEA work plan to resolve the last of the outstanding issues would be delayed due to internal disagreements over the report's expected conclusions that the major issues had been resolved⁵².

⁴⁹ Presidency Conclusions of the Brussels European Council (14 December 2007) available at <www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/97669.pdf>.

⁵⁰ See 'Russia ships nuclear fuel to Iran', *International Herald Tribune*, 17 December 2007, at <www.iht.com/articles/2007/12/17/africa/17iran.3.php>.

⁵¹ See 'Iran tells UN it will answer all nuclear questions within four weeks', *International Herald Tribune*, 13 January 2008, <www.iht.com/articles/2008/01/13/africa/iran.php>.

⁵² See 'Disagreements could delay Iran nuclear report: diplomats', *Agence France Presse*, 11 February 2008.

On 21 February 2008, The UNSC began formal consideration of a new draft resolution introduced by the UK and France, imposing restrictions on cargo to and from Iran, travel bans, the freezing of assets for people involved in the nuclear programme and tightened monitoring of Iranian financial institutions⁵³. The next day, IAEA DG Mohamed ElBaradei circulated his latest report to the Agency's Board of Governors, which stated that

The Agency has been able to conclude that answers provided by Iran, in accordance with the work plan, are consistent with its findings — in the case of the polonium-210 experiments and the Gchine mine — or are not inconsistent with its findings — in the case of the contamination at the technical university and the procurement activities of the former Head of PHRC. Therefore, the Agency considers those questions no longer outstanding at this stage. (...).⁵⁴

As a consequence, the one major remaining issue, according to the report, was “the alleged studies on the green salt project, high explosives testing and the missile re-entry vehicle.”

The Agency considered it “a matter of serious concern and critical to an assessment of a possible military dimension to Iran's nuclear programme”, but however pointed out that “it should be noted that the Agency has not detected the use of nuclear material in connection with the alleged studies, nor does it have credible information in this regard”⁵⁵. Ultimately, the major IAEA request was that Iran implement the AP “at the earliest possible date and as an important confidence building measure requested by the Board of Governors and affirmed by the Security Council.”⁵⁶

The report, released in the wake of widespread and unprecedented criticism against the work of the IAEA and its DG, voiced by officials of several Western states as well as by many in the media, was considered a victory in Iran, where Jalili, Secretary of the SNSC, portrayed it as “another official document proving the righteousness of Iran's claims that all our nuclear projects are solely peaceful.”⁵⁷ For mainstream Western media outlets – to the contrary – the IAEA report “highlighted Iran's lack of credible answers to intelligence about explosives and missile design work relevant to making atomic bombs,” and

⁵³ See ‘Security Council weighs new sanctions on Iran’, International Herald Tribune, 22 February 2008, at <www.ihf.com/articles/2008/02/22/news/22nations.php>.

⁵⁴ International Atomic Energy Agency, “Implementation of the NPT Safeguards Agreement and Relevant Provisions of Security Council Resolutions 1737 (2006) and 1747 (2007) in the Islamic Republic of Iran: Report by the Director General,” GOV/2008/4, 22 February 2008, para. 53, at <www.isis-online.org/publications/iran/IAEA_Iran_Report_22Feb2008.pdf>.

⁵⁵ International Atomic Energy Agency, *Ibid.*, para. 54.

⁵⁶ International Atomic Energy Agency, *Ibid.*, para. 55.

⁵⁷ See ‘Jalili: IAEA Iran report nullifies west claims’, IRNA, 22 February 2008, at <www2.irna.ir/en/news/view/line-24/0802228236195454.htm>.

could “be branded negative on balance by big powers and spur the UN Security Council to adopt more sanctions”⁵⁸.

Indeed, a new UNSC Resolution 1803 (2008), was adopted on 03 March 2008, strengthening the previous sanctions regime, authorizing inspections of cargo to and from Iran suspected of carrying prohibited equipment, tightening the monitoring of Iranian financial institutions, and extending travel bans and asset freezes against persons and companies involved in the nuclear program⁵⁹. This position did not gain unanimity across the Atlantic. Some dissenting voices were heard criticizing the implementation of new sanctions, advocating the work of the IAEA and calling for a “nuanced diplomacy of reconciliation”⁶⁰.

Prospects for Solving the Crisis

One cannot fail to remark that, at least since 2005, the EU’s Iran policy has been closely coordinated with that of the US, with “every effort being made to speak in harmony on related questions. Partly because of the requirement to keep in synchronization with US policy, the EU policy is evidently cautious and conservative, while there is evidence of a clear prioritization of the nonproliferation question”⁶¹.

However, the opportunity for a solution must still be presented. On the same day when UNSC resolution 1803 (2008) was adopted, the Foreign Ministers of China, France, Germany, Russia, the UK and the US, with the support of the High Representative of the EU, issued a statement reaffirming their commitment “to an early negotiated solution to the Iranian nuclear issue”, and reiterating their “recognition of Iran’s right to develop, research, production, and use of nuclear energy for peaceful purposes”⁶². The same document invited Iran “to take this opportunity to engage with us all and to find a negotiated way forward”, and stressed the fact that “once the confidence of the international community in the exclusively peaceful nature of Iran’s nuclear programme

⁵⁸ See ‘Iran cooperating but doubts stay: U.N. nuclear body’, Reuters, 22 February 2008, at <www.reuters.com/article/topNews/idUSL2270940820080222>; also ‘Nuclear watchdog says Iran rejects evidence linking it to nuclear weapons’, *International Herald Tribune*, 22 February 2008, <www.iht.com/articles/ap/2008/02/22/europe/EU-GEN-Nuclear-Iran.php>.

⁵⁹ See ‘UN votes to add sanctions against Iran’, *International Herald Tribune*, 3 March 2008, <www.iht.com/articles/2008/03/03/america/iran.php>.

⁶⁰ See for instance Ray Takeyh and Joseph Cirincione, ‘ElBaradei is quietly managing to disarm Iran’, *Financial Times*, 27 February 2008, <www.ft.com/cms/s/0/06a1fa90-e4d7-11dc-a495-0000779fd2ac.html>.

⁶¹ G. Quille and R. Keane, ‘The EU and Iran: towards a new political and security dialogue’, in S. Kile (ed.), *Europe and Iran. Perspectives on Non-proliferation*, p. 119.

⁶² See International Atomic Energy Agency, ‘Communication dated 4 March from the Governor for the Russian Federation and the Resident Representatives of China, France, Germany, the United Kingdom and the United States of America concerning UN Security Council resolution 1803 (2008)’, INFCIRC/723, 5 March 2008, available at <www.iaea.org/Publications/Documents/Infcircs/2008/infcirc723.pdf>.

is restored it will be treated in the same manner as that of any Non-Nuclear Weapon State party to the NPT”⁶³.

Both parties to the controversy seem to acknowledge that it is time to resume negotiations. In order to permit “further diplomatic efforts and innovative approaches”, it is mentioned in the above statement that Solana has been requested to meet with Jalili, in order “to address the interests and concerns of both sides in a manner which can gradually create the conditions for the opening of negotiations”⁶⁴. At the same time, Iran has expressed its readiness to resume negotiations with the EU over its nuclear programme⁶⁵.

In order to find a way out of the current deadlock, it has been proposed by some experts to implement an international consortium for nuclear activities in Iran. This idea appears more and more as “a realistic and workable solution to the US–Iranian nuclear standoff”. The Iranian side has already advocated such a solution⁶⁶. The idea had previously been raised by an international Expert Group set up by the IAEA in 2005 to explore ways to strengthen controls over sensitive nuclear materials⁶⁷. The report released by the Group suggested

(c)reating, through voluntary agreements and contracts, multinational, and in particular regional, MNAs (multilateral nuclear approaches) for new facilities based on joint ownership, drawing rights or co-management for front-end and back-end nuclear facilities, such as uranium enrichment; fuel reprocessing; disposal and storage of spent fuel (and combinations thereof).⁶⁸

The same Expert Group stressed the fact that a joint nuclear facility with multinational staff “puts all participants under a greater scrutiny from peers and partners”, which greatly strengthens non-proliferation and security.⁶⁹

⁶³ Ibid.

⁶⁴ Ibid.

⁶⁵ See ‘Iran ready to talk nuclear with Europe’, Associated Press, 9 March 2008, quoting Iranian Foreign Minister Manouchehr Mottaki, in his speech during a conference on Iran’s nuclear program and activities, in Tehran, on 9 March 2008.

⁶⁶ See ‘Full text of President Ahmadinejad’s speech at General Assembly’, IRNA, 17 September 2005, available at <www.globalsecurity.org/wmd/library/news/iran/2005/iran-050918-irna02.htm>.

⁶⁷ See International Atomic Energy Agency, ‘Multilateral Approaches to the Nuclear Fuel Cycle: Expert Group Report submitted to the Director General of the International Atomic Energy Agency’, INF/CIRC/640, 22 February 2005, at <www.iaea.org/Publications/Documents/Infcircs/2005/infcirc640.pdf>.

⁶⁸ See Bruno Pellaud, ‘Nuclear Fuel Cycle. Which Way Forward For Multilateral Approaches?’, *IAEA Bulletin*, 46/2, March 2005, p. 40, available at <www.iaea.org/Publications/Magazines/Bulletin/Bull462/nuclear_fcycle.pdf>.

⁶⁹ See IAEA Staff Report, 22 February 2005, ‘Expert Group Releases Findings on Multilateral Nuclear Approaches’, at <www.iaea.org/NewsCenter/News/2005/fuelcycle.html>.

For Iran the main advantage of this solution is that it satisfies the Iranian demand to master the entire nuclear fuel cycle on its soil, while on the other hand it provides high non-diversion assurances to the international community. It was indeed on the ground of concerns of diversion that the US as well as the EU-3 demanded since 2003 that Iran only import enriched uranium, rather than produce it independently.⁷⁰

The quick resumption of the negotiation process on a TCA and a PDA between the EU and Iran would also greatly facilitate a positive outcome to the crisis. Even if the EU remains Iran's main trading partner, accounting for 27.8% of its trade (2006),⁷¹ the development of Euro-Iranian trade relations has been hampered to a large extent due to the current crisis. No doubt both parties would benefit from a normalization of their relations resulting from the comprehensive resolution of the nuclear controversy. The TCA and PDA negotiation frameworks already existing, the resumption of their work would naturally follow the solution of the crisis. The appointment of an EU special representative for Iran could also be considered.

It is true that, as noted, "as things stand currently, the conclusion of a TCA between the EU and Iran is contingent on the nuclear issue being resolved."⁷² However, as the same experts remarked, "while it is necessary for the EU to pursue a conditionality policy, it should also endeavour to support Iran in many other ways unconditionally. It should not be forgotten that Iran has the right to a peaceful nuclear programme for civilian use as a non-nuclear weapon state party to the NPT. Iran should also be supported by the EU in the fight against drug trafficking, on environmental security (especially seismic security) and in supporting the Afghan refugees."⁷³ Despite this, it appears that the EU needs to redefine its policy towards Iran to preserve its strategic position as well as its economic interests in the region.

⁷⁰ See 'Elements of a proposal to Iran as approved on 1 June 2006 at the meeting in Vienna of China, France, Germany, the Russian Federation, the United Kingdom, the United States of America and the European Union', at <www.consilium.europa.eu/ueDocs/cms_Data/docs/pressdata/EN/reports/90569.pdf>.

⁷¹ See the website of the European Commission, 'Bilateral Trade Issues, Iran', at <www.ec.europa.eu/trade/issues/bilateral/countries/iran/index_en.htm>.

⁷² G. Quille and R. Keane, 'The EU and Iran: towards a new political and security dialogue', in S. Kile (ed.), *Europe and Iran. Perspectives on Non-proliferation*, p. 119.

⁷³ G. Quille and R. Keane, 'The EU and Iran: towards a new political and security dialogue', in S. Kile (ed.), *Europe and Iran. Perspectives on Non-proliferation*, pp. 120-121.

Evaluating the Current Global Order: A Canadian Perspective

Markéta Geislerová¹

Descending America?

The financial crisis currently gripping the United States, and reverberating around the world, has strengthened the claims of a growing number of observers and political scientists that the American unipolar moment is passing.² On September 25 in a speech to the Bundestag, German Finance Minister Peer Steinbrueck deemed that the crisis will cost the United States its role as a super-power of the world financial system. A month earlier, commentators argued that the impunity with which a newly assertive Russia intervened in Georgia served as yet another example of America's diminishing influence on the international stage and illustrated the precariousness of the emerging international system.

However, the erosion of American power in general, and the consequences it spells for the contemporary global order, were key issues in international relations theory and practice long before panic descended on Wall Street and the Russian army rolled into Georgia. Emerging countries and regional blocs headed by Russia, China and the European Union are catching up to the United States economically. Internal challenges notwithstanding, Russia and China are renewing their military capabilities and adopting assertive foreign policies that are sometimes at odds with American objectives. The establishment of new multilateral institutions, such as the Shanghai Cooperation Organisation (SCO), may signal the birth of an alternative security regime in the East. The Union of South American Nations (UNASUR) led by Venezuelan President Hugo Chavez, as well as his *Banco del Sur*, both represent nascent attempts to extricate Latin America from the long standing hegemony of the United States.

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² It was Charles Krauthammer, a prominent neoconservative commentator who introduced the idea of American unipolarity in 1990. For an updated piece, please see "The Unipolar Moment Revisited," *The National Interest*, Winter 2002/2003.

At the same time America's *go it alone* approach nurtured by the previous neoconservative administration has irked allies, made enemies, and further contributed to growing anti-American sentiment in the broader Middle East, Latin America and elsewhere. Some observers claim that America's soft power has also suffered as a result of President Bush's policies and is now being challenged by alternative cultural narratives, including those generated in Bollywood and interpreted by Al Jazeera.

Some theoreticians and practitioners, although a minority, are not convinced about the inevitable demise of American hegemony. Prominent among them is Charles Krauthammer, who argues that the future of the unipolar era hinges on American leadership alone. In a sustained defence of neoconservative foreign policy, Krauthammer charges neoliberal internationalists, like former President Bill Clinton, with sacrificing American hegemony at the altar of multilateralism. He is similarly frustrated with the realists, including Henry Kissinger, whom he blames for allowing American power to decay as they "retreat to Fortress America." He concludes: "The challenge to unipolarity is not from the outside but from the inside. The choice is ours. To impiously paraphrase Benjamin Franklin: History has given you an empire, if you will keep it."³ Nor has the American political class accepted the thesis of America's decline. Much of Senator John McCain's appeal rested on the perception of his ability to return the United States to global predominance. At the same time, many Democrats, Madeleine Albright prominently among them, are asserting that under the leadership of Barack Obama, the United States could once again become a beacon to follow and emulate – a development, they say, the rest of the world is anticipating with impatience.

Thus a lively debate has been taking place among academics and practitioners alike in reaction to these "tectonic shifts."⁴ For instance, the influential magazine *Foreign Affairs* asked in May 2008 whether America was in decline. During the same year, Robert Kagan, a prominent neoconservative and a foreign policy advisor to Senator John McCain, published a book on the emerging world order titled *The Return of History and the End of Dreams*.⁵ In the meantime, Fareed Zakaria's contribution, *The Post-American World*, followed shortly after, providing readers with an alternative perspective on the consequences of America's decline squarely rooted in the liberal perspective.⁶ And in his contribution to the debate, Mark Leonard offered an inspiring thesis to the question of "*Why Europe Will Run the 21st Century*."⁷

³ Krauthammer, "The Unipolar Moment Revisited," 17.

⁴ It was Richard Haass, President of the Council on Foreign Relations and former director of policy planning at the State Department, who referred to the current shifts in the international system as "tectonic" in his article "The Age of Nonpolarity, What Will Follow U.S. Dominance," *Foreign Affairs*, May/June 2008, 44.

⁵ Robert Kagan, *The Return of History and the End of Dreams* (Knopf, 2008).

⁶ Fareed Zakaria, *The Post-American World* (W. W. Norton & Company, 2008).

⁷ Mark Leonard, *Why Europe Will Run the 21st Century* (New York: Public Affairs, 2008).

The majority of those engaged in the debate rarely dispute that American power is eroding. However, they do not agree on the causes of this slide, the nature of the emerging international order or the tools we have at our disposal to shape its contours. The purpose of this paper is to explore some of the most recent thinking on the subject. Although by no means homogeneous, the debate is dominated by two groups. The first perceives the ascending multipolar order as increasingly fragmented and confrontational. The second group suggests that the world system built by the United States after the Second World War has the potential to withstand the transition to multipolarity under certain conditions. The paper will now take up these two perspectives in turn.

The Coming Fragmentation

Scholars who warn of coming systemic fragmentation and possible confrontations hail from diverse theoretical perspectives. Therefore, they focus on different variables, understand causal linkages in divergent ways, and often promote contrasting coping strategies. The category includes realists who warn of a 19th century *redux*, neoconservatives who see a coming clash between established liberal democracies and rising autocratic regimes, scholars who see the emergence of alternative orders or regimes to our Western centred world as a *fait accompli*, and those who argue that culture and identity will constitute the fault-lines of the 21st century. What follows is a brief sketch of what these essentially pessimistic authors have in mind.

Realist and Neoconservative Perspectives

The majority of realists argue that we are currently witnessing a systemic transformation from a unipolar to a multipolar world. Focusing on states and power, realists posit that the ascending multipolarity will inevitably bring tension and conflict as rising states, including Russia and China, clamour to usurp the privileged position occupied by the United States. Once its hegemonic position is weakened, the United States will lose its role as a systemic stabiliser. According to the realists, the toppling of the United States from the pinnacle of the state-based hierarchy will give way to a competitive world premised on the survival of the fittest and reminiscent of the 19th century Great Power rivalry that led to two consecutive World Wars.

In this perpetually anarchic world, the toolbox we possess is limited to what many critics of realism perceive as an amoral diplomacy. A prominent realist, John Mearsheimer, for example, recommends that the United States foil any attempts by China to rise and integrate into the existing structures to stave off

Chinese hegemony.⁸ However, many practitioners of the realist persuasion would disagree with this course of action. Among them, the outgoing U.S. Secretary of State, Condoleezza Rice, argued recently in *Foreign Affairs* that investing in strong and rising powers as stakeholders in the international order should be a key goal of American foreign policy. Indeed, evoking a “uniquely American realism,” she stated that international institutions must reflect the changing configuration of power to ensure that Russia, China, India and Brazil have clear stakes in a democratic, secure and open international order.⁹

The pessimists include prominent neoconservatives. Among them, Robert Kagan argues that the contemporary world can be characterised by the existence of one superpower and several great powers at the backdrop of pooled and diminished national sovereignty. He claims that a rising China and Russia spearhead the emergence of an age characterised by a pragmatic, as opposed to ideological, divergence. Kagan points out that both countries have governments committed to autocracy and contest the current International Liberal Order established by the United States at the close of the Second World War.

Kagan observes that while liberal democracies broadly agree that the international community has the right to interfere under certain circumstances in the domestic affairs of sovereign states, autocracies like Russia and China staunchly oppose the principle and accuse its proponents of liberal imperialism. Therefore, it should come as no surprise that both Russia and China are resisting the contemporary international order while promoting an alternative that places high value on national sovereignty. Kagan predicts that these efforts will lead to global competition between democratic governments and autocracies and that this competition will become a dominant feature of the 21st century. In this context, the best predictor of a country’s geopolitical alignment will not be its civilisation¹⁰ or geography, but the nature of its government. He concludes that the challenge today is for the world’s democracies “to begin thinking about how to protect their interests and advance their principles in a world in which these are, once again, powerfully contested.”¹¹ Taking this advice to heart, during his campaign, Senator McCain referred on several occasions to the

⁸ John Mearsheimer, *The Tragedy of Great Power Politics* (New York: W. W. Norton & Company, 2001), 401.

⁹ Condoleezza Rice, “Rethinking the National Interest,” *Foreign Affairs*, July/August 2008.

¹⁰ Although not new, an enduring contribution to the debate about the contemporary world order was made by Samuel Huntington, who argued in the 1990’s that “culture and cultural identities, which at the broadest level are civilization identities, are shaping the patterns of cohesion, disintegration, and conflict in the post-Cold War world.” See Samuel Huntington, *The Clash of Civilizations and the Remaking of World Order* (New York: Simon and Schuster Paperbacks, 1996), 20.

¹¹ Robert Kagan, “The End of the End of History,” *The New Republic*, 23 April 2008.

importance of strengthening a “League of Democracies,” an idea also promoted by Ivo Daalder and James Lindsey.¹²

Perspectives from Russia and South East Asia

To include voices beyond the American shores, Sergei Karaganov, a well-known Russian political scientist, predicts that indeed, the coming century is shaping up as a “new epoch of confrontation.” Reacting to Western rumblings about the rise of an overly assertive and confrontational Russia, he points out that former President Putin opted for resistance to the liberal international order because the West was offering Russia integration without voting rights. Along with other commentators, Karaganov argues that Russian authoritarianism is in effect a reaction to the chaos brought about by the introduction of democratic capitalism following the fall of the Berlin Wall and the unwillingness of the West to consider Russia’s interests in a meaningful manner. He argues that the world is becoming more unpredictable and thus the new epoch will likely be characterised by continued remilitarisation of international relations and even an arms race. However, assigning blame for this development uniquely to the Russian government alone would be a mistake.¹³

In a similar vein, Kishore Mahbubani, a dean at the National University of Singapore, charges that the West itself is undermining the international liberal order and thus inadvertently contributing to the emergence of an alternative Asian centred order. He argues that this trend is a reaction to mounting evidence showing that, given a choice between promoting Western values and defending Western interests, interests inevitably trump values. Mahbubani points to several examples where this has been the case: 1) the contradiction between the desire of the West to eliminate global poverty on one hand and the unwillingness of the United States and Europe to reduce agricultural subsidies on the other, 2) the hypocrisy of shifting the responsibility for global warming to the developing world, 3) the lack of moral courage on the part of Western intellectuals to stand up to Israel, and finally, 4) the duplicity of criticizing China for buying oil from authoritarian regimes against the backdrop of the track record Western governments have on this issue.

Mahbubani suggests that while many in the West believe that they are open and listening to the voices of the rest of the world, “the 5.6 billion people living outside the West see an incestuous, self-referential and self-congratulatory dialogue which often ignores the views and sentiments in the rest of the world.” He concludes by insisting that if the West continues to mishandle this “very plastic moment of history,” it could destroy the liberal international order altogether.

¹² Ivo Daalder and James Lindsey, “An Alliance of Democracies: Our Way or the Highway,” http://www.brookings.edu/opinions/2004/1106globalgovernance_daalder.aspx

¹³ Sergei Karaganov, “A New Epoch of Confrontation,” 23 October 2007, <http://eng.karaganov.ru/articles/188.html>

According to him, there is a real divide between the West and rest, and “the Western refusal to cede and share power with the rest as well as a growing geopolitical incompetence pose the biggest threats to our stability.”¹⁴

The World Without the West?

Developing this thesis further, some observers believe that a ‘world without the West’ is emerging. According to Naazneen Barma (et al), rising powers are increasingly routing around the West. Since the liberal international order requires domestic politics to be open and democratic, rising authoritarian and semi-authoritarian states like China and Russia prefer doing business with each other and other like-minded countries – deepening their autonomy from the West, dominated by the United States. This new parallel international system has already begun erecting its own institutional architecture through the SCO for instance, and adopting a distinct model of governance. Its emergence can be attributed to the limited benefits that globalisation sowed around the world and the fact that Western liberal ideas did not penetrate large swaths of the planet. According to the authors, renewed commitment to multilateralism will not be sufficient. They present us with three options: 1) block the growth of the “world without the West,” 2) reduce its attractiveness by serving actually and visibly countries that have *de facto* chosen sides, or 3) live and let live.¹⁵

Ordered Post-American World?

The second group of observers is much more optimistic. In large part liberal, its proponents argue that since the contemporary world is economically interdependent conflict is unlikely. Indeed, state and non-state actors that chip away at the American hegemony are unlikely to challenge an international order that has served their economic interests well. As Francis Fukuyama, who abandoned the neoconservative camp following the Iraq War, argues, the dominant reality of today’s world is the emergence of a multipolar system, unified by globalisation of trade, investment and ideas. “It is not nuclear weapons, but trillion-and-a-half U.S. dollars held in Chinese reserves that creates a system of mutually assured destruction between America and China.”¹⁶ Contrary to the pessimists, these thinkers point out that there is a myriad of tools we can use in order to ensure that transition is peaceful but deepening economic interdependence and refash-

¹⁴ Kishore Mahbubani, “When Interests Trump Values,” *New Perspectives Quarterly*, Vol. 25, No. 3, September 2008. For more detailed analysis see his recent book titled *The New Asian Hemisphere: The Irresistible Shift of Global Power to the East* (Public Affairs, 2008).

¹⁵ Naazneen Barma, Ely Ratner and Steven Weber, “A World Without the West,” *The National Interest*, July/August 2007.

¹⁶ Francis Fukuyama, “The Return of History and the End of Dreams by Robert Kagan,” *Sunday Times*, 25 May 2008.

ioning multilateral institutions to fit the multipolar reality of the 21st century are perhaps the most important. It will be among the main challenges of the new American president to ensure that the international liberal order continues to thrive and unite global actors.

The American Integrationists

This point of view is eloquently presented by Richard Haass, President of the Council on Foreign Relations and former director of policy planning at the State Department. According to Haass, we are entering an age of nonpolarity – a world dominated not by one or two or even several states, but rather by dozens of actors possessing and exercising various kinds of meaningful power. In this world, power is more diffused among states and non-state actors such as, for instance: rising powers, regional and global organisations, militias, NGOs, corporations and the media. Haass confirms that as a result, the United States is experiencing a relative decline in power overall which translates into an absolute decline in influence and independence. The challenges to the United States come in economics, military effectiveness, diplomacy and culture. He attributes the passing of the American unipolar moment to three main reasons: 1) the inevitable march of history; 2) American policies on energy, economics and Iraq; and 3) globalisation related flows that occur outside of government control and knowledge and strengthened the capacity of non-state actors at the same time.

Contrary to many of the more pessimistic scholars, he is mindful of the internal challenges rising powers are facing, including: demographic shifts, poverty, corruption, lack of infrastructure, and cracks in social cohesion. These internal challenges constitute some real constraints to the Great Power rivalry frequently evoked by the realists. Moreover, Haass reminds us of the dependence the rising powers have developed on the international system for economic welfare and political stability. He is doubtful that they would want to disrupt the order that serves their national interests. Interdependence brought about by cross-border flows of goods, services, people, energy, investment, and technology is in effect diffusing the potential for conflict in the new nonpolar world.

Nonetheless, Haass predicts that it will become increasingly difficult for Washington to lead, build collective responses and make institutions work. Despite this predicament, Haass urges the American government to attempt shaping the nonpolar world. This is because he believes that America retains the capacity to improve the quality of the international system. In these efforts, multilateralism is essential and must be recast to reflect the emerging reality. It will likely have to be less formal, less comprehensive, seek to achieve narrower goals and involve selective accord making. In other words, multilateralism will become *à la carte*. Diplomacy will also be challenged in the age of nonpolarity because it will involve more actors, lack predictable structures and

relationships, and undermine the strength of alliances. Finally, the nonpolar world will put the premium on coalition building, stripping the U.S. of the luxury of the “you are either with us or against us” approach characteristic of the Bush Administration. Therefore, the overarching goal of the American government should be to encourage further integration and build a “concerted nonpolarity” based on cooperative multilateralism.¹⁷

Another prominent commentator, John Ikenberry agrees with Haass that America’s unipolar moment is passing. He argues that China is emerging as a military and economic rival to the United States, ushering in a profound shift in the distribution of global power. While he agrees that such “tectonic” transitions are often destabilizing, he insists that conflict is not inevitable, especially if China continues to enmesh itself in the Western centered international order. Similarly to Haass and Fukuyama, Ikenberry disagrees with the realist vision that perceives the rise of China and the decline of the United States as a zero sum game. This is because China is rising against the backdrop of a Western centered order that is open, integrated and rule-based. Moreover, the existence of nuclear weapons makes a war between Great Powers unlikely. Due to the farsightedness of the American post-Second World War leadership, a rising China can join and thrive within the existing system rather than challenging it. In other words, according to Ikenberry, the road to global power runs through the Western centered order and its multilateral economic institutions.

Nevertheless, Ikenberry emphasizes that peaceful transition will only occur if the United States strengthens the existing world order before its influence diminishes. It can do so by engaging in multilateralism, promoting integration, and restraining its tendency to unilateral action so that rising powers like China and India can secure their interests through integration and accommodation rather than war. He concludes that it may be possible for China to overtake the United States, but that it is unlikely it could overtake the Western order. Therefore, while American global position may be weakening, the international system led by Washington can remain the dominant order of the 21st century.¹⁸

In a recent book, Fareed Zakaria, argues that we are entering a post-American world, defined and directed from many places by many people. The distribution of power is shifting away from American dominance. He argues that America does not have a fundamentally weak economy or a decadent society, but has dysfunctional politics. Therefore, its decline is due not so much to America’s failure, but to the growth of the rest. He argues that the United States must come to recognise that it faces a choice: it can stabilize the emerging world order by bringing in the new rising nations, ceding some of its own power and perquis-

¹⁷ Haass, “The Age on Nonpolarity, What Will Follow U.S. Dominance.”

¹⁸ John Ikenberry. The Rise of China and the Future of the West: Can the Liberal System Survive? *Foreign Affairs*, January/February 2008 and “China and the Rest Are Only Joining the American-Built Order,” *New Perspectives Quarterly*, Vol. 25, No. 3, Summer 2008.

ites, and accepting a world with a diversity of voices and viewpoints. Or it can watch as the rise of the rest produces greater nationalism, diffusion and disintegration, which will slowly tear apart the world order that the United States has built over the last 60 years. According to Zakaria, the world is changing, but it is going the United States' way: The rest that are rising are embracing markets, democratic government, and greater openness and transparency. The United States has a window of opportunity to shape and master the changing global landscape, but only if it first recognizes that the post-American world is a reality – and embraces and celebrates the fact.¹⁹

A European Integrationist Perspective

A vocal Europhile, Mark Leonard, agrees with his American counterparts in that the West is not yet on its way to extinction. However, he argues that the road to peace and prosperity in the 21st century leads through Europe rather than the United States. This is because the European Union (EU) possesses a unique transformative power through its ability to reward countries on the path to democracy and open market economy with highly coveted membership. He argues that many of the EU challenges, including demographic decline and internal squabbles, are exaggerated and points to the bloc's collective economic strength, illustrated by the advent of the Euro as the reserve currency of the world. According to Leonard, Europe is reshaping the world through conditionally opening its markets and by deploying a body of law. He points to the remarkable transformation of Eastern European countries and the incentives the accession process is providing countries in waiting, like Turkey, to play the liberal democratic game.

Europe should work with an engaged America and try to transform the nature of the American power in a post-American world. He agrees that it is no longer possible for 90% of the world's population to be governed by a system designed to suit the interests of Europe and America. The centre of gravity in today's world is moving from North West to East South. He urges that we refashion international institutions and bind emerging powers into a system that reflects the values of democracy, human rights and open markets. However, refashioning institutions will mean going beyond simply adding new members. We must meet the challenges of globalisation, including: mobile individuals and groups, climate change, spread of infectious diseases and other issues. Leonard argues that the best way to achieve these goals would be through establishing a community of interdependent regional clubs. In this way, the European way of doing things would become universal.²⁰

¹⁹ Fareed Zakaria, "Why the United States Will Survive the Rise of the Rest," *Foreign Affairs*, May/June 2008.

²⁰ Leonard, *Why Europe Will Run the 21st Century*.

Quo Vadis?

From this analysis, it would appear that a consensus is emerging that America's unipolar moment is waning, either because of bad policies or because others are rising and catching up to the American behemoth. While some observers argue that this trend spells the end of a systemic stability, others suggest that the tidings of the end of the West are premature. This is especially true if the governments of the United States and other liberal democracies follow the advice of those wise men and women who urge them to renew multilateralism, enhance economic interdependence, and take seriously the interests of rising powers so that their stakes in the liberal international order are increased, making fragmentation unlikely and conflict unthinkable. Whether this advice is put to the test will depend on the incoming American administration. However, it is evident to most observers of the American election campaign that the chances of this happening are much higher now that the Democratic Party candidate, Barack Obama, has won the elections.

This review does not capture the view of those commentators who argue that the greatest challenge to the international order is non-systemic. In other words, it is not China and Russia who threaten the collapse of the international system, but smaller and mid-range countries and regions in flux located in the Middle East and Africa. These countries often lack adequate institutional frameworks, experience crippling poverty, and perhaps most importantly, contain a growing population of unemployed young men who resent global inequalities allegedly made worse by American led globalisation. Krauthammer would add to this group "an archipelago of rogue states wielding weapons of mass destruction."²¹ Admittedly, the review is also state-centric in that it does not closely consider the growing role of transnational factors and non-state actors in shaping the global order. Although questionable to some globalisation enthusiasts and critics, this may be because the leading commentators do not see them as significant enough to alter the contours of the international system as a whole.

Leaving these considerations aside, what is the place of Canada in this changing global landscape? Some would argue that as the dominant role of the United States slowly declines, Canada's clout will diminish proportionately. Those interlocutors who engaged Canada in the past because of its privileged relationship and proximity to the superpower will be less compelled to undertake such an approach in the future. Due to Canada's dependence on the American economy and military, America's decline would undoubtedly affect our prosperity and security. In the meantime, the impact of a diminished American cultural influence on Canada is much less evident and may actually be welcomed by many Canadians who fear that American culture is stifling Canadian identity.

²¹ Krauthammer, "The Unipolar Moment Revisited," 8.

The “rise of the rest” will also undoubtedly affect the role of Canada on the global stage. As emerging countries pressure for their inclusion in key international organisations and forums, Canada may find it increasingly difficult to remain relevant and influential on the international scene. Canadian analysts are already expressing concern about a diminishing role Canada is playing in the G-8, for instance. Frustrations about the lack of appreciation on the part of our closest allies, including the United States, for Canada’s contribution to NATO are also expressed on occasion. What can Canada do to ensure it does not slip into irrelevance and obscurity?

While it is not the purpose of this paper to elaborate in detail on Canada’s foreign policy challenges for the 21st century, there seem to be two distinct views about the path Canada should take. The first group argues that Canada should draw on its reputation of a good global citizen it assumed after the Second World War: “honest facilitator in addressing international disputes and frictions, contributor of ideas on better global governance, peacekeeper and an open and generous recipient of immigrants from across the globe.”²² According to this group, Canada continues to carry respect and moral authority around the world and this allows it to make substantial contributions to the global dialogue on a range of important issues and share its best practices. Indeed, Canada may find a receptive audience to sharing its own economic and political model in mid-sized emerging countries. This may be especially relevant in Latin America, where unfettered capitalism is often correlated with inequality and dependence. In short, Canada is well positioned to meet the challenges of a more multipolar world because its approach is inherently open, cooperative, inclusive and multilateral.

Others warn that this view of Canada is outdated and that it will take much more than resting on its laurels to count. Some diplomats are concerned that Canada has abandoned its spirited internationalism and is now coasting on a reputation built two generations ago.²³ They are worried that Canada is relatively isolated and that its real friends are few. Therefore, navigating in the nascent multipolar world may present Canada with some real foreign policy challenges. In order to meet them, Canada may have to strategically focus and strengthen its international engagement. For instance, Canada could engage more in regions and countries of particular importance to its economic and security interests, such as the Caribbean. It may also have to invest in some “signature diplomacy,” especially when its mission in Afghanistan comes to an end in 2011. While these reflections may be premature, they intend to spur some thinking about Canada’s place in what is shaping up to be a post-American century.

²² Donald Johnston, “Canada’s Role in Global Governance,” *Options Politiques*, February 2005.

²³ A view articulated, among others, by Andrew Cohen, *While Canada Slept, How We Lost Our Place in the World* (Ottawa: National Library of Canada, 2003).

EU Enlargement and Current Adaptation Challenges

Jaroslav Jakš¹

Introduction: The Context of Enlargement

The European Union's (EU) enlargement process was an integral part of the EC/EU's wider integration project and, surprisingly, it has not yet halted. The journey from six to twenty seven has been a long and complicated one, and the realisation of some of the projects has required much time and political consideration. It seems that the queue of countries that are on the waiting list to join the EU remains a long one even after the 2004 and 2007 enlargements. Enlargement cannot be considered an automatism and must not be taken for granted when reviewing past, as well as future extensions. For example, it is noteworthy, that even those European countries that maintained strong reservations towards continued integration projects of the European Community (i.e. Great Britain) eventually pursued accession to the EC/EU, in spite of efforts to direct the trajectory of integration towards either an economic or political objective. Integration became a notable valve for the consensual solution to achieve the interests of a number of European states, mainly; France and Germany. The current, positive state of European relations, confirms that history may teach many valuable lessons.

A great deal of the effects enlargement has had on the socio-economic and institutional character of the present-day EU remains hidden. Nevertheless, the first audit of the 2005-2008 period, suggests that EU enlargement was not fundamentally modified, although this was what several West European countries had expected, and were concerned about in the 1990s. On the other hand, the institutional and economic parameters underwent radical transformations in transition countries heading towards the EU. The extensive analysis carried out by the employees of the European Commission in February 2009, pro-

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vided convincing evidence of this in regards to the economic sector (European Economy 1/2009).

Enlargement of the EU from 12 to 15, and then to 27 members was undoubtedly sparked by the decisive impulse that ended the cold war. After 1998, neutral states and former communist countries had the opportunity to choose their 'anchor' in European institutions through the integration process. Had it not been for this geopolitical fact – closely connected with the collapse of the Soviet Union and the loss of its sphere of influence – Europe would, without doubt, have evolved into a fundamentally different entity in both qualitative as well as quantitative senses.

It was clear that the potential candidates from Central and Eastern Europe were economically disadvantaged when compared to the advanced countries of the 'older' EU members. These 'fresh' democratic states, with problematic political and economical institutions, required rapid and difficult transitions in order to establish political and economic stability. This reality dragged on throughout the 1990s – like a red thread – as the accession process wound down, though it has, to a great extent, influenced the socioeconomic and institutional basis of the enlarged EU; complicating the finalisation of some of the EU's policy goals, especially those related to the establishment of a single common market and the Economic and Monetary Union. The political will to open up the integrated community to new members was great on both sides of the former 'iron divide' since 1993. Among other reasons, this was due to the fact that the EU was quite busy with negotiations in preparation for the European economic and Monetary Union and absorbing a recently reunified Germany.

In the period preceding their accession to the EU, most newly democratic states in Central and Eastern Europe, which constituted functionally pluralistic systems, were preoccupied by two strategic priorities: realising their domestic political-economic transformations and the gradual (and successful) conclusions of the 31 chapters of accession talks. Significant help came in the form of the so called 'Euro-agreement,' conducted between membership candidates and the EU. This was the first opportunity to forge structured political-economic contact with the EU, its existing and future membership.

Since 1995, the so-called 'White Book' had existed as a means of priming candidates on the procedures required for inclusion into the single, internal EU market. This document was naturally something more: it also became the means which helped direct the institutional, technical and financial assistance derived from EU funds to the states that wanted to participate and enter into the single internal market even before they actually, and formally, joined the EU.

In all European Commission documents, and at Summits of the European Council in the first half of the 1990s, enlarging the EU to include Central and East European states had been viewed as a crucial contribution to political stability, democratisation and the respect for human rights on the European continent. It was expected that this would create more favourable conditions

for economic growth, investment and the general prosperity of citizens, both within the new democracies as well as in 'old' Europe. The EU considered this preparatory period to be a contribution for consolidating economic reforms in potential candidate countries in order to create a reliable legal-institutional framework for entrepreneurs. In practice it was evident – in the years preceding the actual enlargement – that accepting the rules of the single market was beneficial for candidate countries as it supported foreign and local investment and expanded regional and international trade. The natural expectation was that enlargement would also contribute to solving a number of international problems ranging from issues of environmental security, to constructing and proliferating democratic societies and to fighting transnational crime.

During the preparatory phases, and the enlargement process itself, the institutional-economic and institutional-political dimensions fused because these processes were specific in timing and political-economic spaces. A number of authors and observers of the enlargement have considered this 'big bang' enlargement process of ten states – along with their largely dysfunctional economies – to be the most complicated economic challenge to the EU and its membership. It should be noted however, that in the cases of Malta and Cyprus, accession to the EU was viewed more as a political or institutional challenge, whereas the states of Central and East Europe had to consider problems with adapting to the competitive conditions of the European and World market-places owing to the discrepancies in size and geographic proximity. Quantitatively, the EU enlargement from 15 to 25 brought about a GDP rise to the overall sum of only about 5%, while the EU's population grew by around 20%. The later accession of Bulgaria and Romania only highlighted this asymmetry.

During accession negotiations, glancing around the negotiating table, it was clear that the EU was evolving into a truly a heterogeneous economic and institutional entity. Yet, given the new population base and the vast disparities in economic capacities, how was the EU readying itself to absorb such a 'motley-crew' of new members? The substance (*acquis communautaire*), the actual procedure for enlargement was divided into 31 segments (chapters), and followed a certain logic based first on EU policies pertaining to a single internal market, followed by other policies pertaining to the internal EU sector; second came the external policies of the EU; and finally, the chapters dealing with the financial control and institutional anchoring of the candidate-country into EU structures including how many votes in the Council, and the number of MEPs in European Parliament would be allotted to the candidate country upon its entry into the EU.

In relation to this, Amery speaks of five stages in accession negotiations between 1998 – 2003. These were:

1. The 'screening' *acquis* stage (April-November 1998);
2. The 'open chapters stage' – considered rather 'simple' by both sides (EU and candidate). Negotiations within this stage were held with six candidate countries between October 1998 and January 2000;
3. The stage of expanding negotiations to an additional six candidate countries (February-December 2000);
4. The stage of 'acceleration,' mirroring the implementation of the so-called 'road map' and clarifying the position of the EU on almost all chapters (January-December 2001);
5. The final stage, connected with discussing themes that were meant to be projected in the chapters, was connected to budgetary costs, and those that lead to the serious political discussion at the Copenhagen Summit, culminating the negotiations (January 2001- February 2002).

Accession proceedings, conceived by the European Commission and the European Council in structure and timing, complemented the on-going economic reforms, and the transformative process as a whole. This was initiated by national political elites, and large segments of civil society of candidate countries. The synergy of the socio-political and geopolitical processes in the 'old' EU, and within the countries of Central and Eastern Europe was quite extraordinary and many observers agree that without pressures from the EU the newly democratic states of Central and East Europe would have taken a much longer time to implement reforms.

From recent observations, one could say that as soon as *the* 'goal' of membership was achieved, the momentum for continuing reform efforts typically slowed, and political elites often start to flirt with Euro-sceptic attitudes and new members begin to acknowledge the burdens, challenges and risks membership carries. This applies particularly to the 'behaviour' of Bulgaria and Romania after joining the EU (2007), which was connected to security links to a number of EU countries, including verbal warnings that had no impact on the dynamics of institutional reform or public opinion in Bulgaria and Romania. It is here that the EU, with its 25 member states really manifested itself as a 'soft power,' this will surely be projected into the further operations of the EU, as in the attitude undertaken by many member states towards further enlargement. The euphoria of the 'big bang' enlargement has been exhausted, and will not be repeated. Consequently, it is important to note that the Eastward enlargement brought about and solidified the true end of the Cold War in Europe; it was a decisive step in transforming the states of the former Soviet bloc from communism to liberal democracy and gave a new meaning to the word '*European*.'

The priorities of economic reforms – despite the specifics of individual Central and East European states – brought about activities in six main sectors:

1. macroeconomic stability;
2. price stabilisation;
3. liberalising trade commitments;
4. changes in manufacturing and service privatisation;
5. constructing social safety-nets;
6. creating respective institutional structures, and legal frameworks, which are necessary for a functional market economy.

These reforms were not only vital for the revising the former socialist states' and getting them to 'change' their perceptions, they were also meant to reflect the demands that are explicitly being made on new members of the EU.

This is in contrast to the pre-1989 period, when *all* candidates were states with a functioning market economy, and democratic institutions, even though there were exceptions (Spain, Portugal and Greece). The analyses of many West European experts assumed that joining the EU would liberalise the new members: a key condition for economic growth, towards full-employment, and eventually for wide-spread prosperity and economic security in the region.

The effects of enlargement are usually divided into microeconomic and macroeconomic categories, and are closely related with theoretical analyses of the effects of integration. The first balance with regard to the practical development in new member states in connection to the readiness during the accession process is more than capturing.

The Microeconomic Dimensions of Enlargement

Microeconomic effects, in relation to the enlargement process, include a wide range of facts that influence the environment in which economic agents operate. It is vital that we also include effects that precede the actual entry to the EU (May 2004, resp. January 2007); ones that were radical and steered towards an accelerated modelling of the functional market economy and pluralistic democracy. Naturally: the prime mover of reforms was national political will, and the interests of the citizens of the post-communist country in question.

Visions of entry into the EU, and taking advantage of pre-entry aid such as structural-regional funds and the common agriculture policy, as well as accepting assistance from the EU during the construction phases of new democratic and pro-market institutions, were probably the most important effect of, and motivation for, the realisation of transformation policies.

Entry into the EU was often regarded as a goal, not an instrument. Reservations based on Euro-scepticism, and doubts over the EU's future development, or the necessity of adaptation (Lisbon Treaty) appear in new members usually only after entry, when the 'hand is already in the glove' or 'ruka v rukave.' The

target function of the effort for entry into the EU, 'at any cost' (so to speak), changes after the entry more into an instrumental function, when integration mechanisms are understood more frequently as tools to implement national interests, viewed rather as a narrowly and a non-complex and integration goal, involving compromises and 'victims,' often retreating to the background.

Avery argues of three, especially troublesome domains, in the accession proceedings; ones that could be projected in the behaviour of new member states: firstly, the enlargement's impact on the EU's budget; secondly, the common agricultural policy; and thirdly, the impact on structural funds. The microeconomic dimension of the impacts the enlargement had depended on the success of the performed transformation, economic reforms and the development of economic parameters. These developed quite well in the second half of 2008 in accession countries, for example they facilitated the entry of Slovenia and Slovakia to the Euro-zone, they were however considerably disrupted by the global financial crisis and especially by the global recession, that also affected all new EU members and possible candidates between 2008/9. The crisis phenomenon is exceedingly fresh and open for analysis. It is certain however, that it may influence public perceptions of the EU both negatively and positively. There are signals that show that a sharp worsening of the economic and social parameters from the second half of 2008 are creating a positive impulse in society towards intensifying integration. Indeed, Iceland serves as an example, as it applied to join the EU towards the end of 2008 in a bid to cushion its economic hardships.

The Copenhagen accession criteria adopted in 1993 included the ability and obligation that a candidate country adopts the full *acquis communautaire* before entering the EU, knowing that certain aspects of adoption would not be immediately realised, and that certain transition stage would be necessary.

Avery notes that it was clear it would have been a mistake to wait for a candidate country to be fully ready, as this would slow down the enlargement process and complicate the tempo of economic and political reforms. From the very beginning, it was clear to the Commission that transitional periods would be vital, but chapters dealing with a single internal market and its legislature were considered a priority by the 15 EU members. The meticulously prepared 'White Book' bears witness to this fact. There was concern of a 'permanent,' possible abuse of competing advantages, or of violating legislature of the internal market, e.g. in the area of the environment. The institutional preparedness of candidates was also being increasingly monitored.

Amery notes that the experiences from prior European Community enlargement reveals that there was always a transition period associated with enlargement one which was vital for handing over the *acquis* in various fields. In the case of Central and East European countries, the transition period was usually negotiated to be longer, which reflected the considerably lower economic, institutional and infrastructural level of post-communist candidate countries. In some sectors, there was also an exceptional agreement with implementing

European Law, especially in regards to environmental requirements, safety at the workplace, state subsidies, and agricultural policy (etc). Some observers worried that new members will have trouble fulfilling the commitments in areas prioritised for the EU 27 integration process.

The Macroeconomic Dimensions of Enlargement

The macroeconomic dimensions of enlargement, and adaptation, usually include economic growth, inflation-rates, and the degree of economic convergence. Part of the macroeconomic information is also the development of the public debt, generally the state of the public budget, the development of salaries, employment and unemployment. A number of these processes projected even into the readiness of countries in fulfilling the Maastricht criteria for entry to the Euro-zone. To date, out of all the new members, only Slovenia (2008) and Slovakia (2009) have managed to meet these requirements. During the second half of the negotiation process, the EU enlargement was associated to an expectation of contributions to increased economic growth, and market expansion. It was simultaneously clear that enlargement increased the EU's population by around 20% but only 5% in GDP. From this perspective, one can say that the macroeconomic contribution of new members to the EU 27 is largely insignificant. In 2007, the EU's 27 GDP hovered at around 12,340 billion (Euro), out of which only 840 billion (Euro) originated from Central and Eastern Europe.

The adaptation process (2005-2009), produced results that exceeded the purely *economic* view and considered political-economic factors, where a number of new members approached reforms that were not desired among many 'old' members due to the lack of political will (reforms in social networks, tax reforms etc).

The fears some maintained that the macroeconomic outlook could be impaired due to clashes between national politics, and the policies required by the convergence of politics and economic related to the logic of realising that Maastricht criteria were not met. Amery thought that a change in the interest rate, in an effort to meet these criteria, could result in an antagonism with the goals of the monetary policy, needed for urging the real economy. On the contrary, the expectations of the European Commission were met, in the sense that entry to the EU with their economic and institutional context (appeal to foreign capital) will support economic growth and structural changes.

Concurrently, it was apparent that the economic subjects inside the new members and abroad have more or less anticipated the perspective of joining the EU from the mid-1990s and this influenced the economic behaviour, and general operations, of the market. This is why prior to the actual entry, the dynamics of economic growth changed in a number of countries. This, in turn, had an effect on social bases and the development of other macroeconomic

parameters. This also explains that the actual ‘moment’ of entry did not cause the economic players any special surprises due to the fact that many such changes had occurred before entry. A key starting point in anticipation of entry to the EU could have been considered in the onset of accession negotiations, when both parties internally expected negotiations to end positively.

Accommodating New EU Members during the Global Economic Recession and Other Changes to Global Economics (2008 – 2009)

EU integration processes have recently been influenced by institutional matters and disputes about their anchor in the Lisbon Treaty, and also by efforts to fortify cooperation in some policies (internal security, energy). From the second half of 2008, (i.e. from the time of the French Presidency in the Council of the European Union) a new situation has been unfolding for economic, and subsequently, social processes: the crisis in international financial markets. Its causes, circumstances, and impacts on the EU’s macroeconomic indicators were analysed in January 2009 by the European Commission. When the Commission (November 2008) prepared the so-called European Economic Recovery Plan, which was backed by the European Council meeting (the European Summit), in December 2008. The agreement was not simple; each member maintained its position when facing the common ‘plan.’

It is apparent that there has been, and will continue to be, a significant decline in economic growth throughout the EU. However, some new EU members will maintain a certain economic dynamic while others have asked the IMF for financial assistance. Due to the current extraordinary impact of the global recession on the adaptation processes – that fully affects the EU and the entire European continent – it is imperative to pay greater attention to these issues.

In this regard, it is not possible to separate ‘new’ from ‘old’ members: the economies are deeply interconnected, and ‘old Europe’ presents key trading channels to the new members, including the Czech Republic. The analysis therefore contains the situation in the EU as a whole, keeping in mind the fact that the decisive role in adaptation belongs, first and foremost, to the larger EU countries, those whose economies contribute to the EU’s total GDP.

As the financial situation was further complicated (Autumn 2008), perpetuated by the collapse of the largest mortgage banks in the US, Western Europe reached the conclusion that it would not manage to steer clear from the coming recession which will, this time, be deep and have serious consequences. A social order was formed for the rapid-reaction of the respective political, economic and central banking institutions. It is important to note that the French Presidency and French President Sarkozy exerted an extraordinary activity in terms of the European Council, and unprecedented meetings of the Euro-zone at

the Heads of Government level. The European Commission was active too, and quickly prepared the aforementioned Recovery Plan from the recommendations brought forward by the Council. The goal of this plan (programme) was to alleviate the impending economic collapse by using measures on both the levels of members, as well as on a European level, that would totally constitute an EU GDP of around 1.5%.

Public reactions were not always positive. A number of experts questioned governmental interference into the economy as 'wasting' tax-payers' financial resources, and increasing the role of the state in economic life. Undoubtedly, political-economic discourses have found themselves in new turnings, and will steer toward a significant reinforcement of the role of the state. Also, this is how the level of public debt will rise, and its burden will be carried on by future generations.

Towards the end of 2008, the Euro-zone found itself in a full-blown recession. The expected GDP growth for 2009 is a mere 0.9%, and according to the European Commission's projection, by 2010, the decline should reach -1.9%. In spite of this, the differentiation of this decline in individual countries is interesting. This was influenced by a number of factors: the degree of openness the national economies and banks had towards the financial crisis, furthermore the place of the economy during the course of the industrial cycle, the situation on the mortgage market and other specific national factors. Estimates of the GDP dynamics for 2009 as forecast by the Commission show, for example, that for Germany there is a visible decrease of 2.3%, for France a decrease of 1.8%, for Great Britain a decrease of 2.8%, for Italy a decrease of 2%, for Ireland a decrease of 5%, for Austria a decrease of 1.2%, for Spain a decrease of 2% etc. For the entire Euro-zone, the decrease is by 1.9%. If the EU is presented as a whole (27) the prognosis for 2009 predicts a decrease in the GDP of 1.8%.

In light of the impact the global crisis has on growth in the new members in 2008 and 2009, a somewhat more positive picture appears: In 2008 the following countries experienced (tentative) positive growth: Bulgaria (6.4%), Czech Republic (4.2%), Slovakia (7.1%), Slovenia (4%), Romania (7.8%), Poland (5%) and Latvia (3.4%). Hungary experienced slight growth of 0.8%. Contrarily, countries that experienced decline in 2008 were Lithuania (2.3%) and Estonia (2.4%).

The crisis is expected to 'hit home' in 2009, when the growth dynamics markedly slow down even in the new members. This decline will be by several percentile points, although it will not necessarily produce negative figures. In Bulgaria, the expected GDP growth for 2009 is 1.8%, in the Czech Republic it is 1.7%, in the Slovak Republic 2.7%, in Romania 1.8%, in Poland 2%, in Slovenia by 0.6%. The decline expected in Estonia is -4.7%, in Latvia is -6.9%, in Lithuania - 4.0% and -1.6% in Hungary.

It is important to realise that from the year 2004-2007 a number of new members noted stable and high economic growth exceeding 10-12%. It is therefore safe to assume that dips in economic growth will result in a decline of employment opportunities, rises in unemployment, rises in public debt, and a deficit in the public budget. This provides the base for a worsening of macroeconomic indicators until at least 2010 which is quite probable, even though some of the predictions made by the Commission expect that there could be a turnaround (u-turn) by the end of 2009. With this, a new stage is opened for new member states, in their macro- and microeconomic adaptation.

There is some good news: depressions push down prices in all international and internal markets. In the Euro-zone – where inflation in June 2008 had reached 4% – inflation fell to 1.6% in December 2008. Inflation in the whole of the EU in 2007 was 2.4%, in 2008 it was 3.7%. However, for 2009, it is expected to be 1.2%. It seems that macroeconomic adaptability in new member countries is demonstrated in 2009 by an even higher inflation pace. The main cause of the steep fall in the pace of inflation was the acute fall in the world prices of oil and natural gas, including other important commodities from the second half of 2008 thus worsening the outlook of the world economy and international trade. We can also count on an average lower inflation to affect salaries and so the employment costs in relation to production per unit.

The deep economic recession has, through its chain of events and context, affected public financing of members in an unprecedented manner. If, until now, members profited from budget incomes brought about by economic growth, the situation has turned around. Various stimuli “packages” affect this by causing the rise of the members’ public debt. The average budget deficit in the EU – that was estimated to be around 2% GDP in 2008 – will probably become 4.4% in 2009. Members of the Euro-zone that found themselves in a deep deficit were: Ireland (6.3% GDP and in 2010 prognosis of 11%), Greece and Spain with an expected deficit of 4-5%, Portugal with 4.6% GDP, but also France with 5.4% and even Germany and Belgium with a deficit of around 3%. Great Britain, whose deficit has been around 2.7-3.4% for several years found itself at 4.6% in 2008 and is expected to be at around 8.8% in 2009, in 2010 it is expected to be at around 9.6%.

In such a situation several Euro-zone members have announced that they will probably break the ‘magical’ threshold of one of Maastricht’s criteria in 2008, which allows for a budget deficit of a maximum of 3% GDP. Other criteria that are related to the standard of public debt, connected to the GDP, will be disturbed in 2009 and 2010 as a result of a slower growth rate and the effects that will have on the income of the public budget of the EU member states. The European Commission therefore expects the growth of public debt that will rise from 68.7% GDP in 2008 to 72.7% GDP in 2009 and to 75.8% in 2010 in the Euro-zone if the tools of economic policy do not change.

In January 2009, a member of the economic and monetary affairs, Joaquim Almunia, in an interview for the Brussels based weekly *European Voice*, drew attention to the seriousness and novelty of this situation and supported the thoughts of coordinated and supervised financial markets within the Euro-zone, that could help cross-border operations of financial institutions and concurrently prevent members from raising new barriers during the transposition of directives from the *acquis communautaire*. The European Commission's expert group, under the leadership of Jacques de Larosiere presented an applicable study. Almunia states – and not only does this reflect his personal view – that there will be no changes in accession rules for newcomers interested in joining the Euro-zone “from Central and Eastern Europe”. Except for Denmark, where it is possible that the public will change its view on opting-out, there is space for new members in three years at the earliest, during the time period from 2012-2013, declared Almunia. The crisis has complicated meeting some of the criteria, but in the case of others on the other hand has been a simplifying factor said the Commissioner. Nevertheless, countries that have breached the criteria of maximum deficit, and have one substantially higher than 3% have to expect corresponding proceedings in 2009 according to the Maastricht Treaty. The result will only be the Commission's fortified monitoring towards the finances of the respective state, but no sanctions.

The European Commission is apparently using this method to send out signal to the world financial markets, that even during a time that is a very critical period for the world and European economy, when the deficits of the public budgets grow in an unprecedented way, in most EU states (including Germany and France) mechanisms that will control the functioning of the Euro-zone will work. Some places in the EU, e.g. France, want to take advantage of the economic situation and fighting the recessions to enforce the regulation mechanisms in integration and for further advancement to a so called “economic government”, that would balance out the role of the European Central Bank, and whose core would be formed by the Euro-zone members.

Disputes over how to best deal with the on-going economic recession – and its social consequences – are transforming into disputes over further European integration itself. Budget deficits and sharp rises in debts. Exceptional pressures have been placed on the shoulders of the 16 Euro-zone members and many have begun to prepare for the fact that the global economic crisis may result in a Euro-system crisis. While there is no doubt that the EU will recover from this economic quagmire, it will undoubtedly impact on how EU members view themselves and each other and will probably encourage a shift in thinking about future enlargement.

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Putin's Foreign Policy and the Founding of the NATO-Russia Council

Jakub Kulhánek¹

They say that Russia is angry. No, Russia is not angry. It is pulling itself together.² (Mikhail Gorbachev)

Introduction

For Russia, NATO represents a major foreign policy challenge that continues to create friction within the European security architecture. Although many expected the end of the Cold War to usher in a new era of cooperation, Russia and NATO have continued to harbor mutual suspicions and old biases. This work primarily analyses former Russian President Vladimir Putin's foreign policy against the backdrop of the evolution of Russia's relations with NATO leading up to the founding of the NATO-Russia Council (NRC). When appropriate, NATO's internal debate will be duly discussed. This work answers the following questions: how did Russia pursue its relations with NATO prior to the NRC's launch? How, if at all, did Russia's perception of NATO change during the first two years of Putin's presidency? What did Russia expect from closer cooperation with NATO? And finally, why did Russia eventually embrace the NRC?

The period under review begins with Putin's accession to the presidency on 31 December 1999, and concludes with the founding of the NRC on 28 May 2002. As the majority of events preceding the founding of the NRC unfolded against the backdrop of Putin's attempt at alignment with the West, this should

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² Quoted in: Dmitri Trenin (2007). *Getting Russia Right* (n.p.: Carnegie Endowment for International Peace, 2003), 64.

help determine how unique the first two years of Putin's presidency truly were in the context of post-Cold War NATO-Russia relations.

This paper will advance the argument that during his first two years in office, Putin sought to improve relations with NATO and increase Moscow's ability to influence decision making processes inside NATO. This was in part due to Putin's push for a more pragmatic foreign policy and Moscow's recognition of NATO's military preponderance in Europe. In this respect, this research acknowledges the significance of the 11 September 2001 terrorist attacks, and the subsequent surge in cooperation between a predominately Western anti-terrorism coalition and Russia in providing a window of opportunity for strengthening NATO-Russia relations.³

Nevertheless, attempts to foster a closer working relationship were overshadowed by false hopes and expectations not only in Russia, but also among many NATO states. As a result, the NRC reflects the parties' initial, but short-sighted enthusiasm. This research identifies two main factors contributing to the failure of Putin's rapprochement with NATO: First, Moscow harbored unrealistic expectations in that it sought to gain greater influence in NATO. Second, a culture of distrust and reluctance to negotiate with Russia, on the part of NATO, eventually came to reinforce a frustrated Kremlin's conviction that NATO intended to exclude it from constructive security dialogues related to Europe.

NATO and Russia: The Historical Context

Heightened tensions between the US and USSR in the late 1940s prompted the construction of NATO as a collective security organization to counter what was perceived as an impending Soviet military threat to Europe. To solidify their commitment to collective security, the US, Canada and ten Western European states (Belgium, Denmark, France, Iceland, Italy, Luxembourg, the Netherlands, Norway, Portugal, the United Kingdom) signed the North Atlantic Treaty in Washington D C on 4 April 1949. In response to West Germany's accession to NATO in 1955, the Eastern European countries, at the behest of Moscow, joined the Soviet Union in signing the 'Treaty of Friendship, Cooperation and Mutual Assistance' commonly known as the Warsaw Pact Treaty Organization. Throughout much of the Cold War, NATO and the Warsaw Pact remained entrenched on their respective sides of the so-called 'Iron Curtain,' meticulously planning for a possible military confrontation. Fortunately, a militarized dispute never materialized. The end of the Cold War also saw the demise of the Warsaw

³ This work uses the term 'West' rather broadly encompassing European and North American NATO members.

Pact together with the USSR. NATO, however, managed to remain intact and began to construct a new role for itself in international relations.⁴

Russia under Boris Yeltsin experienced turbulent relations with NATO throughout much of the late 1990s. Espousing Russia's hopes of deepening its ties to the West, Yeltsin, during his visit to NATO headquarters in December 1991, suggested that his country could apply for membership.⁵ However, this episode was quickly forgotten since neither NATO nor Russia followed up on the then Russian President's proposal

Since it had become apparent in the early 1990s that NATO, would not disintegrate but rather would evolve into a permanent fixture on the European security landscape, Russia began to more openly oppose NATO. We can trace early post-Cold War friction between NATO and Russia as far back as the reunification of Germany. In 1990 the immediate question for (then) Soviet policy makers arose whether a newly unified Germany would stay in NATO or not. During intensive diplomatic bargaining, Moscow is said to have accepted Germany's membership in NATO in exchange for the promise of not deploying troops or nuclear weapons eastwards.⁶ Therefore, when NATO began contemplating possible expansion into Central Europe, Russia viewed the policy as NATO's broken promise.⁷ Faced with mounting opposition from nationalists and communists in the Russian Duma, Yeltsin and his pro-Western Foreign Minister Andrey Kozyrev were pressured to pursue a more confrontational policy towards NATO.⁸

As the internal debate on potential NATO enlargement intensified – especially in the aftermath of the 1995 'Study on Enlargement'⁹ – the Russian government became increasingly alarmed by the prospect of its former Central European satellites joining NATO. Attesting to Moscow's frustration, Yeltsin,

⁴ See, for instance, Fred Kaplan, "NATO in a changing Europe: searching for a reason to stay," *The Boston Globe*, July 7, 1990; Thomas L. Friedman, "NATO's Difficult Career Change," *The New York Times*, June 9, 1991 (Late Edition); John M. Gray, "With the demise of the Cold War, the question arises whether the North Atlantic Treaty Organization is still needed to keep the peace," *The Globe and Mail* (Canada), October 20, 1990; Hella Pick, "Nato seeks a new role," *The Guardian* (London), May 18, 1990. Retrieved November 5, 2008, from LexisNexis Academic database.

⁵ Dmitri Trenin (2007). *Getting Russia Right* (n.p.: Carnegie Endowment for International Peace, 2003), 70.

⁶ Derek Averre, "NATO Expansion and Russian National Interests," *European Security*, 7 (March 1998), 10-54.

⁷ Dimitry Polikanov, "Nato-Russia relations: present and future," *Contemporary Security Policy*, 25 (December 2004), 479-497.

⁸ Tsygankov, A. P. (2006). *Russia's Foreign Policy: Change and Continuity in National Identity*. Lanham: Rowman & Littlefield Publishers, Inc., 75.

⁹ The study was commissioned by NATO in December 1994 to examine "whys and hows" of future admissions into NATO. NATO On-line library, "Study on NATO Enlargement," 27 January 2000, <http://www.nato.int/docu/basicxt/enl-9501.htm> (accessed 11 November, 2008).

speaking at the 1995 OSCE summit, warned against an impending era of Cold Peace.¹⁰ This ominous warning was meant to remind Western leaders of the possibility of renewed confrontation with Russia.

Also, Russia viewed NATO's military swaggering in the Balkans with distrust and disappointment. In the wake of NATO air strikes against Serbian positions in Bosnia in April 1994, Kozyrev complained about the lack of dialogue with NATO. Kozyrev remarked that

Trying to make such decisions without Russia is a big mistake and a big risk. I would like these words of mine to be heard and to be taken seriously.¹¹

Kozyrev's sentiment underscores Moscow's displeasure over the apparent indifference to its enduring security interests by NATO. Similarly, Straus recalls the following exchange between Yeltsin and a Russian television news reporter in December 1994:

– Bill Clinton said today that NATO is open to everyone.

– Yes, but he omitted to say: except Russia and this is the whole crux of the matter. But to us, in a narrower circle, he said this. And so, it is not the same thing.¹²

Yeltsin, to appease domestic opponents, sacked Kozyrev, who had become too closely associated with Moscow's ill-conceived pro-Western policy. In his place, Yevgeny Primakov was appointed in February 1996.¹³ While head of Russia's Foreign Intelligence Service (SVR), Primakov had overseen the publication of a report on NATO enlargement, which called on the Russian government to oppose NATO growth, as it did not entail a far reaching overhaul of NATO to accommodate Russia's concerns.¹⁴ Never too shy to evoke great-power rhetoric, Primakov with his rather conservative foreign policy credentials, was seen as departure from the generally pro-Western course championed by Kozyrev.¹⁵

¹⁰ Roy Allison, Margot Light and Stephen White, *Putin's Russia and the Enlarged Europe*. (Cornwall: Blackwell Publishing Ltd, 2006), 63.

¹¹ "NATO Bombs Bosnian Serbs: Once Again, Russia Was Not Given Advance Notice," *Current Digest of the Post Soviet Space*, 15 (May 1994), retrieved 1 December 2008, from East View database.

¹² Quoted in: Ira Strauss, "NATO: The Only West that Russia Has?" *Demokratizatsiya*, 11(Spring 2003): 229-269.

¹³ Lilia Shevtsova, *Yeltsin's Russia: Myths and Reality*, (n.p.: Carnegie Endowment for International Peace, 2000), 156.

¹⁴ Martin A. Smith, *Russia and NATO since 1991: from Cold War through cold peace to partnership?* (New York: Rutledge, 2006), 56-7.

¹⁵ Lilia Shevtsova, *Yeltsin's Russia: Myths and Reality*, (n.p.: Carnegie Endowment for International Peace, 2000), 156.

Fearing the victory of communist leader Gennady Zyuganov in the 1996 presidential elections, many Western governments decided to temporarily shelve plans of NATO enlargement to reduce the pressure on Yeltsin during his reelection campaign.¹⁶ Upon Yeltsin's reelection (1996) however, NATO moved ahead with its enlargement policy. To ameliorate Moscow's misgivings about extending membership to the Czech Republic, Poland, and Hungary, an effort was made to institutionalize the NATO-Russia relationship.¹⁷ On 27 May 1997 NATO and Russia signed the 'Founding Act on Mutual Relations, Cooperation and Security,' establishing the Permanent Joint Council (PJC) as the main channel of communication between Moscow and Brussels.¹⁸

In fact, at least in terms of its language, the Founding Act appeared to be quite gracious towards Russia. It spoke of the need to deepen cooperation on a wide range of issues of mutual interest. Regarding the future redeployment of NATO troops, it stated that

the member States of NATO reiterate that they have no intention, no plan and no reason to deploy nuclear weapons on the territory of new members, nor any need to change any aspect of NATO's nuclear posture or nuclear policy – and do not foresee any future need to do so.¹⁹

Despite this, there was much to be desired as far as Moscow was concerned as the document stressed that Russia would have absolutely no say in NATO's internal decision-making or its actions.²⁰

Although the PJC looked impressive on paper, it was very little beyond a formalized framework for communication, and even that was about to prove wishful thinking at best. The first real test of the PJC came shortly afterwards with the outbreak of violence in the Balkans. As fighting between Serbian regular and irregular forces and the Kosovo Liberation Army (KLA) intensified, Serbia found itself under increasing pressure from Western countries demanding an end to 'ethnic cleansing.' After Belgrade refused to yield, NATO launched air strikes against targets in Serbia. Russia had for quite some time displayed wariness about what it perceived as NATO's growing readiness to use

¹⁶ Strobe Talbott, *The Russia Hand: A Memoir of Presidential Diplomacy* (Toronto: Random House, 2002), 145-6.

¹⁷ Martin A. Smith, *Russia and NATO since 1991: From Cold War through cold peace to partnership?* (New York: Ryledge, 2006), 70.

¹⁸ Robert E. Hunter and Sergey M. Rogov, *Engaging Russia as Partner and Participant: The Next Stage of NATO-Russia Relations*, (RAND corporation report, 2004), 1-2, http://www.rand.org/pubs/conf_proceedings/2005/RAND_CF203.pdf (accessed 2 November 2008).

¹⁹ NATO On-line library, "Founding Act on Mutual Relations, Cooperation and Security between NATO and the Russian Federation Paris," 27 May 1997, <http://www.nato.int/docu/basicxt/fndact-a.htm> (accessed 11 November, 2008).

²⁰ NATO On-line library, "Founding Act on Mutual Relations, Cooperation and Security between NATO and the Russian Federation Paris," 27 May 1997, <http://www.nato.int/docu/basicxt/fndact-a.htm> (accessed 11 November, 2008).

force outside its defense perimeter. The bombing of Serbia by NATO confirmed Russia's worst fears that its opinion would matter little in the PJC and beyond. Russia became acutely aware of its junior role inside the PJC framework.²¹ As a result of the bombing of Serbia, Russia condemned NATO followed by an immediate freeze of most of its contacts with NATO. Therefore, it is no small exaggeration to say that NATO-Russia relations hit rock bottom in 1999.²²

The Kosovo crises also marked a further decline of Russian influence in world politics. For Russia, the situation did not look much better on the home-front either; the country was reeling from the 1998 financial crash coupled with Yeltsin's last years of political mismanagement. After Yeltsin's resignation on 31 December 1999, his handpicked successor Vladimir Putin embarked on stabilizing Russia both domestically and internationally.

Putin's Pragmatic Transformation of Russian Foreign Policy

Putin inherited a country mired in domestic ailments and diminished international standing. Lo outlines the mounting foreign policy issues that challenged the new President, while also offering an opportunity for reorienting Russian strategy. Lo states that

[a] succession of failures in the military-strategic sphere, culminating in the humiliation of Russia's impotence during the Kosovo crisis, created space for a more balanced foreign policy that would focus on cooperation and integration with the West in place of an aggressive but futile competition.²³

Similarly, Sakwa points out that "Putin appeared remarkably free of the traditionally static, monolithic and zero sum representation of Russia's role in the world."²⁴ Putin set about on a pragmatic transformation of Russian foreign policy, while "cutting Russia's security commitments to fit its limited means and pursue policies commensurate with Russia's reduced stature."²⁵

²¹ Julianne Smith, "The NATO-Russia Relations: Defining Moment or Déjà Vu?" (Center for Strategic & International Studies, 2008) 4, http://www.csis.org/media/csis/pubs/081110_smith_natorussia_web.pdf (accessed 2 December 2008).

²² Rebecca J. Johnson R. J. (2001). "Russian Response to crisis management in the Balkans: How NATO's Past Actions May Shape Russia's Future Involvement," *Demokratizatsiya*, 9 (Spring 2001): 229-309.

²³ Bobo Lo, *Vladimir Putin and the evolution of Russian Foreign Policy*, (Malden, Ma.: Blackwell, 2003), 54.

²⁴ Richard Sakwa, *Putin: Russia's Choice*, (London: Routledge, 2004), 210.

²⁵ Roger E. Kanet (ed.), *The New Security Environment: The Impact On Russia, Central And Eastern Europe*, (Aldershot: Ashgate Publishing, 2005), 47.

Putin's Approach to NATO

Putin may be credited for recognizing Russia's weakness and adjusted his country's foreign policy to its diminished position. Putin's foreign policy has offered fewer "idle promises and bold initiatives" than his predecessor.²⁶ As for the overarching goal of his foreign policy, it appeared that Putin strove first and foremost to secure favorable conditions for Russia's internal development, concentrating on reducing tensions and improving relations with the outside world. Naturally, this approach was to be gradually reflected in Russia's approach to NATO.

Following its withdrawal from the PJC, Russian-NATO relations were at an all time low though two major areas of discomfort with NATO stand out: First, Russia had difficulty coming to terms with the fact that NATO – a Cold War military organization whose main purpose had been to defend Europe against Soviet aggression – still operated. Russia wasted no time expressing its dissatisfaction with what it perceived as the Western-centric organization. To this end, Russia's 2000 National Security Concept spoke about the negative effects of "the attempt to establish a structure of international affairs based on the domination of the US-led developed Western nations over the international community."²⁷ In addition, the 2000 Military Doctrine expressed Russia's frustration over integration processes in the Euro-Atlantic region being carried out "on a selective and limited basis."²⁸ Furthermore, NATO, at its 1999 Washington Summit approved a new strategic concept providing for the possible use of force outside NATO's defense perimeter.²⁹ With air strikes against Serbia, there was a growing anxiety about the possible use of coercive diplomacy against Russia.³⁰

Second, the 1999 NATO enlargement, and the prospects of further expansion into Eastern Europe, continued to irk Russia. A statement released by the Russian Foreign Ministry noted that

²⁶ Bobo Lo, "The Securitization of Russian Foreign Policy," In *Russia between East and West*, ed. Gabriel Gorodetsky (London: Frank Cass Publishers, 2003), 17.

²⁷ "National Security Concept of the Russia Federation (2000)," In *Russian Foreign Policy in Transition: Concepts and Realities*, eds. Andrei Melville and Tatiana Shackleina, trans. A. Yastrzhembska (Budapest: Central European University Press, 2005), 129.

²⁸ Foreign Policy Concept of the Russia Federation (2000). In *Russian Foreign Policy in Transition: Concepts and Realities*, eds. Andrei Melville and Tatiana Shackleina, trans. A. Yastrzhembska (Budapest: Central European University Press, 2005), 92.

²⁹ Marcel de Hass, "Putin's External & Internal Security Policy," (Defense Academy of the UK, Conflict Studies Research Center, 2005.), [http://www.da.mod.uk/colleges/arag/document-listings/russian/05\(05\)-MDH-Comp.pdf/view](http://www.da.mod.uk/colleges/arag/document-listings/russian/05(05)-MDH-Comp.pdf/view) (accessed 1 November 2008).

³⁰ James Sherr, "Russia and the West: A Reassessment," (Defense Academy of the UK, Advanced Research and Assessment Group, 2008), <http://www.da.mod.uk/colleges/arag/document-listings/monographs/Shrivenham%20Paper%206.pdf/view> (accessed 1 November 2008).

the expansion of the North Atlantic Alliance will not facilitate the strengthening of trust and stability in international relations, but can, on the contrary, lead to the appearance of new lines of division.³¹

It appeared quite likely that any further enlargement was not going to be taken lightly by Russia. Konstantin Kosachev, then Chairman of the Committee on International Affairs in the Russian Duma explained Moscow's frustration at the time insisting that the

[t]imes of confrontation passed away but Russians still associate the image of NATO with the image of the enemy. We realize that new military structures might be established in immediate proximity to the Russian borders but we appreciate the sovereignty of new NATO member-states."³²

Nevertheless, and for the same reasons, Russia wanted to improve its relations with NATO. Even against the backdrop of anti-NATO rhetoric following NATO's air campaign against Serbia, a degree of pragmatism is visible in Russian foreign policy regarding its relationship to NATO particularly on the need to improve relations with NATO. As Donaldson and Noguee argue, for Russia one of the most pressing issues – with regards to Europe – was to determine how it would fit into a system of European security.³³ Given its considerable presence in Europe, NATO was bound to figure prominently into Putin's security agenda for Europe. As early as July 1999 the PJC resumed its activities.³⁴ Perhaps to justify Russia's continued willingness to talk to Brussels then Russian Foreign Minister Igor Ivanov argued that

[I]ike it or not, NATO is a reality in today's international arena, primarily in Europe but also in the world in general. That's why we concluded the Founding Act on Russia-NATO relations in 1997, although it was not easy.³⁵

Despite voicing publicly opposition to NATO, Putin and his inner circle did not rule out improving relations with NATO. Since Brussels was also keen to pursue more positive relations with Russia, a good opportunity arose with the visit of then NATO Secretary General Lord Robertson to Russia in February

³¹ Itar-Tass domestic news digest (12 March 1999). Retrieved 1 November 2008, from East View database.

³² Denis Alexeev, "NATO Enlargement: A Russian Outlook," (Defense Academy of the UK, Conflict Studies Research Center, 2004), [http://www.da.mod.uk/colleges/arag/document-listings/russian/04\(33\)-DA.pdf/view](http://www.da.mod.uk/colleges/arag/document-listings/russian/04(33)-DA.pdf/view) (accessed 1 November 2008).

³³ Robert H. Donaldson and Joseph L. Noguee, *The Foreign Policy of Russia: Changing Systems, Enduring Interests*, 3rd ed, (Armonk: M.E. Sharpe, 2005), 252.

³⁴ Itar-Tass Weekly News (February, 2000), Retrieved November 1, 2008, from East View database.

³⁵ Martin A. Smith, *Russia and NATO since 1991: From Cold War through cold peace to partnership?* (New York: Rytledge, 2006), 90.

2000 where he remarked that “I see this as turning a page on past disagreements and turning to new chapters of dialogue and cooperation on matters of mutual interest.”³⁶

Russia also appeared more willing to cultivate relations with NATO. Ivanov expressed his hopes by noting that

[w]e are in for hard work to restore bilateral international contacts. Moscow realizes that the current state of permafrost in relations between Russia and NATO is not in the interests of European security. It is up to us to determine further steps in our joint work.³⁷

Capitalizing on Robertson’s visit to Russia, both sides agreed to reconvene the PJC meetings to discuss a more comprehensive agenda. The Russian Itar-Tass news agency was quite upbeat in its assessment of the upcoming meeting of the PJC stating that

[t]he word ‘regular’ is hardly to reflect the essence of the upcoming session, which will become a kind of landmark. The Permanent Joint Council will gather after NATO Secretary-General George Robertson’s visit to Russia held a month ago. In Moscow the two sides agreed to defreeze relations [in the wake of] NATO’s aggression against Yugoslavia.”³⁸

Russia’s political leadership pursued a pragmatic foreign policy vis-à-vis NATO. In one of the seminal works on NATO-Russian relations, Allison posits that the NATO debate in Russia was dominated by “pragmatic nationalists.” This school of thought was ready to engage with NATO but only to the extent to which it would reflect Russian interests. Explaining Russia’s posture, Trenin points out that “Russians disagree with the West, but it doesn’t follow that they are happy about Russia’s isolation.”³⁹ Still, they were quite wary about NATO and vigorously opposed to its enlargement.

In March 2000 Putin embarked on another important aspect of Russia’s NATO policy. Speaking on the BBC’s *Breakfast with David Frost*, Putin – in one of his first interviews with foreign journalists as president – elaborated on Russia’s indissoluble links with Europe. The interview caused quite a stir in Russia, and abroad, when Frost asked Putin whether Russia could join NATO.

³⁶ Russia Seeks New Dialogue With NATO, (Associated Press Online, February 2000). Retrieved November 5, 2008, from LexisNexis Academic database.

³⁷ Russia and NATO discuss further joint steps, (Itar-Tass Weekly News, February 2000). Retrieved November 1, 2008, from East View database.

³⁸ “Russia and NATO discuss further joint steps,” *Itar-Tass Weekly News* (February, 2000). Retrieved November 1, 2008, from East View database.

³⁹ Sharon LaFraniere, “Russia Mends Broken Ties With NATO,” *Washington Post*, 17 February, 2000 (Final Edition), A01. Retrieved November 5, 2008, from LexisNexis Academic database.

Putin responded by saying "I don't see why not."⁴⁰ This very well illustrated Putin's attempt to upgrade relations with NATO. Nevertheless, Putin's move was criticized as a sign of weakness, and potentially a signal to return to the Yeltsin era policy of diplomatic lethargy towards the West.

In Russia, however, there were many who considered Putin's attempt at building closer ties with NATO genuine. Yevgeny Primakov, who seemed to believe Putin's policy proclamation, warned that for Russia to seek NATO membership was counterproductive in that it endangered Russian interests, and could eventually make further enlargement possible. Primakov argued that should Russia apply for membership, NATO would not only refrain from granting Russia full membership, but use it as an excuse to proceed with further enlargement.⁴¹

A more plausible explanation for Putin's cautious embrace of NATO seems to be found in his realization of his country's limited economic and military capabilities. Acting on this assumption, Putin tried to translate it into a more cooperative foreign policy, Russia's relations with NATO notwithstanding. Smith argues that this shift towards NATO was in a large part inspired by failures of the Russian military, such as the protracted war in Chechnya or the sinking of the Kursk submarine in 2000.⁴²

To better understand Putin's approach to NATO it is helpful to look at others in his administration. (Then) Russian Foreign Minister Ivanov further clarified Putin's view by noting that

Our approach to relations with NATO will be determined by realistic and pragmatic criteria. Russian-NATO interaction has the potential to become an essential factor that can safeguard security and stability on the continent. Russian-NATO relations, which suffered in the wake of events in the Balkans, are gradually warming again. However, the effectiveness of this cooperation and the level of its intensity will depend on the two sides' readiness to thoroughly fulfill the obligations they undertook, above all under the Founding Act. We will continue to try to persuade our NATO partners that the policy of further expanding the alliance is counterproductive and will lead to the formation of new dividing lines on the continents, and thus

⁴⁰ Interview with Vladimir Putin on BBC (Breakfast with Frost, 5 March 2000). Retrieved November 5, 2008, from http://news.bbc.co.uk/1/hi/english/static/audio_video/programmes/breakfast_with_frost/transcripts/putin5.mar.txt

⁴¹ Yevgeny Primakov, "International Relations on the Eve of the 21st Century: Problems and Prospects," In *Russian Foreign Policy in Transition: Concepts and Realities*, eds. Andrei Melville and Tatiana Shkleina, trans. A. Yastrzhembska (Budapest: Central European University Press, 2005), 217.

⁴² Julianne Smith, "The NATO-Russia Relations: Defining Moment or Déjà Vu?" (Center for Strategic & International Studies, 2008) 4, http://www.csis.org/media/isis/pubs/081110_smith_natorussia_web.pdf (accessed 2 December 2008). 5.

bring about the establishment of zones with varying degrees of security in Europe.⁴³

Ivanov's assessment is a good indication of Russia's pragmatic view of NATO. Until Al Qaeda's terrorist attacks in New York and Washington (9/11) NATO-Russia relations showed few signs of improvement. Keenly aware of the opposition to NATO in Russia, Putin had to tread very carefully in promoting cooperation with NATO so as not to alienate any of his powerful constituencies within Russia's domestic political arena. At any rate, Russia under Putin was moving, albeit slowly, towards more constructive relations with the West in general, and NATO by extension.

11 September 2001 and the Quest for A New NATO-Russia Partnership

The 11 September attacks and the formation of the new international counter-terrorism coalition enabled a wide-ranging realignment in Russian-Western relations. On one hand, the US-led 'war on terror,' especially its Central Asian dimension necessitated some form of cooperation with Russia. On the other hand Putin, by extending his helping hand to the US, gained, at least initially, trust and support from the West. As Wallander argues, 11 September 2001 enabled Putin, who sought to deepen ties with the West, to further pursue his goal.⁴⁴

With preparations for the US military intervention in Afghanistan moving at full speed, Russia, due to its geopolitical proximity and regional influence, was re-cast as an important ally. Speaking on Russian TV in the wake of the terrorist attacks, Putin unveiled how Russia intended to aid anti-terrorist operations in Afghanistan, including intelligence sharing and accepting the deployment of foreign troops in Central Asia.⁴⁵ Not everybody shared Putin's enthusiasm. The Russian military continued to view the US and NATO as potential adversaries.⁴⁶ Against the opposition of hardliners in his government and the Russian military, Putin agreed to provide assistance to the US in Afghanistan. In exchange, the

⁴³ Igor Ivanov, "Russian Foreign Policy on the Eve of the 21st Century: Problems of Formation, Development and Continuity," in *Russian Foreign Policy in Transition: Concepts and Realities*, eds. Melville and Shackleina, 263.

⁴⁴ Celeste Wallander, *Security Cooperation, Russia and NATO* (PONARS Policy Memo, 2001), <http://aafnet.integrum.ru/artefact3/ia/ia5.aspx?lv=6&si=RrCDCu2E&qu=251&st=0&bi=2818&xi=&nd=1&tnd=0&srt=0&f=0> (accessed 14 November 2008).

⁴⁵ "Televised Address by Russian President Vladimir Putin," *The Current Digest of the Post-Soviet Press*, 39 (24 October 2001), p.1-2. Retrieved November 9, 2008, from East View database.

⁴⁶ Igor Korotchenko, "Between the Kremlin and the General Staff," *The Current Digest of the Post-Soviet Press*, 51 (16 January 2002). Retrieved November 9, 2008, from East View database.

West, among other concessions, accepted Moscow's contention that its military campaign in Chechnya was part of the global war against terrorism, while turning a blind eye to some of the excesses committed by the Russian army.⁴⁷ To explain Putin's possible motivations, Straus argues that, "[Putin] preferred to gain the reputation of being a good ally and to hope for support in return."⁴⁸

Things also began to move with respect to NATO: Russia demanded a greater say in NATO decisions and some members, such as the United Kingdom, Germany and France, were more than ready to listen. Russia rekindled its interest in boosting relations with NATO while the West was prepared to reciprocate. Indeed, NATO and Russia were ready to broaden their cooperation. To demonstrate this change, Putin traveled to Brussels early in October 2001, where he met with then NATO Secretary General Lord Robertson. The meeting was, in general, considered a success, bringing NATO and Russia closer. After the talks with Putin, Robertson noted, "Our relationship is ever-more relevant."⁴⁹ Putin, for his part, highlighted common interests while downplaying potential differences, including further NATO expansion to Russia's borders. Similarly, Putin expressed his desire to develop closer cooperation with NATO in light of the intensifying war against terrorism.⁵⁰

Sympathetic to Russia's cause, then British Prime Minister Tony Blair pushed for more intensive engagements with Russia. British officials saw the post-11 September realignment as a way to overcome old enmities.⁵¹ In November 2001, Blair sent a letter to Putin, NATO Secretary General Robertson, and NATO members in which he outlined his proposal to formalize a new partnership between NATO and Russia. Blair's plan called for the formation of a new joint council to further expand the realm of cooperation.⁵²

Blair's initiative was followed by a flurry of diplomatic activity between Moscow and Brussels. The Russian government and NATO engaged in extensive discussions on the merits of NATO-Russia rapprochement. In the immediate aftermath of the 11 September attacks, there was a revival of Russia's

⁴⁷ Please note that this paper is not primarily concerned with the true extent and motives of Russia's realignment with the West. Instead, it specifically discusses one particular aspect of Putin's foreign policy (i.e. NATO-Russia relations).

⁴⁸ Ira Strauss, "NATO: The Only West that Russia Has?" *Demokratizatsiya*, 11(Spring 2003): 229-269.

⁴⁹ "Russia and NATO entering "new era of cooperation:" NATO chief says," *Deutsche Presse-Agentur*, 3 October 2001, (Roundup). Retrieved November 5, 2008, from LexisNexis Academic database.

⁵⁰ Michael M. Evans, "Blair plans wider role for Russia with Nato," *The Times* (London), 17 November 2001(Overseas News). Retrieved November 5, 2008, from LexisNexis Academic database.

⁵¹ Stanley R. Sloan, *NATO, the European Union, and the Atlantic Community: the Transatlantic Bargain Reconsidered* (Lanham, MD: Rowman & Littlefield Publishers, Inc., 2003), 197.

⁵² Clem Cecil, "Nato to improve ties with Russia," *The Times* (London), 23 November 2001 (Overseas News). Retrieved November 5, 2008, from LexisNexis Academic database.

aspirations to eventually join NATO. During his November visit to the United States, Putin announced, “Russia will have as close a relationship with NATO, as the alliance is ready to have with us.” Interpreting Putin’s statement, Russian defense expert Felgenhauer argues that Putin was again expressing a genuine interest in joining NATO.⁵³ Rogov, director of the Institute for the US and Canadian Studies at the Russian Academy of Sciences, also appeared to agree that Putin was quite serious about joining NATO in light of the improving Russian-Western relations.⁵⁴

Nevertheless, there were many practical issues that would make Russia’s potential accession immensely problematic at best. NATO membership entails acceptance of certain limits on a country’s sovereignty as well as its freedom of action. According to Skosyrev, Russia was not ready for that: “Judging from Putin’s statements, no ... ‘Russia is a self-sufficient country and is able to provide for its own defense,’ he [Putin] told the Duma.”⁵⁵

Moreover, opposition to closer ties to NATO still remained relatively strong within Russia. Indeed, the Russian military was perhaps the most vocal opponent of closer cooperation of NATO. A case in point is an article titled “Instrument of American Hegemony” authored by a then First Deputy Chief of the General Staff, General Yury Baluyevsky, in which he expressed his view of NATO as a potential adversary.⁵⁶ To this end, Golts argues that for the Russian military to present NATO as a “primordial enemy” served as justification for maintaining a huge fighting force.⁵⁷

Therefore, a more convincing argument is that Putin was in fact attempting to integrate Russia into NATO, but on terms that would suit Moscow. Russia continued to use the new anti-terrorist wave to increase its influence with NATO. In addition, Putin sought to neutralize what many in Russia perceived as the anti-Russian element in NATO, while arguing for NATO’s transformation into a more political organization along the lines of the Organization for Security and Cooperation in Europe (OSCE).⁵⁸ In light of the war on terrorism,

⁵³ Pavel Felgenhauer, “Putin Serious About NATO,” *Moscow Times*, 29 November 2001 (Defense Dossier). Retrieved November 9, 2008, from East View database.

⁵⁴ Pavel Felgenhauer, “Putin Serious About NATO,” *Moscow Times*, 29 November 2001 (Defense Dossier). Retrieved November 9, 2008, from East View database.

⁵⁵ Vladimir Skosyrev, “On Friendly but still Formal Terms: NATO and Russia Are Cautiously Forging Closer Relations,” *The Current Digest of the Post-Soviet Press*, 47 (19 December 2001). Retrieved November 9, 2008, from East View database.

⁵⁶ Igor Korotchenko. “Between the Kremlin and the General Staff,” *The Current Digest of the Post-Soviet Press*, 51 (16 January 2002). Retrieved November 9, 2008, from East View database.

⁵⁷ Stephen J. Blank, *The NATO-Russia Partnership: A Marriage of Convenience or a Troubled Relationship?* (Strategic Studies Institute of the U.S. War College, 2006), p. 7. Retrieved November 2, 2008 from <http://www.strategicstudiesinstitute.army.mil/pdffiles/PUB734.pdf>

⁵⁸ Michael Heath, “Putin prepares for long march to NATO,” *The Russia Journal* 039, (5 October 2001). Retrieved November 1, 2008, from East View database.

Russia saw a chance to enter into a special relationship with NATO, which was supposed to underscore Russia's preferential status. "This line proceeded from the idea of constructing 'special relationship' with NATO that would be deeper and more substantive than NATO's relations with any of its other partners," Vladimir Baranovsky asserts.⁵⁹ More importantly however, Russia sought to influence NATO from the safe distance of its special relationship. Andrei Kolesnikov in *Kommersant* summed up Putin's rational. "(H)e [Putin] wants to be involved in NATO policy-making."⁶⁰ Indeed, forging closer relations with NATO seemed to be of great importance for Putin as he noted in his interview for the *Financial Times* in November 2001 stressing that Russia's relationship with NATO was more important than the US initiative to develop missile defense.⁶¹ However contentious the issue of scrapping the Anti-Ballistic Treaty (ABM)⁶² might have been, Putin was apparently ready to sacrifice the treaty to avoid unnecessary friction with the US in order to pursue his NATO agenda. As Hill argued, "Putin is hoping that his flexibility will allow him to get other important things, like a closer relationship with NATO."⁶³

As the cooperative atmosphere produced by the 11 September attacks began to wane the first cracks in the newly formed alliance began to appear. Increasingly, there seemed to be less need for Russia's cooperation. Similarly, both Russia and NATO became more reluctant to deepen their ties as old disagreements reemerged.⁶⁴ As for Russia, it continued to express its misgivings about NATO as an anti-Russian organization. Despite Putin's muted response, the Russian leadership became gradually more uneasy about the prospects of further NATO enlargement, especially with regard to the Baltic countries. Lo points out that the Russian government "regards the alliance's move as an unfriendly act."⁶⁵ Apart from geostrategic considerations concerning a potential shift of NATO infrastructure closer to Russian borders, Russia feared becoming

⁵⁹ Vladimir Baranovsky, *NATO Enlargement: Russia's attitudes*, prepared for the IISS/CEPS European Security Forum, Brussels, 2001. Retrieved November 3, 2008 from <http://www.eusec.org/baranovsky.htm>.

⁶⁰ Andrei A. Kolesnikov, "Vladimir Putin was admitted into the family," *Kommersant*, 22 December, 1. Russian Press Digest. Retrieved November 2, 2008, from East View database.

⁶¹ Vladimir Kara-Murza, "Tony Blair has found Russia's place in NATO," *Kommersant*, 19 November 2001, 1. Retrieved November 2, 2008, from East View database.

⁶² The Anti-Ballistic Missile Treaty concluded between the Soviet Union and the United States in 1972 prohibited the deployment of missile defense systems, thereby reinforcing the concept of mutual assured destruction. After the collapse of the USSR, Russia relied heavily on its nuclear arsenal to preserve its great power status. Hence, Moscow viewed negatively attempts by Washington to abrogate the treaty. In December 2001, the US finally withdrew from the treaty, rendering it defunct.

⁶³ Megan Twohey, "NATO on His Mind, Putin Visits Blair," *Moscow Times*, 21 December 2001. Retrieved November 6, 2008, from East View database.

⁶⁴ Robert E. Hunter, "NATO-Russia Relations after 11 September," *Journal of Southeast European and Black Sea Studies*, 3 (2003), 28-54.

⁶⁵ Bobo Lo, *Vladimir Putin and the evolution of Russian Foreign Policy*, (Malden, Ma.: Blackwell, 2003), 76.

excluded from European security dialogues. Similarly, as expressed by some Russian officials, there was a fear of new dividing lines emerging in Europe as a result of continuing NATO enlargement. “Russia worried that, after enlargement, NATO would become the principal organization of collective security in Europe, and Moscow would not have an opportunity to participate in its decision-making.”⁶⁶

At the same time Brussels began to question the extent it should let Russia affect the decision-making processes within NATO. NATO leaders sought to acknowledge Russia’s role in the post-11 September environment, but they were not sure how far they were willing to go to accommodate Moscow. Allegedly, the Bush administration found itself at odds over how to deal with Russia. Then US Secretary of Defense, Donald Rumsfeld reportedly lobbied against the new NATO-Russia Council.⁶⁷ New NATO members from Central Europe, along with Eastern European candidate countries, also voiced their concerns that any substantial integration of Russia would severely paralyze NATO’s defense role. The truth remained that for some of those new member states Russia was still seen as a potential security threat.⁶⁸ “Fear for the consensus of NATO has been the fundamental obstacle to a new Russia-NATO relationship.”⁶⁹ To add to this, Western leaders did not shy away from expressing their skepticism about the real extent to which they might want to develop relations with Putin’s Russia, often emphasizing its purported uniqueness and certain disconcerting trends. As former US Secretary of State James Baker argued, “Russia has never been ripe for membership – because it has embraced democracy free markets only rhetorically, without creating the institutions or exercising the political will necessary to commit itself fully.”⁷⁰

Creating the NATO-Russia Council

Throughout the early part of 2002, Russia continued to promote the idea of a new NATO-Russia consultative body to address common challenges. In April 2002 Putin, during his visit to Germany, repeated his call for a new joint body

⁶⁶ Leonid A. Karabeshkin and Dina R. Spechler, “EU and NATO Enlargement: Russia’s Expectations, Responses and Options for the Future,” *European Security*, 16 (September 2007): 307-328.

⁶⁷ Simon Tisdall, “Bush cabinet at odds over Nato pact with Russia,” *The Guardian* (London), 10 December 2001 (Guardian Foreign Pages). Retrieved November 5, 2008, from LexisNexis Academic database.

⁶⁸ Simon Tisdall, “Bush cabinet at odds over Nato pact with Russia,” *The Guardian* (London), 10 December 2001 (Guardian Foreign Pages). Retrieved November 5, 2008, from LexisNexis Academic database.

⁶⁹ Ira Strauss, “NATO: The Only West that Russia Has?” *Demokratizatsiya*, 11(Spring 2003): 229-269.

⁷⁰ James A. Baker (2002). Russia in NATO? *The Washington Quarterly*, 25 (Winter 2002), 95-103.

with NATO.⁷¹ In his pronouncements on Russia's relations with NATO, Putin maintained that the council linking Russia and the (then) 19 NATO members "will only be effective if all countries taking part in the process are cooperating on an equal basis."⁷²

Smith points out that the beginning of 2002 was marked by protracted negotiations over the new council as both sides were unable to reconcile their differences especially pertaining to what extent Russia should be able to influence decision-making in NATO. The end result of this were two summits in Reykjavik and Rome in May 2002, which may be seen as attempts to salvage the post-11 September good-will to enhance the Russia-NATO partnership. At that time there was a sense of increasing urgency to produce at least some concrete results as the prospect of a more durable partnership between Russia and NATO began to disappear.⁷³

Meeting in Rome on 28 May 2002, NATO leaders and Putin adopted a declaration to give a formal seal to the new NATO-Russia Council.⁷⁴ In the document, NATO and Russia outlined the main areas of prospective cooperation, such as the struggle against terrorism, arms control, and threat assessment. From Russia's point of view, the confirmation of its equal status vis-à-vis NATO member states, albeit only in certain areas, was arguably the most important feature of the new document. Regarding the PJC, Russia always complained about not being treated equally; NATO countries tended to work out common positions on the issues that would be then discussed with Russia in the PJC. On the other hand, the NRC, at least in theory, was based on the presumption of Russia's voice being equal with that of NATO members. All the discussion was supposed to take place in the NRC with NATO's countries forswearing to 'precook' their positions.⁷⁵ To that effect, the Rome declaration clearly stated that

In the framework of the NATO-Russia Council, NATO member states and Russia will work as equal partners in areas of common interest. The NATO-Russia Council will provide a mechanism for consultation, consensus-building, cooperation, joint decision, and joint action for the member

⁷¹ "Russia suggests establishing new organ of Russia-NATO Consultations," *Economic News*, 11 April 2002. Retrieved November 6, 2008, from East View database.

⁷² Henry Meyer, "Putin demands "equal" role with NATO," *The Baltic Times*, 25 May 2002, 2. Retrieved November 1, 2008, from East View database.

⁷³ Martin A. Smith, *Russia and NATO since 1991: From Cold War through cold peace to partnership?* (New York: Rutledge, 2006), 94-97.

⁷⁴ NATO Press Release, "Declaration by Heads of State and Government of NATO Member States and the Russian Federation," 28 May 2002, <http://www.nato.int/docu/basicxt/b020528e.htm> (accessed 11 November, 2008).

⁷⁵ Robert E. Hunter, "NATO-Russia Relations after 11 September," *Journal of Southeast European and Black Sea Studies*, 3 (2003), 28-54.

states of NATO and Russia on a wide spectrum of security issues in the Euro-Atlantic region.⁷⁶

Praised by many, the new council nevertheless lacked substance. By inserting a clear reference to the 1997 Founding Act, NATO sent an unequivocal message to Russia that it retained its ability to act alone outside of the new council. Members reserved the right to withdraw any matter from the council's agenda. Russia could not possibly hope to restrain NATO's freedom to act. In fact, NATO Secretary General Lord Robertson provided a rather fitting description of the Russia-NATO partnership after the Rome summit by arguing:

that the real differences between the former '19=1' arrangement and a new '20' forum is a matter of 'chemistry rather than arithmetic, as even the best format and seating arrangements can be no substitute for genuine political will and open mind on both sides.⁷⁷

Conclusion

To conclude, Putin in the run-up to the founding of the NRC pursued a generally pro-Western policy aimed at improving relations with the Western institutions, particularly NATO. Regarding NATO, Putin attempted to repair damaged relations following the NATO air campaign against Serbia based on the recognition of NATO's position within the European security architecture. Immersed in economic and political woes at home, Putin attempted to improve Russia's battered standing abroad. Regardless of some positive signals from Moscow and Brussels, prior to 11 September 2001, there was very little in terms of real progress in NATO-Russia relations.

The 11 September 2001 terrorist attacks proved instrumental in reintroducing Russia as an important player on the international stage, especially as the US-led war against terrorism was moving to Central Asia. As a result, Western governments were eager to reward Russia for its role in the war against terrorism. Putin, for his part, recognized this opportunity and pushed for closer ties with NATO against opposition from some hard-line elements within his government.

⁷⁶ NATO Press Release, "Declaration by Heads of State and Government of NATO Member States and the Russian Federation," 28 May 2002, <http://www.nato.int/docu/basicxt/b020528e.htm> (accessed 11 November, 2008).

⁷⁷ Stanley R. Sloan, *NATO, the European Union, and the Atlantic Community: the Transatlantic Bargain Reconsidered* (Lanham, MD: Rowman & Littlefield Publishers, Inc., 2003), 197-198.

Putin's overtures to NATO were in a large part motivated by Russia's fear of exclusion. Russia's perception of NATO was still largely negative, in that the organization was seen as harboring anti-Russian bias. That is why Russia wanted to increase its influence in NATO to redress this trend. Despite the rhetoric about joining NATO, Putin's Russia primarily sought a special relationship with NATO to increase its influence on NATO's decision-making, and thus avoid isolation. In this respect, Russia continued to express its hope that NATO might be transformed from a security organization into a more political one.

Against the backdrop of the war on terrorism, initial expectations for a functional NATO-Russia partnership were too high. As far as Russia was concerned, it is fair to say that Moscow wanted to see NATO, more or less, as a 'talk-shop' with some degree of Russian participation. As Trenin argues

Still, Russian leaders remain highly skeptical about the outlook for Russia-Western security cooperation, even though they admit a degree of commonality of interests. This conclusion is based on their reading of the results of the post-Cold War period during which they maintain the West took advantage of Russia's temporary weakness.⁷⁸

The question of how far the Russian leadership in general, and Putin in particular, were willing to go to forge closer relations with NATO is highly speculative", however Russia was unlikely to willingly limit its sovereignty within a NATO framework. It goes without saying that Russia was unlikely to subject itself to any significant limitation of its sovereignty within a NATO framework. On the other hand, any significant breakthrough in the relationship was precluded by deeply rooted misgivings on both sides. NATO countries, especially some of the new members, were afraid of political paralysis if Russia were to be able to influence NATO's decision-making.⁷⁹

Therefore, the period 1999–2002 – particularly following the 11 September 2001 terrorist attacks – serves as an example of unwarranted optimism in the face of deeply rooted trends in NATO-Russia relations. Despite the glowing praise from politicians on both sides, the NATO-Russia Council was by no means a significant improvement in the developing partnership between NATO and Russia, nor was it a major success of Putin's foreign policy. Quite the contrary; the NRC ended the brief honey-moon period in NATO-Russia relations. Unless NATO and Russia commit themselves to profoundly reconsider their long-term strategic assumptions regarding each others' international ambitions, they cannot hope to forge an enduring partnership.

⁷⁸ Dmitry Trenin, *Russia's Threat Perception and Strategic Posture* (Strategic Studies Institute of the U.S. War College, 2007), 7. Retrieved November 2, 2008 from <http://se1.isn.ch/serviceengine/FileContent?serviceID=47&fileID=E7CC33D3-FDE9-CB4D-4EA4-5BC8E01FC58E&lng=en>.

⁷⁹ Henry Meyer, "Putin demands "equal" role with NATO," *The Baltic Times*, 25 May 2002, 2. Retrieved November 1, 2008, from East View database.

Russian Relations to the Gulf Region in a Changing Geopolitical Environment

Marat Terterov¹

Introduction

A Basis for Russia-CIS Relations with the Gulf Region

Scholars of most academic disciplines across the social sciences have a fondness for comparing different regions in order to evaluate why one may be developing more rapidly than another, why democracy may be stalled in one region or flourishing in another, or why the benefits foreseen by economic reform have proven less conclusive in some regions when compared to others. Despite the array of comparative works, a close examination of relations between Russia, the former Soviet republics and the monarchies of the Arabian Gulf is a topic which has seldom received in-depth coverage in the comparative social studies discipline. This is largely due to the fact that the study of their relations would not have been possible in any meaningful manner until quite recently given that relations between the former Soviet Union and the Gulf practically did not exist until the end of the Cold War. This is, to some degree, a paradox given that the Eurasian states of the CIS have a well established record of political, economic and cultural links with the broader Middle East.

We should note from the outset that relations between the former Soviet republics, now often referred to as the Commonwealth of Independent States (CIS), and the Middle East have evolved on the basis of two general sets of factors: internal and external. From an internal perspective, it is evident that Muslims (numbering tens of millions), from predominantly Turkic, Farsi, Tatar

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nationality categories (as well as many smaller ethnic Muslim nationality categories) have settled in the CIS over a period of no less than five centuries. The Muslims of the present-day CIS countries, whose presence in these states has come about both as a result of conquest and voluntary incorporation into tsarist Russia, and later the Soviet Union, are inextricably linked due to their faith to the mainstream *Ummah*, or pan-Islamic community of Muslims. Islam's most important holy sites are found in the Middle East and provide notable spiritual significance for Muslims worldwide. Moreover, Muslims from the present-day CIS have historically viewed the region as a source of cultural inspiration.

From an external perspective, Russia has, for the past three centuries, been a leading European and later global power in international politics. Given the historically significant political-geography of the Middle Eastern region, its vital importance for international trade routes and linkages to some of the world's major waterways, it is only natural that the region would have figured centrally in Russian imperial and Soviet geopolitical planning.² However, it was the Soviet Union's Marxist-Leninist ideology-driven foreign policy of the Cold War period that brought Middle Eastern-USSR relations to what arguably became their historical apex. The Soviet Union's support of 'progressive' socialist Arab regimes during the Cold War – including Nasserite Egypt, Baathist Syria and Iraq, Libya and the (Democratic People's Republic of) Yemen – led to an enormous level of political and economic cooperation between the USSR and Middle Eastern region.

Despite these established links, concerted relations between Russia-CIS and the states of the Gulf Cooperation Council (GCC) – a political-economic bloc of countries established in 1981 which includes Saudi Arabia, Bahrain, the United Arab Emirates (UAE), Qatar, Kuwait and Oman – are a relatively new phenomenon. Formal political relations between Russia and the majority of the Gulf monarchies were only established during the late 1980s and start of the 1990s, when Moscow was still the capital of the Soviet Union. Although the Soviet Union was an active player in the politics of the Arabian Peninsula as early as the 1920s, and Moscow even welcomed an official visit from then Crown Prince Faisal bin Abdul Aziz of Saudi Arabia in 1932, the onset of war in Europe brought an end to Soviet-Gulf relations of the period.

During the Cold War, while some positive diplomatic exchanges took place between Moscow and Riyadh during the 1950s, conflicting ideologies (Communism and Wahhabi Islam) and the closure of ranks among rival Arab camps (pro-Western and Soviet-backed) during the height of the Cold War created a gulf in the Soviet Union's diplomatic relations with Saudi Arabia and the

² For a more elaborate discussion of the significance of the political geography of the Middle East in Russian and Soviet geopolitical planning, the reader is referred to a number of articles by Andrej Kreutz, including "The Geopolitics of post-Soviet Russia and the Middle East," *Arab Studies Quarterly* (Winter 2002); and "Russia and the Arabian Peninsula," *Journal of Military and Strategic Studies*, (2004).

newly independent monarchies of the Arabian Gulf. The Soviet Union became even further distanced from the GCC states during the 1980s, primarily as a result of Moscow's war in Afghanistan and Saudi Arabia's financing of Afghan insurgents fighting against the Soviet occupation of their country.

The Impact of a Changing Global Political Environment

The changing international environment of post-Cold War international relations, however, is bringing the GCC bloc, Russia and the successor states of the Soviet Union closer together. Contemporary international relations are no longer dominated by the Cold War-era bipolar rivalries of two superpowers and their client states in the developing world. Although the US has retained the status of a superpower, new centers of economic and political power are emerging, and in some cases re-emerging. In the old world, Europe, the expanded European Union (EU) now includes 27 member countries and further enlargement of the bloc is likely in the medium term future. The EU bloc, which is increasingly based on a single currency, unified legislation for an internal market and a common approach to external relations, is one of the world's largest economies and – by its own convictions – ‘smart powers’ seeking to exert influence on the global arena.³

One of EU's main partners – as well as competitors – in the international arena is Russia, which has been recovering rather remarkably since its early post-Soviet crisis-stricken economic downturn in the 1990s. Although present-day Russia has yet to recapture the international standing it held under the Soviet umbrella, its recent economic and political recovery makes it an actor that cannot be ignored. Russia joins a number of non-Organization of Economic Cooperation and Development (OECD) countries which have been emerging as new centers of economic power since the end of the Cold War. Included in this category of countries now referred to as BRICS are the likes of Brazil, (Russia), India and China, and it is being widely suggested that the BRICS economies are likely to outgrow OECD economies in GDP size during the medium term. As is the case with Russia, these countries can no longer be ignored as newly arrived protagonists in the international arena, which is reflected in their being

³ The idea of the EU as a ‘smart power’ (as opposed to a ‘great’ or ‘super’ power) was developed by European Commissioner for External Relations and European Neighborhood Policy, Benita Ferrero-Waldner, in a lecture entitled “Global Europe: What Next for EU Foreign Policy,” in Brussels, July 11, 2008. The concept aims to provide a more definitive reflection of the EU bloc's current standing in the international arena with respect to other prominent powers.

invited to participate in recent G-8 summits of the world's most advanced industrial powers.⁴

The GCC is another power center brimming with new-found confidence. Needless to say, with the oil price fluctuating between \$130-\$140 per barrel at the time of writing and with energy demand continuing to rise fuelled by the dynamic growth of BRIC economies, the Gulf States are consolidating into an enormous source of economic and financial power. This is unlikely to change in the short-to-medium term, even in the event of a sharp cyclical decline in the oil price which could impact upon global demand and fuel a broader economic downturn. Furthermore, it should be noted that although the Gulf will continue to maintain its strategic alliance with the West, the GCC is increasingly turning to the countries of the BRICS as well as to Japan and the East Asian tiger economies as it seeks to diversify its economic and political relations.

The rapid pace of development which many of the new centers of power are undergoing, and which is taking place within the framework of increased globalization of the international economy, is ensuring greater connectivity and emergence of new partnerships for which there was very little scope until recently. Competition for influence, market share and access to finite resources in many of the world's emerging regions is fostering geopolitical rivalries of a very different type to that which existed during the Cold War. Further, amidst the new alliances, countries are forced to work together when facing universal challenges such as the threat of global recession, increasing prices for food and other key commodities, the soaring oil price and concerns over global energy security, climate change, international terrorism or nuclear safety.

Within this fundamentally restructured international political order which continues to evolve, a number of key political, cultural and economic developments have taken place since the end of the Cold War. This, in turn, has resulted in the emergence of a new set of dynamics that are driving global players such as Russia, the CIS and the GCC states towards new levels of international engagement.

Political Dynamics

From a political angle, salient international crises have altered the dynamics of international relations and provided substantial scope for Russia and the GCC states to construct new political ties. These events include: the war to liberate Kuwait from Iraqi occupation during 1990-1991; Russia's wars in Chechnya during the 1990s; the September 11, 2001 terrorist attacks in the US; and the US-led invasion of Iraq in 2003. Moscow's firm stance against Iraqi

⁴ India and China were both active participants in the G-8 Hokkaido Summit in Japan in July 2008. Russia was invited to hold the rotational presidency of the G-8 in 2006 and hosted the St.Petersburg G-8 Summit in July of that year.

aggression towards Kuwait in 1990, for example, and its decision to join the allied coalition to liberate Kuwait – despite the Soviet Union’s longstanding alliance with Baghdad – were warmly greeted by the GCC and facilitated the establishment of formal relations between the USSR and Saudi Arabia. Such moves also won Moscow voluminous financial aid from the Gulf monarchies and brought with it substantial expectation of further capital inflow to the Soviet Union from the Gulf.

The rapprochement between Moscow and the Gulf States that ensued after the Gulf War did not, however, facilitate the degree of constructive economic and political cooperation that Moscow would have liked. Furthermore, while the war in Afghanistan had ended and Saudi Arabia was no longer sponsoring Islamic insurgents against Russia, Moscow remained suspicious of non-governmental Gulf-based charities and other forms of support from the region extended to Chechen separatists resisting Moscow’s authority. However, as US-Saudi relations reached an all-time low following the 9/11 acts of terrorism, and much of the Arab world became increasingly disenchanted with Anglo-American aggression towards Iraq during 2003, further rapprochement between Russia and the Gulf took place.

The official visit of Saudi Arabia’s then Crown Prince Abdullah bin Abdul Aziz al-Saud to Moscow in September 2003 convinced some analysts that Russia’s strategic interests were becoming closer with those of the Saudi Kingdom and other GCC states.⁵ A new round of constructive diplomatic and commercial relations between Russia and the Gulf has emerged since. Closer ties between Russia and the GCC are now evident and were recently underscored by former Russian President Vladimir Putin’s inaugural tour of Saudi Arabia, Qatar and Jordan in February 2007, and King Abdullah’s first visit to Moscow as the Saudi monarch in November of the same year.⁶

Cultural Trends

From a cultural angle, there has been a major revival of Islam in many territories of the former Soviet Union, a trend which started to emerge as greater political liberalization and freedom of expression took root during the Gorbachev reforms in the second half of the 1980s. The Islamic revival accelerated rapidly in the nominally Muslim regions of the Russian Federation and the newly established titular Muslim republics of Central Asia and the Caspian during the 1990s. It was marked by the establishment of thousands of new mosques, which opened their doors to those ex-Soviet Muslims who wanted

⁵ Marat Terterov, *Gulf Cooperation Council Relations with the Commonwealth of Independent States* (Dubai: Gulf Research Center, 2005), 13.

⁶ Mark Smith, *Russia and the Persian Gulf: The Deepening of Moscow’s Middle East Policy* (Conflict Studies Research Centre, Defence Academy of the United Kingdom, August 2007).

to rediscover Islam now that comparative religious freedoms were introduced by the authorities. Equally important was the opening of Islamic schools and extensive distribution of various types of Islamic literature in order to make knowledge of Islam more widespread in the CIS's Muslim regions.

From the outset, the Gulf had backed the ex-Soviet Islamic revival by providing both finance and moral support to assist the spread of Islam in the previously atheist territories of the former USSR, be it through the donation of hundreds of thousands of copies of the Qur'an, funding Islamic missionaries who came to the region to propagate Islam or sponsoring CIS-Muslim pilgrims for their once-in-a-lifetime *Hajj* to Mecca. During the 1990s, largely cash strapped CIS governments welcomed the influx of financial aid from the wealthy patrons in the Gulf as a form of spiritual support in the name of Islamic solidarity. However, funding from the Gulf for the CIS Islamic revival has also been met with scepticism given the links that some claim have emerged between Islamic foreign aid of this nature and the spread of Islamic fundamentalism in the former Soviet Union.

During the 1990s and the first years of the present decade, this issue complicated relations between Russia, Saudi Arabia and some of the GCC states, particularly with respect to the ongoing separatist conflict in Chechnya. It was widely perceived by the Russian authorities that Chechen Islamist militants were being financed by Gulf-based sources, while many in the Gulf resented the brutal manner in which the Russian military dealt with the Chechen guerrillas. Diplomatic relations between Russia and the Gulf States improved more recently, when the latter largely recognized the Chechen crisis as an internal Russian affair to be settled by the domestic legislation of the Russian Federation.

Economic Developments

During the Cold War period, the Soviet Union's economic relations were oriented primarily – although by no means exclusively – towards trade with its satellites in Eastern Europe and client states in the developing world. The situation is quite different today as the CIS states are highly integrated into the global economy. Governments in the CIS states encourage trade and investment linkages with all relevant international partners and actively participate in many international economic institutions. A number of CIS states have entered the World Trade Organization, and are members of multilateral agreements regulating trade and investment in particular economic sectors, and observe numerous key bilateral economic partnerships. Russian and CIS foreign policies are increasingly driven by economic objectives, supporting their national corporations in winning market share and developing new business opportunities. Furthermore, Russia and virtually all CIS economies have largely overcome

their economic crises of the 1990s, and their economies have been growing impressively for close to a decade.

As a result, Russia and other CIS countries are increasingly seen as attractive emerging markets in which to invest, particularly due to their huge potential in bringing an abundance of raw materials to the international markets. In terms of CIS-GCC relations, while these developments have not brought with them an influx of new trade turnover and investment flows between the CIS and GCC regions, Russia-CIS and the Gulf are now established as the world's primary energy-producing regions. While Saudi Arabia remains the world's largest oil producer and exporter, Russia is arguably an even more significant energy producer if oil and gas production are taken together.

In the wake of the September 11 terrorist attacks in the US, the ensuing low point in US-Saudi relations, and the anti-regime terrorist attacks in Saudi Arabia, some voices questioned the political viability of Saudi-Middle East oil supplies. Arguments were made in favor of Russian-CIS oil supplies as a possible, politically viable alternative. These arguments have since receded and most industry experts now would agree that Russian-CIS oil supplies will work to complement Middle East (OPEC) oil supplies in meeting increasing global demand into the foreseeable future. Cooperation in the sphere of energy between Russia and the Gulf has expanded notably against the backdrop of these events.

There are two primary reasons underpinning closer energy ties between Saudi Arabia and Russia in particular, and the CIS and the Gulf broadly speaking. The first is at the business level, where National Oil Companies (NOCs) from the BRIC countries, largely motivated by commercial factors, have been forging closer alliances with one another. Spectacularly high oil prices have led to unprecedented revenues being generated by the Saudi and Russian governments, which has, in turn, led to several Russo-Saudi joint venture energy projects. An example is LUKSAR, a joint venture between Saudi ARAMCO and Russia's Lukoil, an entity formed to develop a concession for the exploration and development of hydrocarbons in the Rub Al-Khali desert in Saudi Arabia.⁷ The Russian and Saudi partners have also discussed the possibility of channeling joint investments into new downstream projects in third countries.

The second area of increased Russia-Gulf cooperation is at the level of market stabilization, particularly in the area of greater initiatives aimed at coordinating the price of energy. Russia, a number of the CIS states in the Caspian and Central Asia, most of the countries of the broader Gulf (including Iran and Iraq) are all major producers and exporters of energy. In the present phase of high oil prices, securing an affordable and reliable source of energy has become a strategic priority for many countries dependent on imported energy

⁷ Marat Terterov, "Commonwealth of Independent States Relations with the Gulf Region," in *Gulf Yearbook 2005-06* (Dubai: GRC 2006), 326.

supplies. Furthermore, the need to balance out the interests of energy producers and consumers is vital if energy security is to be attained on both supply and demand sides.

This has led to closer relations between Russia-CIS and the Gulf and initiatives are being taken to work closer together under the umbrella of international energy organizations, where producer interests can be taken into account on the one hand, and consumer-producer interests can be balanced out on the other. Russia has, for example, been in closer contact with Qatar (together with other Middle Eastern gas producers such as Iran, Libya and Algeria) in an effort to coordinate the price for natural gas. It has used the Gas Exporting Countries Forum (GECF) as a means of discussing natural gas prices with other gas-producing states. This has sparked a debate about whether Russia is seeking to lead a cartel of gas-producing countries. We should note that Russia has also suggested that the Gulf States and other OPEC members join the Energy Charter Treaty, a multilateral agreement governing trade and investment in the energy sector, which Russia feels is balanced towards the interests of consumer countries.⁸

Can Geopolitical Power Shifts and the Rise of New Actors be Ignored?

Clearly, within this evolving post-Cold War geopolitical order, there is greater scope for its new protagonists to cooperate more closely in a number of inter-related areas. These protagonists in the international arena, including a rejuvenated Russia and a GCC bloc awash with petrodollars, are clearly starting to notice the benefits of such cooperation, of which increased volumes of trade and investment, coordination of energy pricing, or collaboration in the fight against international terrorism are just a few possibilities. Furthermore, their new partnerships are underscored by the reassurance which has come from geo-political power shifts, which, for the most part, have been moving in their favor. Some of the key trends reflecting shifting geo-political power in contemporary international relations will be briefly introduced below.

The first is a near decade of high GDP growth in non-OECD economies. While OECD economies continue to grow steadily, much of the cumulative growth being experienced by the global economy has, in recent years, been contributed by the countries of the BRICS and other similar emerging markets. In Russia, while the 1990s will forever be remembered as the decade of economic downturn and for the hard years of transition from state to market, the recent turnaround in Russia's economic fortunes has been remarkable. Russian GDP has grown by an average of 7 percent annually since the time of the country's

⁸ Statements made by the Russian delegation at a working group meeting of the Energy Charter Process in Brussels, June 12, 2008.

financial crisis in August 1998.⁹ Russian GDP represented around 80 percent of Germany's GDP in purchasing power parity in 2007.¹⁰ Many of the other CIS states have been growing no less impressively than Russia, and although the region's relations with the OECD are still plagued by the psychological burden of a considerable 'catch up syndrome,' the CIS has clearly turned around from its economic malaise of the 1990s.

Russia, for its part, is now once again one of the world's ten largest economies and although it lags behind other BRIC countries such as China and India (the world's second and fourth largest economies, respectively), Russia today is arguably a different country.¹¹

In parallel to CIS GDP growth, the economies of the GCC countries have also been growing impressively. While the current boom is not an altogether new experience in the Gulf, capital is not moving out of the GCC to the extent that it did in previous booms.¹² Although the GCC states are traditionally a net exporter of capital due to the inability of the domestic economy to absorb the sheer volume of capital being generated by export revenues, more money is now being retained within the region. Preference for domestic and regional investment is evident, and GCC governments are advocating a more prudent approach to their spending than during previous booms.¹³

There is little doubt that the main driver for the improved economic performance of non-OECD regions such as the CIS and the GCC is the high oil price, together with high world prices for other commodities. Both regions include countries ranking among the world's primary producers of oil and gas. During the 1990s, oil hit a record low price of \$9 p/b.¹⁴ In May 2008, it fluctuated between \$130-\$140 p/b. In 2005, the GCC countries collectively earned approximately \$270 billion in oil sales.¹⁵ In 2007, they earned \$381 billion from sales (exports) of oil and a further \$26 billion from gas.¹⁶ Russia has earned hundreds of billions of dollars in oil and gas sales in the present decade. An overly substantial part of the revenues generated by energy producers in the

⁹ CIA World Factbook, Internet Pages on Russia, last updated October 2008. See <https://www.cia.gov/library/publications/the-world-factbook/geos/rs.html>

¹⁰ Lucio Vinhas de Souza, *A Different Country: Russia's Economic Resurgence* (Brussels: Centre for European Policy Studies, 2007), i.

¹¹ Ibid. Vinhas de Souza's referral to Russia as a 'different country' is, as the author himself states, a play on the words contained in the titles of other academic papers on Russia, including Shleifer and Treisman (2005), "A Normal Country: Russia after Communism" or Rosefield (2005), "Russia: An Abnormal Country." On India and China as some of the world's leading economies, see: International Energy Agency, *World Energy Outlook 2007: China and India Insights*, IEA, Paris, 243 and 425.

¹² Emilie Rutledge, "GCC Economic Performance in 2005," (Dubai: GRC, 2006), 109.

¹³ Ibid.

¹⁴ "The Rise of the Gulf," in *The Economist*, April 26-May 2, 2008, 15.

¹⁵ Emilie Rutledge, op.cit, 112.

¹⁶ "Briefing: Gulf Economies," in *The Economist*, April 26-May 2, 2008, 35.

CIS and GCC countries has been accrued by the state, where governments have chosen to set up a dedicated fund to manage persistently high oil revenues.

Russia established an Oil Stabilization Fund (OSF) in 2004, and other CIS energy producers such as Kazakhstan and Azerbaijan also established their own funds. Russia's OSF is reported to have accumulated \$157 billion in oil proceeds, with other CIS funds capitalized at substantially smaller levels.¹⁷ The CIS oil funds are comparatively new vehicles for the recycling of petrodollars, as there are 40 or so sovereign wealth funds worldwide with a total of \$2.5 trillion under management, the most prominent of which have long been operational in the Gulf. Given the peak levels which CIS and GCC sovereign wealth funds are reaching, it is now apparent that these countries have accumulated sufficient public revenues allowing them to more adequately respond to domestic defaults or global economic shocks than was the case in the 1990s. In contrast to that period, when Russia and the CIS were in debt to a variety of international creditors, their financial ministries are now posed with the problem of how to adequately manage excessive public wealth.¹⁸ This is a major turnaround from the CIS region's defaulting economies of the 1990s.

Another key trend reflecting the geopolitical power shifts in favor of new protagonists in the international arena is the recovery in Russian oil output since the 1990s and the extra production capacity this has been providing to the international oil markets.¹⁹ Russian oil companies have increased production from some 6 million barrels per day (mp/d) in 1998 to some 9.7 mp/d at present. Russia's oil exports have increased from 2.5 mp/d to 4.5 mp/d during the same period. Although the Saudi-led OPEC structure is set to remain the 'central bank' of the world oil market into the future, Russian and CIS oil producers have asserted their position as a key source of supply. At the same time, Russia has elevated itself to the position of the primary supplier of energy to the European Union, providing the EU with 25 percent of its natural gas

¹⁷ Andrew Kramer, "Awash in Oil Income, Russia Forms Wealth Fund," *New York Times News Service*, February 1, 2008.

¹⁸ Russia repaid its last tranche of debt to the Paris Club in 2006, has accumulated the world's third largest hard currency reserves nearing \$300 billion, and has itself now become a creditor to many international organizations. See "Oil Income Helps Russia Pay off Entire Debt to Paris Club" in the *International Herald Tribune*, August 22, 2006.

¹⁹ See the article by Edward L Morse and James Richard, "The Battle for Energy Dominance" in *Foreign Affairs* 81 (March-April 2002) which helped bring to attention the sharp rise in output of Russian oil production from 1998-2002. The authors argued at the time that "the threat of a northern oil boom which Middle Eastern producers first feared in the 1990s had become a reality" and that if the plans of Russian and CIS oil companies come to reality, total CIS oil exports could equal to those of Saudi Arabia within four years (ie by 2006). During 2008, the battle for energy dominance which the authors described has been left in the shadow of spiraling oil prices which neither additional Russian/CIS or Saudi production capacity has been able to prevent.

consumption.²⁰ Demand for gas within the import-dependent EU is rising, and Europe is continuously seeking to diversify its sources of supply in order to enhance its energy security. Russia, however, is supporting the establishment of new oil and gas export pipeline routes aimed to ensure that it maintains a dominant position in the EU natural gas market.

A by-product of the high energy price environment has been the rise of national energy champions in non-OECD countries, which have attained positions of market dominance with respect to key indicators such as market capital, volume of production and access to reserves. Incumbent national champions in the Gulf, including Saudi ARAMCO and the Abu Dhabi National Oil Company (ADNOC), have in recent years been joined by Russia's Gazprom, Lukoil and Rosneft as market leaders in terms of oil output and access to scarce global hydrocarbon deposits. Although Saudi ARAMCO is the world's largest energy company by market capital, in 2006, Gazprom overtook Royal Dutch Shell to become the world's second largest public energy company if measured by the same indicator. Other national champions are emerging in the CIS, including Kazakhstan's KazMunaiGas and Azerbaijan's SOCAR. The strengthened market position of the state-controlled energy companies from non-OECD states is closely linked to the high growth rates in these countries and reflects one of the most evident shifts in geopolitical power in favor of the new protagonists.

A recent study measuring the shift in power in global energy markets revealed that seven major state-controlled energy corporations from non-OECD countries (Saudi ARAMCO, Gazprom, Venezuela's PDVSA, China's CNPC, Iran's NIOC, Petrobras of Brazil and Petronas of Malaysia) presently control over 30 percent of global oil and gas production and over 30 percent of reserves.²¹ This is in contrast to the original seven (now four) sisters, or OECD-based international oil companies (IOCs) which have dominated global energy markets since World War II (ie Exxonmobil, BP, Chevron, Shell), which now control just 10 percent of global production and 3 percent of reserves.²² Recent reciprocal visits by heads of states from Russia and the Gulf signal each side's recognition of their leading position in the international energy markets, while contemplation of further price collusion between energy suppliers (particularly in the gas industry) is heightening energy security concerns in OECD consumer countries, especially within the EU bloc.

Russia's unfolding energy strategy has drawn considerable international attention in parallel to these trends. Some of its more alarming components have included vigorous policies of "energy nationalism," where the Russian state has

²⁰ Commission of the European Communities, "Green Paper: A European Strategy for Sustainable, Competitive and Secure Energy," Brussels, March 2006, Annex to the Green Paper (What is at Stake: Background Document), 24.

²¹ See the article, "The New Seven Sisters: Oil and Gas Giants that Dwarf the West's Top Producers," *Financial Times*, March 12, 2007

²² Ibid.

expropriated both foreign and domestic private sector investments in the Russian energy sector, or implemented occasional disruptions of energy supplies to key transit states such as Ukraine, with corresponding knock-on effects for European consumers.²³ Russia, for its part, has sought to portray itself as the guardian of European energy security – despite the reservations such strategies have caused over Russia’s reliability as an energy supplier. Although the concept of energy security has traditionally applied to the prospect of disruption in oil supplies from the Middle East, the situation has now changed drastically and European consumers of natural gas have, in particular, become highly sensitive to the actions of Russia’s Gazprom, as these have notable bearing on their security of supply.

Furthermore, the fact that the majority of the world’s recoverable energy reserves are now controlled by national champions outside of OECD jurisdiction further underscores a shift in power in global energy markets to countries where governance issues, policy priorities and national strategies are not always in accordance with the expectations of consumers. Despite the fact that non-OECD national champions publicly endorse internationally recognized standards of corporate governance, the rise to market dominance of new national champions such as Gazprom has come in parallel to EU-Russia energy relations shifting from a factor of cooperation to a factor of tension.²⁴

Finally, discussions of geopolitical power shifts should also take into account that much of the Russian strategy of enhancing its role as a guarantor of energy security is premised on Moscow’s priority of re-asserting its political influence in CIS space. This includes concerted efforts to maintain pressure over the CIS countries now often referred to as energy transit states (such as Ukraine and Belarus), as well as CIS energy producers in Central Asia and the Caspian (notably Turkmenistan, Kazakhstan, Uzbekistan and Azerbaijan). Russia’s policy towards these countries has included seeking to acquire controlling stakes in energy transit infrastructure in Belarus, commissioning transit-avoidance gas pipeline projects, raising the price for gas supplied to CIS neighbors to market levels and snapping up all available gas production

²³ The most flagrant examples of what some analysts refer to as energy nationalism, in the Russian case applies to the Russian state expropriating the main production assets of YUKOS, Russia’s largest private sector oil company, and redistributing these to state oil companies during 2003-05; and the Russian national champion, Gazprom, taking a controlling stake in the giant Sakhalin-II gas project from a consortium of foreign investors led by Royal Dutch Shell in late 2006. Russia has, on three recent occasions, disrupted its gas supplies to Ukraine: in January 2006, March 2008, and January 2009. Although Russia resumed its gas supplies to Ukraine within a matter of days on each occasion, this led to some reservations over Russia’s reliability as a source of the gas supply within European policy making circles since the great majority of Russian gas exports to Europe transit through Ukraine.

²⁴ Thomas Gomart, “EU-Russia Relations: Towards a Way Out of Depression,” Center for Strategic and International Studies, Washington D.C., July 2008, 10.

in Central Asia and the Caspian to ensure that it feeds into the Russian energy transport network and is then re-exported to international markets.

Moscow's foreign policy in its near abroad has opened the way for substantial Russian capital investment into the CIS, allowing Russian energy (and other) companies to acquire strategic assets and establish joint ventures with local partners in the region. Russia's efforts at continued re-assertion of political influence in the CIS has also been accompanied by expanding military ties between Moscow and the Central Asian states, which has been taking place at the bilateral level as well as through Russia-sponsored multilateral arrangements such as the Shanghai Cooperation Organization (SCO).

IOCs, supported by OECD governments, were active in the Caspian and Central Asia during the 1990s, when, during Russia's relative weakness both politically and institutionally, the race to control Caspian energy resources accelerated. While competition for influence in the Caucasus, the Caspian and Central Asia between the US, the EU, Russia as well as China remains high, lack of progress on political liberalization coupled with human rights concerns in a number of the regional states has provided Russia with greater scope to recapture some of the lost geopolitical ground of the 1990s. Taking into account that advancement of the country's energy economy constitutes a major objective in Russia's new foreign policy, it is unlikely that Moscow will show any signs of willingness to surrender its recent gains any time soon.

The Role of G8 Economic Summits in Global Monetary Architecture

Konstantinos J. Hazakis¹

Introduction

The 1970s saw turbulent and dramatic economic transitions. The breakdown of the Bretton Woods System introduced new monetary conditions that ended a period of consensus among most capitalist states regarding ideal regimes to form their monetary relations. Until 1971, the interests of financial capital were embedded in domestic and global monetary regimes in what Ruggie termed the “compromise of embedded liberalism” (1982). After the first oil crisis (1974), industrial states faced severe obstacles to accommodate macroeconomic shocks, as well as to address persistent structural problems, substantial current account disequilibria and stagflation. Realizing the complex, and highly volatile nature of the post Bretton-Woods Monetary environment, six of the most industrialized nations, decided to introduce a new informal and confidential instrument for International Economic Policy Coordination (IEPC), the Annual Economic Summits of the Group of Six Countries.

The purpose of this article is to survey the norms and principles that the G7/G8 System has developed, since its inception in Rambouillet (1975) in the area of *monetary relations*. Indeed, G7/G8 states have gone through a succession of phases over the past thirty years, characterized largely by the dominance of Keynesian or neoliberal thinking and subsequent strategies. To this end, three questions are thoroughly examined. These are:

- a) What accounts for the change in policy content in G7/G8 Summit cycles?
- b) What conceptions of causality prevail in IEPC of G7/G8 mechanisms?
- c) What is the performance of G7/G8 states in monetary issues?

This research aims to demonstrate the continuing interplay between economic ideas (constructivism), economic and political interests (liberalism), and

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power considerations (realism), in G7/G8 policy-making. The main argument advanced here maintains that policy shifts between cycles cannot be reduced to material considerations but should incorporate intersubjective changes, systemic institutional variables and societal interests. To that end, this work is subdivided into three sections. The first specifies the rationale of G7/G8 monetary cooperation in each of the ‘Summit Cycles.’ The second part evaluates the effectiveness of G7/G8 monetary cooperation since 1975. Finally, the conclusion of this work discusses some acute challenges G8 Summits will likely face in monetary issue-areas in the future.

The Evolution of G7/G8 Monetary Cooperation: Priorities and Progress from Rambouillet to Heilingendamm

Understanding the basic premises of the G7/G8 IEPC framework, analysis must be centred on summit commitments on monetary cooperation, through more static classifications (ie quantitative commitments and narrative commitments), as well as through an examination of their evolution between 1975 and 2007. Instead of restricting G7/G8 assessments to one, or a few, commitments, this research incorporates – in a unified framework – an inventory of statements, many of which are not easily amenable to quantitative evaluation due to the complexities of the international financial system.

G7/G8 summits have exhibited significant variance in the degree of consensus built around monetary cooperation since the first summit in Rambouillet (1975). However, for analytical purposes, a sub-division of IEPC into five cycles will assist in providing insights into how the G7/G8 summits operate. These cycles are:

- a) Cycle 1: Rambouillet (1975) to Bonn – 1 (1978)
- b) Cycle 2: Tokyo (1979) to London (1984)
- c) Cycle 3: Bonn – 2 (1985) to Paris (1989)
- d) Cycle 4: Houston (1990) to Naples (1994)
- e) Cycle 5: Halifax (1995) to Heilingendamm (2007)

The First Cycle

The first cycle ran for four years, (1975-1978), and was characterized by Keynesian macroeconomic thought, culminating in the well-known Bohn summit, and the implementation of the “locomotive theory for economic growth”. Despite the reliance on ideological overlap among the Heads of G7 states, it took three Summits to reach an agreement on how to address the negative spillovers of the first oil crisis, and the asymmetric economic shock, caused by the collapse of the Fixed Exchange Rates System.

The Rambouillet and Puerto Rico Summits (1975 and 1976) saw states facing fierce domestic pressure over the need of counter stagflation. The subsequent London Summit (1977), made a crucial contribution to developing a two-pronged coordinated strategy for dealing with stagflation. First, it prepared the ground for the Bohn Summit agreement, mentioning that "... on our discussions we have reached Substantial agreement. Our firm purpose is now to put that agreement into action. We shall review progress on all the measures we have discussed... in order to maintain the momentum of recovery" (Declaration of London, 1977: par. 9). Second, it identified two prevalent policy approaches favoured by G7 members. According to the Appendix of the London Declaration, some countries have adopted reasonably expansionist growth targets for 1977, and other states pursued stabilization policies designed to construct a basis for sustained growth without increasing inflation.

However, the G7 did not view the two policy approaches as contradictory, but rather as reinforcing since the former could assist in constructing an environment conducive to expansion among the latter without inflationary pressures. Thus, negative economic experiences, strong domestic political pressures and the inability to absorb the negative repercussions of global economic instability focused domestic economic strategies towards deeper and more meaningful cooperation as viewed in the subsequent (Bohn-I, 1978) Summit. Indeed, leaders of the G7 agreed to implement a collective 'stimulation strategy', assigning specific responsibilities and aims to member.

The major problems of IEPC during the first cycle of Summits were strategic uncertainty, and durability of collective targets' implementation. Moreover, the second oil crisis (1979) questioned Keynesian views of the Bohn Agreement and the emerging framework for collective economic management. As the crisis deepened, it became clear that the prevailing demand-side policies could not properly deal with growth and inflation. Thus, a shift seemed unavoidable, for pragmatic reasons, at the beginning of the Second Cycle of Summits.

The Second Cycle

Between 1979 and 1984, macroeconomic policy was directed at internal rather than external economic policies, to address economic problems. The stimulus for New Economic liberalism was drawn not only from monetarism but also from public choice approach and supply-side economics. There was a quest for stable structures of domestic economic results and a preference for liberalization of capital controls. Unavoidably, the exchange rate was considered a 'second-order' problem, and the real premises for stable economies were sound macroeconomic strategies and institutional reforms, rather than guided exchange rate regimes. Exchange rates were considered a symptom rather than a cause of economic instability.

G7 states underlined, in their Communiqués, their collective will to carry out fiscal and monetary constraints (Venice Summit, 1980), as well as their push for anti-inflationary growth (Ottawa Summit, 1981), and the minimal volatility of interest rates (Ottawa Summit, 1981). So, by 1981, it was evident, that USA and UK favored convergence policy, (foreign governments should adjust their macroeconomic policies to better emulate those of the US and the UK) rather than IEPC. But what caused this shift?

Although episodes of backdoor monetarism occurred in 1970s, (ie the 1976 Barre Plan in France), it was at the end of the 1970s that neoliberal principles gained ground. Monetarists maintained that each economy had a non-accelerating inflation rate of unemployment (NAIRU), which was structurally determined, and any initiative to induce more employment by stimulating the economy, could not influence this rate because the outcome would be stagflation. They also claimed that structural conditions in labor and markets determine growth rates rather than active monetary and fiscal strategies. Monetary discipline and automatic stabilizers were prerequisites for crisis prevention and long-term anti-inflationary growth. So, during the second period of Summits, the threat of inflation was considered to be the primary, if not the sole target of domestic macroeconomic policy, and it was suggested that Central Bank Independence was the most relevant mechanism through which this policy could be implemented.

Politics also delayed agreements during the second cycle, especially when national elections were set to occur around the time of Annual Summits of Leaders (ie Reagan's First Administration resisted pressure to alter fiscal policy, in fear of the electoral consequences). Additionally, institutional obstacles in fiscal and monetary policymaking created varied levels of discretion in G7 states. As a result contradictory national preferences remained in place until 1985, effectively blocking consensus on specific IEPC targets. G7 states hesitated on choosing between two monetary strategies with some attempting to depoliticize the management of monetary policy and ensure that it corresponds to a set of fixed norms and rules. Alternatively, the others considered monetary and fiscal policies as efficient instruments that have to be used for reducing the adjustment forced on states by external economic / financial shocks.

It would be erroneous to argue, on this basis, that a real shift occurred in G7 monetary logic as there was no substantive alteration of the normative content of IEPC. Despite the strong preference for neoliberal parameters, two major economic states – France and the US – disagreed over the proper macroeconomic policy framework, or to use Cooper's terminology, "over the rules of the game" (1984). On crucial issues, such as the relative importance attached to economic growth versus price stability, the respective roles of *surplus* and *deficit* states in pursuing adjustment, and the need for foreign exchange intervention, participants could not reach a clear and long-term agreement. Further,

significant divergence existed, within the G7, over what it implied and which strategies and institutional arrangements neoliberalism advised.

Equally important, neoliberalism did not account for the influence of interest groups within G7 states. However, public policy formation had distributional effects in the international and domestic environment, reinforcing certain interests at the expense of others. It is not accidental that 1984–1985 marks the peak of societal lobbying on exchange-rate policy in the US and contributed to a reverse strategy in 1985 (Destler and Henning, 1989: 41). Apparently, G7 passivity in IEPC seriously burdened the world economy in four ways: a) it could not deal with the threat of growing protectionism to the liberal trading system; b) it did not face the enormous imbalances of the US economy; c) it ignored the deleterious efforts of an overvalued US Dollar, and, d) it did not seriously consider the deteriorating position of indebted, developing countries.

Indeed, the serious risks to the global economy, which derived from a neoliberal, benign neglect strategy in the early 1980's, led to a shift in G7 strategy thinking. Between September 1985 and July 1989, macroeconomic policy began to exhibit some of the old features of Keynesian demand management, without abolishing neoliberal principles of the Second Cycle of Summits. Unlike the measures agreed at the Bohn Summit of 1978, new concerted fiscal strategies would have to ensure that monetary policies were not fuelling inflationary pressures. Behind this consensus lay a trend towards convergence in the policy stance of participating countries, mainly in the priority given to fighting inflation, to improving the functioning of market forces and to controlling interest rates. But what were the main reasons for this shift?

In 1985 exchange-rate lobbying nearly exploded, and important US business unions demanded a more competitive US Dollar. The rise on the value of the Dollar, resulting from easy fiscal strategy and tight monetary policy in the US during the first four years of the 1980s finally brought pressures on US trade and fiscal strategy. Accordingly, the combination of pressures from US Congress and US economic interests, and the unwillingness of Reagan to bear the cost of exchange rate realignment, shifted US exchange rate strategy from unilateralism to policy coordination.

The Third Cycle

The third cycle is characterized by two major foreign exchange interventions – the Plaza Accord (1985) and the Louvre Accord (1987) – and marked a temporary shift in G7 monetary policy from neglect to activism. G7 states were willing to use declarations and foreign exchange operations to bring about desired exchange-rate levels. It seems that G7 management of currency markets prioritized two key goals: a) to avoid disorderly markets and excessive currency volatility b) to avoid prolonged misalignments between market exchange-rates and countries' competitive positions.

In particular the Plaza and Louvre Accords generated agreements that compounded international monetary problems through burden shifting. Although, G7 states recognized that policy convergence was vital, they also suggested that it was not a sufficient condition for exchange stability. Indeed the US was ready to shift the burden of Dollar depreciation to other countries, in the form of a proposal oriented around multilateral intervention in markets, and to apply revenue-neutral tax reforms, which strengthened domestic savings (Funabashi :1988). So, the Plaza Accord showed that “convergence of national policies” was a necessary but not sufficient condition for exchange rate stability, and promoted an organized intervention strategy, based on coordinated domestic policy adjustments of the participants’ states and on an enhanced surveillance role of the International Monetary Fund (IMF).

At Louvre (1987) domestic problems also pushed towards *ad hoc* intervention rather than long-term IEPC. The scheme limited the long-term perspective and effectiveness of policy coordination, and supported stimulation of domestic demand in Japan and West Germany and the reduction of fiscal deficit in the US. Since no fundamental changes in national macroeconomic policies had been undertaken, and *all* actions centred on *ad hoc* intervention “to foster stability of exchange-rates around current levels”: destabilization resulted.

The shortcomings of the two episodes of Foreign Exchange Intervention, led the G7, at the Venice Summit (1987), to distance itself from reliance on shifts in exchange-rates as an instrument for adjustment; focusing instead on the application of a mutually consistent set of medium-term goals, and on mutual assessment of economic performance, based on specific economic indicators. Structural reforms were considered part and parcel of successful coordination since they complement macroeconomic policies and provided a basis for more robust growth (see Venice Communiqué, 1987, and Toronto Communiqué, 1988).

Summits, it is difficult to trace a single, dominant economic paradigm, though it seems that governments turned to monetary and fiscal policy coordination as a last resort when domestic economic problems could not be resolved with other policy instruments.

The Fourth Cycle

During the fourth Cycle of Summits, (1990–1994), the rise of Central Bank Independence removed the setting of interest-rates from politicians and placed it in the hands of technocratic élite, forming a zone of institutional separation between societal interests and policy-making. Monetary orthodoxy advanced – relying for its force on the hypothesis of economic convergence – a contention that all states tend (or ought to tend), toward common policies of organizing their monetary actions. The “institutionalization” of liberal principles exerted important influence, not only to the operating rules / norms for national

decision-making systems, but also to economic actors' attitudes, disembedding monetary issues from political cycles. Consequently, neoliberalism required countries not only to behave in accordance with certain rules, norms and principles, but sought to create a unique analytical framework for economic problems and financial crises. Thus, although neoliberalism was not yet fully embodied in institutional frameworks, it significantly constrained national public policies.

More specifically, national decision-making procedures favored Central Bank Governors power, linking national monetary targets directly to economic growth. Although macroeconomic coordination was not a *forbidden* word as it had been in the 1980s, it was no longer practiced with enthusiasm. The basic belief was that exchange-rates should reflect underlying domestic economic fundamentals, and were best determined by economic conditions. Markets were expected to reward domestic policy and punish expansionary / inflationary strategies, while reacting to information rationally. The consensus for inaction, (Bergsten and Henning, 1996), was further strengthened by the perceived inability of effective foreign exchange intervention in a highly complex financial market. The dominant view, (Goodman and Pauly, 1993), was that global markets have overwhelmed the abilities of states to stabilize monetary trends, and that the integrated global financial environment augmented the incentives for mutual policy adjustment, because the failure to adjust was likely to be punished by economic agents. The result was the decline of coordinated intervention in 1990 and 1991, and the unwillingness of G7 states to be involved in large foreign exchange market operations.

Thus, discursively united, G7 states argued for a bigger role of the IMF, the application of self-regulatory standards and consequently, little practical attention was given to the implications of the uneven levels of vulnerability and levels of integration, or to the inequality that was intrinsic to financial liberalization.

Two major priorities rose during the fourth cycle: a) the enhanced stabilization of key exchange-rates consistent with underlying fundamentals; and, b) the improvement of the framework for multilateral surveillance and the refinement of the G7 understanding of the interaction of macroeconomic policies. So, coordinated monetary policy was removed from the G7 agenda for institutional, technical and ideological reasons. The preference instead was for an exchange of information and data and mutual surveillance, conducted on a regular basis, using domestic indicators such as fiscal deficits, inflation and growth. The role of the IMF was further enhanced to support this goal and encourage states to consider the medium-term consequences of policy stances. Equally important for the G7's Summit Agenda was the focus on domestic structural reforms which constituted a condition *sine qua non* for long term growth potential and monetary stability.

The Fifth Cycle

The Fifth Cycle (1995–2007), revealed a wide consensus on the major imperatives of non-inflationary growth, the benefits of structural reforms and deregulation, and investment / trade liberalization. Despite severe financial crises and noticeable dissent from a small group of politicians at the 1996 Lyon Summit over the effects of economic globalization, neoliberal consensus became deeper than those of the early 1980s and 1990s, grounded on economic pragmatism and a strong belief in the impossibility of efficient management of world financial markets. The enduring ideational consensus further raised the costs of nonconformity with prudent monetary / fiscal policy, and increased the consequences to reputations for those politicians that questioned monetary orthodoxy. Evidently, convergence toward a single monetary anti-inflationary policy was completed – reducing dilemmas associated to the trade-off between greater financial stability and lost currency flexibility.

During the last cycle, the G7 became increasingly selective in the use of foreign exchange intervention (exceptions were the episodes of limited intervention in the Dollar market, 1995, and in favor of the EURO, 2000), because the idea that the efficiency of exchange market intervention as a tool diminished due to systemic and domestic economic factors. From mid-1995 until 2003, the US Federal Reserve intervened only twice in coordination with other countries' central banks, and the European Central Bank has also acted twice in foreign exchange markets. Only Japan continued to conduct regular foreign exchange interventions, which increased in frequency in 2003. The favoured policy instrument was no longer based on intervention, but rather on *declaratory* policies in statement formats, calling for market corrections as deemed necessary.

European integration has also been a crucial driving force for the ongoing convergence process. Based on a stability-oriented and non-activist policy, it led to a near complete change of the institutions, norms and rules governing European Monetary relations. It favors prudent fiscal policies, market liberalization, and minimization of discretionary monetary policy decisions, underling the necessity for common monetary policy. In moving beyond the convergence theory, emphasis has been paid to policy choices that would not widen the fluctuations in current accounts and exchange rates, and that would provide predictability to monetary actions.

It should not be overlooked that from 1995 onwards, the G8 recognised the social costs of the neoliberal paradigm as well as the need for reforms in the International Financial Architecture (ie at Halifax Summit in June 1995). Yet, as long as the basic assumptions about the IEPC remain unchanged, such acknowledgements are likely to be limited in influence. Every G8 proposal related to strengthening supervision, or for exceptions to capital liberalization, are considered temporary diversions from universal financial liberalization, and is

taking place as long as it does not question the incontestability of market-based solutions.

The basic assumptions of the ‘new social purpose’ of the neoliberalism in the Fifth Cycle of Summits are as follows:

First, the *rational expectations* hypothesis which argues that all market participants will eventually converge on a correct model of the economy. Implicitly, G8 mechanism recognizes the intersubjective nature of finance, and pushes countries and other economic agents, to develop new ethical codes, new attitudes that are compatible with market liberalization. The social purpose that justifies these actions, denies its own normative aspirations, claiming universality. Further, the *new purpose* implies an analytical separation of economics from politics, conceptualizing financial liberalization as a process that derives from market integration and is always directed towards the maximization of economic efficiency. The G8 nexus, urges states to adopt isomorphic institutional frameworks, follow standardized monetary rules and implement recommended reforms from IMF. The functional integration of the “Washington consensus principles” is a *conditio sine qua non* for successful economic policy.

Second, the *efficient market hypothesis* which states that markets collect and distribute information efficiently, ensuring that market prices reflect fundamentals or, as (then) US Secretary Summers noted: (1989:166) “the ultimate social functions, [of financial markets are], spreading risks, guiding the investment of scarce capital, and processing and disseminating the information possessed by diverse traders... prices will always reflect fundamental values... The logic of efficient markets is compelling”.

Third, the call for a new fundamental architecture is a minimalist enterprise, based on the provision of more and better information for all. The intention is to impose a specific set of norms and principles; a uniform set of financial institutional rules, rather than building on domestic institutions, taking into account the variation of financial needs and experiences of participating countries. Within this framework, the IMF should strengthen its surveillance mechanisms and pay close attention to the appropriateness of countries’ exchange rate regimes. The achievement of such an ambitious reform of International Financial Institutions (IFIs), is based on global partnerships.

Fourth, to reduce risk and uncertainty, G8 mechanisms should eliminate the problem of moral hazard. Once a *lender of last resort* is recognised, debtors and creditors have an incentive to follow a risky behavior, than they otherwise might, since no country expects to bear the full economic and monetary costs alone.

Fifth, there is agreement on the need to reduce fiscal deficits and the desirability of giving Central Banks the target of price stability. Accordingly, the basic causes of turbulence in the International Monetary System are not systemic but reside within the domestic structure of states.

Sixth, there is agreement on the need to speed up structural reforms and to increase flexibility of labour, financial and product markets. Structural policies, thus seem to gain an important – although not equal – status to monetary policy.

Seventh, G7/G8 mechanisms oppose any restrictions on international capital flows. According to the Summits' Communiqués, there are no effective regulatory structures or tax mechanisms that can produce exchange-rate stability without significant costs in terms of other economic objectives.

Eighth, intensive IEPC has short-term positive effects, because even if there had been effective economic coordination, it contradicts the new social purpose of monetary policy, both domestically and internationally. Moreover, governments are constrained in their ability to pursue IEPC from advanced financial integration and fundamental changes in the magnitude and composition of financial flows.

Ninth, flexibility in exchange rates of the major currencies is the basic feature of the monetary system, because unanticipated events occur and economic fundamentals change. Interventions could be effective in certain circumstances, especially when they reinforce changes in policies that lead to changes in market expectations about future exchange-rates. But even in exceptional cases intervention must be used judiciously given its implications for monetary policy and the amount that authorities can mobilize relative to the size of international capital markets. Moreover, such interventions should be based on clear and consistent G7/G8 assessments of economic fundamentals.

Accordingly, in the fifth period of Summits, G7/G8 logic is based on credible fiscal programs, successful anti-inflationary policies, low interest rates, strengthened structural reforms, sound monetary strategies, and minimal interventions in foreign exchange markets.

The G7/G8's Performance in Monetary Cooperation

Summits' performance in monetary cooperation is certainly not an easy task because it entails the examination of the range and the depth of G7/G8 actions (Kokotsis:1999), in several issues-areas². As Kirton noted: (1989: 10), "(t)here are a host of problems of evaluative criteria, inference and evidence. Should Summits be judged by their success in building a perfect world? Even

² On the question of G7/G8 performance two major approaches have been proposed on the past. N. Bayne (2002: 27) argues that the Summits' achievements should be judged against five criteria (leadership, effectiveness, durability, acceptability, and consistency), and J. Kirton (2002: 50) argued that G7/G8 performance should be explained by the degree of internal consensus and external coherence, achieved in Annual Summits.

when Summits cope badly with clear and present dangers can they confidently be charged with not preventing or even causing them?"

More specifically, evaluation is difficult for three reasons: firstly, documents are often written in vague language and in terms of general targets, rather than clear policies. For example, occasionally the G7/G8 commits itself to anti-inflationary growth, but it not clear exactly how to satisfy such a commitment using monetary tools.

Secondly, an effective intervention to a proper economic strategy is not simple due to the complexities of intervening domestic and international variable, and of so-called *time-lag*. Indeed, there seems to be some inertia in the choice of a specific form of IEPC which occurs at time 't', but is conditioned by monetary and fiscal conditions that existed at time 't-1'. Moreover, there is a lag between policy actions and policy outcomes, especially, those involving agents' expectations regarding policy credibility, monetary growth and inflation. For example even when G7 realized the importance of reforming international institutions in the fifth cycle of Summits, proposals were not implemented promptly, leaving the international financial system vulnerable to contagion effects of regional financial crises.

Thirdly, decisions over monetary policy are applied differently in the various G7/G8 states, making it difficult to construct a single structural framework to capture strategic shifts in (and across) participating states. Finally, even when there is agreement that monetary targets have been met, consensus may be lacking as to whether that should be ascribed wholly to the initiatives of the G7 mechanism.

Many studies exist that focus on Summit compliance patterns by country, issue-area and time-period; each tending towards different conclusions³. For instance, Kokotsis (2004), argued that Summits produced tangible and credible commitments that are timely and appropriate. Von Furstenberg and Daniels (1992) measured overall Summit compliance scores from 1975 to 1989 and found low scores with interests and exchange rate management. Quan Li (2001), found that compliance with inflation control targets were positively correlated with the interstate level variable of reciprocating behavior and negatively with domestic level factors of divided coalitions / governments. Finally, building

³ Many authors examined specific issue-areas of G7 policy coordination, focusing especially on the effectiveness of Sterilized interventions. K. Dominguez and J. Frenkel, (1993), as well as K. Dominguez (2003), concluded that such interventions in the Group-Three countries were successful in the 1980's and in the 1990's and influenced significantly Dollar exchange rates. On the other hand Obstfeld and Rogoff (2002), suggested that increasing integration in International markets, does not necessarily make coordination more appealing. Béine and Lécourt, (2002), using data for interventions in 1980's and 1990's show that market interventions by central banks are frequently counterproductive, in that they merely raise market uncertainty and volatility.

on previous analytical studies and on Kirton's methodology, the University of Toronto G8 Research Group assessed the compliance record of G8 states from 1996 to 2003 and found low levels of compliance for IFI reform and exchange rates.

In assessing the record of G7/G8 Summits on monetary cooperation, it is useful to distinguish between their procedural and substantive achievements.

Concerning procedural achievements, the G7/G8 mechanism increased awareness of monetary interactions and focused on the need for mutually compatible economic policies. Furthermore, through repeated bargaining at the level of Ministers and Sherpas, G7/G8 states tried to strengthen reputational considerations in IEPC.

Substantively, G7/G8 efforts did not reach initial expectations. Although the Summits promoted the "dogma of good house keeping Club", (sound macroeconomic policies, prudent debt management, reduction of large budget deficits, strengthening of market forces, financial liberalization, structural reforms, supervision of banking system), the G7/G8 performance has fluctuated sharply since 1975.

The absence of a shared, long-term, economic philosophy throughout much of the G7/G8's existence left little room for crucial initiatives. Thus, markets got the impression that the policy mix resulted from political and diplomatic interaction, rather than from a clear conception of IEPC. Such uncertainty, had an important impact on economic agents' expectations. Competing domestic targets – between unemployment and inflation and between internal and external balances – often blocked incentives for, and actualization of, collective action. As Bergsten and Henning (1996: 51), note:

"it was the United States that chose Reaganomics in the early 1980's via easy money and that failed to effectively supervise its financial system, thus bringing on the bubble economy, renewed undervaluation of the Yen and the huge nonperforming loan problem. It was the United Kingdom that entered the E.M.S. with an overvalued currency and other European countries that effectively vetoed appreciation of the Mark when it was needed to head off high interest rates throughout the continent".

This may lead to the conclusion that domestic political and constitutional structures influence monetary preferences and consequently the evolution of states bargaining strategies. Any assessment of G7/G8 monetary cooperation must explain how national economic conditions are translated into political influence from private economic actors and through domestic institutions. Additionally, the exact interplay of international and domestic economic conditions is analysed in an evolutionary framework, which not only takes into account international sources of influence (structural, relational, epistemic), but also the political, societal institutional and cognitive constraints in each of the participating countries of the G7/G8 system.

G7/G8 foreign exchange policy has also faced significant obstacles; suffering from a lack of consistency and time-durability. Although, there are different views as to the effectiveness of G7/G8 intervention strategies, the analysis of three, well-known episodes of G7/G8 coordination (Bohn, Plaza and Louvre), suggests a rather short-term impact of G7/G8 collective action in foreign exchange markets. The package of the Bohn Summit placed insufficient emphasis on medium-term anti-inflationary monetary measures that were necessary to face the deleterious effects of the second oil shock. Likewise, the scale of the G7/G8 intervention in the Plaza, and in Louvre, was too insignificant to produce medium-term effects. More specifically, in the Plaza (1985), despite the US Dollar's decline in value, protectionist measures remained strong (over the next three years), limiting the credibility of later attempts to stabilize exchange-rates. In Louvre (1987), the communiqué of G7/G8 Finance Ministers was pressured by the 1987 stock market crisis; demonstrating difficulties faced by G7/G8 states in synchronizing their actions, while facing market deficiencies. In a similar vein, the declaratory policy in the fifth cycle of the Summits did not effectively foreign exchange fluctuations. Politicians and technocrats realized that there are limits to the extent to which the market could respond to declarations, especially if economic agents perceive that states lack the ability to intervene in a collective manner.

The results of IMF surveillance and G7 collective indicators are challenged by opponents of G7 IEPC. According to their findings, the G7/G8 did not manage to achieve a strong consensus on how policies would be adapted in light of data provided by the indicators. Furthermore, the lack of common understanding about the fundamentals of medium-term policy effectiveness, as well as the technical disagreements concerning the channels of transmission of economic influences among G7/G8 states, significantly limited the usefulness of G7/G8 indicators. As Cooper put it (1984: 1228-1229), "... even if countries have compatible objectives and similar circumstance... they may disagree on the structure of the economy and hence on the relationship of means to ends".

Regarding reform, a more intensive engagement of G7/G8 states with international economic regulation began with the Halifax Summit (1995). The intensity and importance of the effort was apparent in G8 strategy; for example in the plan for Implementation of the Global Financial Architecture, presented to the G7/G8 Heads in December 1998 by G7 Finance Ministers and Central Bank Governors. However despite the ambitious thirty-five targets of the plan, real policy action was constrained by the above mentioned G7/G8 principle of "limited reform of IFIs".

During the Fifth Cycle, the G7/G8 mechanism emphasized reforms in International Financial System, to face financial and monetary turbulence. Thus, at the Halifax Summit, the G7/G8 promoted an improved early warning system for crises and a more generous disbursement of IMF funds for dealing with the crisis. Also, in the wake of financial crisis in East Asia and the Russian

Federation, G7/G8 created the Financial Stability Forum (1999), and the Group of Twenty (G20). The former meets regularly to assess issues and vulnerabilities affecting international monetary system and identifies the policies needed to face them. The latter tries to enforce the legitimacy of decisions reached by industrialized and emerging market economies in important financial reforms. So, as the G7/G8 states become highly vulnerable from crises outside their economies, their incentive in enhancing participation is reinforced.

Besides, G7/G8 states underlined the importance of strengthening complementarities and avoiding overlap between the major international institutions, involved in monetary issues. Thus, both IMF and IBRD continued moving to reform their lending instruments and their corporate strategies. Additionally, the IMF became the main organization in implementing G7/G8 decisions, undertaking actions on indicators of surveillance, financial transparency and international codes and standards.

But what was the purpose of this intensive reform strategy? It seems that G7/G8 mechanism tried to structure power relations to facilitate smooth integration of developing countries in World Monetary System. Although, between 1998 and 2003, there had been a differentiation in the content of G7/G8 declarations, which indicates recognition of the social costs of disembedded liberalism and a corresponding target to address the needs of particular countries, the ultimate policy navigator remains financial liberalization. Any proposed institutional change in international monetary relations is bounded to neo-classical efficiency and reflects a neoliberal *raison d'être* of international economic policy coordination, (Porter: 2000).

Finally, the G7/G8 system did not succeed in stimulating growth through structural reforms in Japan and the European Union or in reducing US external imbalances. The idea that the G7/G8 system could alter US fiscal policy proved to be naive. US Administrations were driven toward exchange rate activism only when exchange rate misalignment, (and external imbalances), could not be accommodated by domestic means. Hence, the US used G7/G8 mechanism whenever they lacked the ability to apply costly (in political and economic terms), domestic adjustments, necessary to sustain their macroeconomic policy. Foreign governments were also unable to persuade the US government to coordinate long-term monetary, fiscal, or exchange-rate policies because they could reach no consensus on the proper course of action and because they had no effective bargaining chips.

Concluding Remarks

The aim of this article was to identify and characterize the evolutionary pattern of IEPC among G7/G8 states over the past 30 years.

The analysis suggested that the major hurdles for optimizing monetary co-operation within G7/G8 system are intersubjective, institutional and material.

The nature of systemic interactions, the content of shared understandings and views, the structure of national material bases in G7/G8 states, as well as the influence of exogenous shocks and challenges shaped all together the evolutionary path of monetary cooperation in the G7/G8 system. The effects of the financial / monetary crises on these dimensions, (intersubjective, institutional and material), were crucial, although the way they were absorbed depended highly on the structure of domestic political and economic settings in each of the G7/G8 states. Thus, monocausal explanations are unlikely to provide an adequate analytical basis for IEPC evolution. A better approach is to develop a framework of dynamic interplay between domestic politics, institutions, international bargaining and constructive identities.

Ultimately, four conclusions may be derived from this research. First, there seems to be a problem on the interaction between cyclical and structural policies in G7/G8 cooperation. Successful policy coordination involves more than monetary discipline and thus more effort should be put toward designing a sustainable framework for counter - cyclical fiscal policy. The economic problems of USA, Euro-Area and Japan are simultaneously structural, cyclical and international in nature and thus only a coordinated mix of policies, based on a common cognitive framework, could bring results in medium and long-term. In the Fifth Cycle of Summits, the excessive focus on anti-inflationary policies and the reduction of budget expenditures, independently of the evolution of the above-mentioned triangular causal chain of economic problems, makes monetary policy very hard to follow a strong coordination path. Part of the problem also derives from Central Bank's fear that any expansion of the money supply would jeopardize their credibility and reputation in fighting inflation.

Second, it is evident that internal politics of the participating countries had a major impact on IEPC and thus any successful combination of monetary, fiscal and structural policies should seriously consider internal factions on the cross-country coordination process. As Gill and Law contend (1989: 497), this involves not only the issue of which groups and classes gain or lose from different world orders and regimes of accumulation, (thus distributional effects), but also how constellations of interest form and disintegrate, learn from experience and develop identity and strategy. In this way domestic-institutional arrangements seem more durable even in the face of policy failure than many constructivists assume. Consequently, the economic effects of IEPC are highly contextual, and they change depending on the specific political-institutional setting (internal vs. external), economic conditions (external vs. internal), and economic thinking (constructivist transformations).

Third, information asymmetry and market irrationality are major threats for both internal and external monetary policies of G7/G8 states. The G7/G8's current approach is of little help in addressing financial turbulence because it is based on the idea that the interactions between the various economic policy

actors are predictable. Thus, there is a need for appropriate and transparent information - providing institutions to compensate for the limits of the market.

Four, emerging countries are becoming important economic players because of rising multipolarity and because of the greater likelihood of financial contagion as financial liberalization continues to increase. To exclude these countries from the global financial governance would have been to exclude an emergent set of key actors within the system from helping to determine its future. Furthermore, although the inclusion of such economies in surveillance and policy coordination activities may well be necessary, the long-term problem is how to produce a rule-based system that minimizes discretion, and maximizes participation of the growing number of economic agents in international monetary and financial affairs?

What becomes clear from G7/G8 IEPC is its unwillingness to contribute to a fundamental reform of international monetary system, promoting instead a functional inclusivity of developing countries in a newly organized Bretton Woods-type framework. Despite the creation of several committees the agenda of G-8 has been scaled back to addressing monetary instability and financial vulnerability mainly at the domestic level and only through neoliberal economic approaches. But the effectiveness and durability of G7/G8 nexus in the future is embedded not on the inclusionary dynamics of a neo-liberal Global Financial Governance, but in a transparent multilateral framework of cooperation, linking reforms to well-coordinated monetary relations.

Table 1: Monetary Related issues included in G7/G8 Annual Summits Communiqués

	Problems in Balance of National Payments	Inflation	Growth	Fiscal Adjustment	Interest Rates	Foreign Exchange rates	Consultations - Information Exchange on Economic Issues	Monetary Growth	International Financial Institutions Reform	Surveillance - Consultation by IMF
Rambouillet (November 1975)		+	+			+			+	
Puerto Rico (1976)	+	+	+	+		+	+			
London - I (May 1977)	+	+	+							
Bohn - I (July 1978)	+	+	+	+		+	+			
Tokyo - I (June 1979)	+	+				+				+
Venice - I (June 1980)	+	+		+		+				+
Ottawa (July 1981)		+		+	+	+		+		+
Versailles (1982)		+	+	+	+	+	+			+
Williamsburg (May 1983)		+	+	+	+	+	+		+	+
London - II (June 1984)		+	+	+	+			+		+
Bohn - II (May 1985)	+	+	+	+	+				+	
Tokyo - II (May 1986)	+			+			+			+
Venice - II (June 1987)	+	+	+	+	+	+	+			+
Toronto (June 1988)	+	+		+			+			+
Paris (July 1989)	+	+	+				+			

	Problems in Balance of National Payments	Inflation	Growth	Fiscal Adjustment	Interest Rates	Foreign Exchange rates	Consultations - Information Exchange on Economic Issues	Monetary Growth	International Financial Institutions Reform	Surveillance - Consultation by IMF
Houston (July 1990)	+	+		+			+			+
London - III (July 1991)		+	+		+		+			
Munich (July 1992)		+	+	+	+		+			
Tokyo - III (July 1993)		+	+				+			
Naples (July 1994)		+	+				+		+	
Halifax (June 1995)	+	+	+	+		+	+		+	+
Lyon (June 1996)	+	+	+	+	+		+		+	+
Denver (June 1997)	+	+	+	+			+		+	+
Birmingham (May 1998)		+	+						+	
Koln (June 1999)	+	+	+			+	+		+	
Okinawa (2000)		+	+						+	
Genoa (July 2001)			+						+	
Kananaskis (June 2002)			+						+	
Evian (2003)			+				+		+	+
Sea Island (June 2004)			+						+	
Gleneagles (2005)			+							
St. Petersburg (July 2006)	+		+	+					+	+

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The Citizen and the Alien: Dilemmas of Contemporary Membership

by Linda Bosniak

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**Reviewer: Markéta Rulíková
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The Citizen and the Alien represents a crucial contribution to an intensifying but theoretically ungrounded debate on the sustainability of currently defined democratic principles in an era of extensive transnational migration. Bosniak argues that globalization and the accompanying motion of populations challenge the fundamental ideals of democratic citizenship as designed and celebrated within the boundaries of nation states.

As an inevitable tool for grasping the complexity and impasses of contemporary democratic citizenship, Bosniak presents a typology of discourses on citizenship, emphasizing the multiplicity of meanings of citizenship and the juridical interpretations of alien status. Even if her analysis draws almost entirely on the American constitutional experience, her practical, legal, political-theoretical, and ethical insights into and concerns with the citizen-alien pairing are readily transferable to the general debate on citizenship in other liberal democracies and the global community generally.

The most recent constitutional challenge to contemporary liberal democracies comes from the realization of the legally unequal position that aliens (non-citizens) encounter in their host countries. As demonstrated by Bosniak, citizens and aliens experience differently their status, rights, benefits, and identity in given political, economic, and social spaces. Despite this fact, few theorists have focused on the contrasting experience of citizens and aliens, and Bosniak argues that this ‘delayed’ concern with “alienage” as a challenge to democratic principles is caused by the fact that most political theorists operate within a narrowly defined understanding of the “citizenship narrative.” On the one hand, *the inward-looking narrative* approaches citizenship in a universalistic manner where “everyone” is included and incorporated into a community. The universalistic discourse is mostly concerned with the problem of “secondary

citizens,” that is with social groups that, despite their formal citizen status, are deprived of the opportunity to enjoy rights and benefits stemming from that status. On the other hand, *the boundary-focused narrative* justifies the securing of external boundaries so that communities can preserve their privileged democratic principles and the generated welfare of community members. An important component of this discourse is the emphasis on immigration policy, which sets criteria that those who seek entry must pass. The nationalistic bent of such narratives is mostly legitimized through practical arguments. According to Bosniak, discussion of citizenship and alienage can be divided between these two narrative extremes, but unfortunately, this narrative divide separates those who study the subject into two insular worlds, in neither of which is proper attention devoted to the increasing presence of aliens crossing ever more porous borders.

Despite the inadequate and bifurcated theoretical concern with the relationship between alienage and democracy, contemporary jurisdiction and existing legal and social theory tend to stick to a “*hard-on-the-outside, soft-on-the-inside*” liberal approach to treating aliens. This model maintains that there is a need for stiff controls over external borders, accompanied by rigid criteria as to who is to be invited to share community space, rights, and benefits. Once admitted though, aliens should be allowed to enjoy rights and privileges almost equal to those of citizens – a position described as “the citizenship of non-citizens.”

This seemingly discrepant notion is meaningful provided that we realize the semantic and conceptual complexity of “citizenship” in the Anglo-American linguistic and political arena. Citizenship is casually used to mean either *formal membership* in a political community, but can be also interpreted as *entitlement and enjoyment of a set of (civil, political, social, economic, culture) rights*. Referring primarily to American constitutional practice, the author notices that the territorially present person might not need to be in possession of formal membership status in order to be allocated rights and benefits, such as due process rights in criminal proceeding, the right to education, protection under the state’s labor and employment laws, freedom of expression, association, religious rights, etc.

The principle that individuals possess certain rights regardless of their formal membership status applies as well to undocumented aliens, who are the most vulnerable of noncitizens, but who nevertheless receive vital protection through what is referred to as the “non-convertibility principle.” This principle posits a division among separate spheres of justice and the notion, for example, that an individual’s immigration status (or lack thereof) cannot damage his or her position in relation to other spheres. An undocumented person, therefore, can be prosecuted for violating immigration law, while at the same time preserving her right to sue her employer for unfair labor practices. (For obvious reasons, this is a theoretical assumption because in real life undocumented aliens rarely exercise their constitutional rights out of fear of deportation.)

Distinguishing between citizenship-as-membership and citizenship-as-entitlement-to-rights provides a powerful tool for considering forms of inequality experienced by noncitizens, but it is not without its problems. Thus, even if aliens *de facto* benefit from many privileges, they still remain deprived of political rights (among them, the inability to shape the community that decides their future) and constantly face the threat of deportation, a fact that the theoretical analysis can make us lose sight of. Likewise, the distinction can be useful for explicating two qualitatively different forms of inequality: that of secondary citizens (persons with formal membership status but without practical access to member's rights) and of aliens (persons without formal status but able – *de facto* – to enjoy most citizenship rights). Bosniak develops a hierarchy of these inferior statuses, and demonstrates the sometimes contradictory interrelationships among them. One powerful example involves the achievement of the feminist movement in ensuring the right of gainful employment for women, an advance that was partly achieved thanks to the availability of alien women to handle childcare and other traditional domestic jobs. Such analytical cases illustrate how the subject-substance citizenship divide can obscure the incongruity and hypocrisy between how contemporary Western countries celebrate themselves as superior democratic polities, while nevertheless allowing sometimes gross forms of inequality to go unchallenged.

Referring to the work of several recognized legal and political theoreticians, Bosniak considers possible solutions to the new challenges that migration presents to nationally conceived democracies. Would the extension of political rights to noncitizens suffice as a remedy to the deficiencies of democratic principles as they are presently constituted? Would immediate naturalization remove criticism of the double standards that exist in current concepts of “citizenship”? Perhaps, but how realistic is it to imagine existing communities extending their embrace and solidarity to newcomers who sometimes look different, speak different languages and practice different customs? And how would straightforward naturalization – even if such a process could be brought into being -- accommodate new trends in migration, e.g., temporary or pendulum migrations between home and host countries? And indeed isn't the normative nationalism which legitimizes the exclusion of aliens at the physical border of the community in conflict with ideals of universal equality? Bosniak does not propose answers to these questions; rather, she sets the framework for further examination of the unavoidable ambivalences and ethical conflicts that migration creates. In her own words, “...we liberal national subjects are chronically divided over the proper location of boundaries – boundaries of responsibility and boundaries of belonging.” So far, it seems that current globalization and its practical outcomes will force us to either redefine the place of citizenship in democratic polities or the meaning of democracy itself. In this sense, the plight of aliens in question does not only test the humanity in each of us, but also sustainability of democratic principles as currently embedded in nation states.

Humanitarian Intervention: Ideas in Action

by Thomas G. Weiss

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The September 2005 World Summit may be interpreted as an important turning point in the normative development of international human rights protection. First, there was the creation of the Human Rights Council, reflecting the need to establish a more credible and efficient body to replace the UN's Commission on Human Rights. Furthermore, the subsequent document, the Responsibility to Protect (R2P) was presented, covering a *right* to humanitarian intervention as an extreme, but real, policy option. Finally, it shifted the traditional understanding of sovereignty to *responsibility* and debated the rights of interveners to the rights of affected populations. On the other hand, the main progress was achieved in a rhetorical sense because the operational possibilities of the R2P concept still depends on the political will of the most powerful states – those that hold permanent seats in the UN Security Council. Moreover, watching the continuing crises in Sudan, Congo or Afghanistan, one clearly sees the gap between political reality and pious rhetoric.

Weiss devotes his book: *Humanitarian Intervention: Ideas in Action*, to this problem, and systematically explores the possibilities and limitations of humanitarian intervention (HI), by connecting the origins and development of the idea itself with many practical examples of both intervention and non-activity within serious humanitarian crises. The author ranks among the pro-intervention wing of scholars, highlighting suffering victims of conflicts before principles of sovereignty and impenetrability of state borders. Weiss also worked as the research director in the International Commission on Intervention and State Sovereignty that spawned the R2P principles. Besides, the chair of the ICISS and currently president of the International Crisis Group, Gereth Evans, authored the foreword to this book. Although Weiss advocates the concept of R2P, he acknowledges its potential difficulties, and so introduces his book with a question: “Are we at the dawn of a new normative era but in the dust of the bullish days of humanitarian intervention?”(p. 2).

Further, Weiss briefly explains the logic and structure of the book, which is divided into five chapters, where a few concluding remarks are included at

the end of the finale. The structure of this book is very well thought-out; with a complex overview of concepts related to HI, followed by empirical cases, spanning three decades, that reflect the changing nature of international society. One chapter is dedicated to the concept of R2P viewed by Weiss as the contemporary norm that grew from the Security Council's lethargy in Rwanda and Kosovo. In the final part, operational challenges to HI, based on five main practical constraints to the concept, are presented – which helps to maintain the optimistic attitude of the book and reduce dismisses of 'naivety.'

The first chapter entitled, *Conceptual Building Blocks*, serves usefully to understand HI as one, among various possibilities, of international military action. Firstly, a definition of HI is provided for, which for Weiss is viewed as military intervention based on two crucial criteria: it has to be provided without meaningful consent of local government and with humanitarian justifications (p. 6), which means that he focuses primarily on unsolicited types of interventions. The defined concept of HI is then put in contrast to *traditional peacekeeping* covered by Chapter VI of the UN Charter, and based on consent, neutrality and the use of force only in self-defense. In short, peacekeeping aims to 'interposition the forces between armed parties of the conflict' (p.7). Further, Weiss argues that HI ranges across three other options: *war fighting* – to defeat a clearly defined adversary, *peace enforcement* – to use force against conflicting parties or spoilers to achieve peace and *coercive protection of civilians* – to interposition forces between potential or real attackers and civilians. This conceptualization is especially beneficial because it serves as a basis for the selection of empirical cases and, when compared to other publications, this goes further than pronouncing the meaning of HI as controversial. Moreover, Weiss discusses the constraining principle of sovereignty, which does not have to be viewed strictly as non-intervention, but also as responsibility. Such accountability is directed, on one hand, towards a state's own citizens (internal sovereignty) and towards a community of states protecting human rights (external sovereignty), on the other. This broader interpretation is put into context of increasing importance of human security and appealing to Kofi Annan, who tried to publicly spread this concept.

Following the theoretical considerations, empirical examples of HI's are presented, however, due to spatial constraints; they illustrate certain historical eras rather than explain the complicated features of particular conflicts. As a result, the development is divided into three distinct time-periods. The first, termed the *colonial* era, starts with first cases of coercive interference due to humanitarian reasons in the nineteenth-century (Greece 1827, Syria 1860, Crete 1866, the Balkans 1875-8), but the doctrine had no real significance until 1945. With the UN Charter regime also came a wide discussion on the use of force but the Cold War period was dominated by a bipolar contest and so consensus was restricted due to the use of veto power. In result most interventions that occurred during the Cold War were weak cases for humanitarian justifications,

and rather based on national interests of the intervening states (Congo 1960, Dominican Republic 1965, Central African Republic 1979, Grenada 1983, Panama 1989). Finally, the post-Cold War period began with the growth of international humanitarian cooperation, and a significant decrease of the use of veto power in the Security Council. Consequently, there are more illustrative examples fulfilling the criteria of HI that were divided into three types: with Chapter VII authorization, with Chapter VII delegation and without the approval of the Security Council. Weiss argues that the interventions in the 1990s were more legitimate, based on just cause and multilateralism. Nonetheless some were still very problematic (Somalia, Balkans). Moreover, Weiss stresses repeated failures to rescue civilians, which decreases the credibility of the R2P concept as well as the UN in more general terms.

The historical overview then moves to the present state of affairs by capturing some important trends in current conflicts, and consequently also in the area of humanitarian activities. In this section Weiss offers a clear demonstration how the nature of international society has changed and now has to face new challenges like the increasing role of ‘economic spoilers’ who profit from wars. He also uses quantitative data of civilian victims in the past and compares them to current numbers with the surprising conclusion that civilian casualties currently represent some 90 percent of conflict related deaths. Moreover, aid workers are in great danger, as they often become strategic targets.

The pessimistic view from battlefields is followed by a certain degree of hope, which Weiss sees in the concept of R2P: representing a “new thinking” (p. 88). Weiss discusses the origins coming from Francis M. Deng and Roberta Cohen, who interpreted sovereignty as responsibility. Another important proponent of this view was Kofi Annan who helped spread the idea of R2P in various speeches. Yet the most progress was brought by the ISSS that transformed an abstract idea into the R2P report, growing later in the 2005 outcome document of the World Summit. Further, the three main aims of the concept – to prevent, react and rebuild are presented. According to Weiss, this document gave operational meaning to HI and modified the ‘just war’ principles to current humanitarian needs. However even Weiss, as an advocate, acknowledges the necessity of political will to make the R2P work.

The concluding chapter, pertinently entitled: *So what? Moving from rhetoric to reality* summarizes the main challenges of HI for the future, being “not normative, but rather operational” (p.119). Weiss mentions, as the main constraint, the persistent negative image of HI in developing countries, which tend to perceive it as imperial efforts disguised by humanitarian motives. A second problem was raised by the events of 9/11 and the following war on terrorism that dangerously stretched the R2P concept to be used for preventive wars. A third obstacle, closely related, is the dominant position of the US, which led to unilateral interventions revealing the necessity of US-UN cooperation in crisis management. The final two problems are also interconnected and actually, in

short, express the problems of *new wars and new humanitarianisms* discussed in the previous chapter.

The whole effort to combine the theoretical ground with the reality of international politics leads to a final and fundamental question: to intervene or not to intervene? Weiss leaves space for thinking, and does not answer according to his personal perspective. On the other hand he uses the magical words *what if* and suggests that 800000 murdered Rwandans would have preferred a military intervention to peaceful ignorance.

Compared to other publications on the dilemma of humanitarian intervention, this volume is a very good starting point to 'put the ideas in action' and think about the whole complexity of the problem ranging from theoretical conceptualization and legal considerations to practical features and political obstacles. The greatest advantages of this book are its complexity, clarity and comprehensiveness, which will attract not only students and scholars from the field, but anyone interested in current inter- and intra-state conflicts and the potentials available for their resolution.

Ending Wars

by Feargal Cochrane

Polity Press, 2008

ISBN: 9780745640334

**Reviewer: Jana Jonášová
(Metropolitan University Prague)**

Feargal Cochrane's recent contribution to security studies entitled: *Ending Wars*, provides a dynamic and logical account of international peace and conflict in the post-Cold War period. Given the gravity of the theme, and as the author highlights in the preface, it was a conceptually difficult book to write. This sentiment is understandable because the question of how to end wars is not something that can be systematised or devised as an international and universal approach, but rather entails gruelling case-by-case considerations.

It is noteworthy that the author was drawn to the problematic of *ending wars* because of his own experience of being born and raised in Northern Ireland, a festering ethnic, religious and political hotspot. As Cochrane candidly admits, his birthplace does not provide him with additional professional insights, but rather enables his *interesting* attitude. Cochrane describes his work as “a book about what war is, how war ends, and how this has been evolving in recent times” (p. 1).

From Cochrane’s perspective, wars are not inevitable and they are not a fixed part of states’ policies. Instead, wars are viewed as a human activity that commence because of the will of people – the same way wars end, by the will of people. Cochrane refuses to be labelled as an idealist or optimist, and defends his position as a ‘realistic’ one, standing firmly behind the sentiment that all conflicts are solvable.

At the beginning of the book, Cochrane attempts to capture the evolving nature of war since the end of the Cold War and introduces an persuasive statistical account which compares wars’ in different periods of modern times, though spends considerable time contrasting the Cold War with the immediate post-Cold War period, and argues that even though international relations has seen a decline in inter-state wars since 1989, an extremely high number of intra-state conflicts – civil wars – are visible. Cochrane undertakes to locate theories to help understand different trends in modern warfare such as: the Democratic Peace Theory, the Golden Arches Theory (no two countries with Mc Donalds has ever gone to war against each other) or ‘Just War Theory.’ Cochrane does not hesitate to critically evaluate such theories and ultimately concludes that not all of them are adequate.

In the second chapter readers are presented with an evaluation of third-party interventions and whether they contribute to positive outcomes. Such interventions can be represented both at the national level – by multinational agencies such as the UN, NATO or the EU (macro-interventions) – and by individual states and/or internal civil society organizations. For further understanding of third-party interventions, two detailed case studies of Northern Ireland and South Africa are presented. Concerning macro-interventions, Cochrane provides a wide assortment of empirical information as well as critical evaluations of different UN missions such as: Rwanda, Somalia and Bosnia – their consequences and the development of international conscious these failures have begun to spark.

The succeeding chapter entitled: ‘Resistance to the Peace’ turns attention to ‘spoiler groups’ which are actors that have political or economic interests in wars, and therefore attempt to keep conflicts going as enablers so as not lose their potential benefits. Cochrane goes deeper into this problematic and tries to analyze the way spoiler groups boycott eventual peace negotiations. Cochrane points out that it is very important not to categorise all spoiler groups, but rather

distinguish between ‘violent’ and ‘peaceful’ resisters, a task which he achieves extremely well.

The following chapter, ‘Global War on Terror (GWOT),’ pays addresses the advent of a ‘new’ type of warfare following the 9/11 attacks against the US. War, it is argued, shifted to another ‘dimension’ and consequently, traditional means of combat will have to be revised if the GWOT is ever to be successfully brought to its conclusion. The most interesting parts of this chapter revolve around the themes: ‘Ending the War in Iraq’ and ‘Ending the War on Terror,’ of which the latter is wrapped up with a set of principles in need of adherence if relations between the West and the Muslim Middle East are to enter an age of reconciliation. Cochrane duly notes that many of the Western-Middle Eastern antagonisms stem, in part, from a poorly formulated US foreign policy in the Middle East. The solution, simply, is for the US to take the initiative – with all the confidence that should accompany a state as internationally influential as the US currently is – and realise that the GWOT cannot be won by military means alone; a more balanced and comprehensive policy can solve the seemingly intractable conflict for the hearts and minds of the vast Islamic territories. Only with a sea-change in US foreign policy can an ‘ending war’ scenario can be drawn.

The concluding chapter examines reconciliation and reconstruction efforts in war-ravaged societies. Cochrane delves into the complexities that face shattered societies following war, and provides a compelling socio-political analysis of the post-war traumas, inevitable as they are, that undermine civil society. Using the cases of Bosnia, Rwanda, Iraq, Northern Ireland and South Africa, Cochrane presents the argument that sometimes the engagement of the Western states and transnational organizations in the reconstruction of such states can raise suspicion of motives being driven by political self-interests, which poses further problems and may do more damage than good.

Cochrane admits that the book is unashamedly critical towards US and UK foreign policies. However, at the same time Cochrane stresses that these powerful, Western states, together with international organizations such as: the UN, NATO or the World Bank, will remain key players in international conflict resolutions. Therefore, changes in the structural conditions of a conflict, as well as the transformations of human agency are required to turn such involvements into successes. This book could be utilised as a blue-print, a first reference for devising more humane and thoughtful interventions that up-hold moral principles

Peace Operations

by Paul F. Diehl

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Reviewer: Kamila Tichá
(Metropolitan University Prague)

Peace Operations is a recent study focusing on, as the title of the book suggests, peacekeeping activities; though emphasis is paid to the role of the United Nations (UN) in peacekeeping efforts. The book provides a very clear and coherent understanding of the historical developments, organization and structure of peacekeeping operations, and Diehl explains how peacekeeping has gradually evolved into a wide-range of conflict management missions and techniques, for the purposes of inducing peace in conflict-prone regions, providing international buffers between conflicting states and assisting in post-conflict reconciliation efforts.

Peace operations have become a very important conceptual and practical tool in conflict management, whether utilized by the UN, other organizations or by states. Thus, understanding the problematic associated to peacekeeping – when to deploy peacekeepers, with what mandate – is crucial for revealing approaches to contemporary international security. This book researches peace operations, and serves to illustrate their reason and impact in wider international relations.

Diehl distinguishes several varieties of peace operations including: traditional peacekeeping, peace-building, second generation peacekeeping, robust peacekeeping, peace enforcement, preventive diplomacy, and peacemaking (pp. 4–12). Diehl also explains the implicit and explicit differences between peacekeeping operations and more traditional military operations, distinctions which are needed to clear away some confusion that naturally emerge when discussing the deployment of armed forces into a combat zone. Indeed, Diehl analyses traditional peacekeeping with the help of the “holy trinity:” host state consent, impartiality, and minimum use of force (p. 6) to set the tone for the rest of the book.

To date, more than one hundred peace missions have been deployed internationally with the majority of them occurring within the last two decades – since the end of the Cold War – and chapter two provides a historical narrative for peace operations beginning with the creation of the League of Nations, over-viewing early peace operations and summarizing the findings for when

and where peace operations were deployed since they do not accompany all conflicts around the world (p. 2). This chapter provides a historical, rather than an analytical approach, though it clearly explains the evolution of peacekeeping, and clarifies how it evolved. It also encompasses a brief highlight of the United Nations Emergency Force (UNEF I) and the UN Operation in the Congo (ONUC).

In an attempt to highlight the organization of peace operations, Diehl builds on different kinds of organizational schemes for peace operations as they vary in how they are organized, funded and supplied. First, Diehl analyses the pros and cons of having a peace operation organized by the UN. He then examines the peace operations conducted by regional organizations, multilateral and unilateral organizations and other alternatives (pp. 68–77). The following part is dedicated to personnel, and focus is also paid to financing operations and includes various examples of how operations may be funded (pp. 98–117). The UN, among other organizations, usually does not maintain a standing army, and are therefore dependent on member states' contributions. Diehl thus elaborates important organizational problems related to predicting the size of peace operations, where he describes the factors that affect the size of a deployed force. Moreover, Diehl also deals with the question of who provides the peacekeepers, for example which states contribute to which operations (p. 98).

In addition, Diehl examines the ingredients of successful and failed operations. In this part he discusses different criteria and indicators according to various participants to the conflict- disputants, local population, and the international community. Prior to this undertaking however, it is important to qualify Diehl's 'successes in such operations. What follows is the impact of such operations on the actual outcome of a conflict. Diehl asserts that "(p) eace operations have multiple purposes, but all of them seek to ameliorate the conditions associated with a conflict" (pp. 123). Typically, the success of a peace operation lies in the "duration of peace" since the mission has been deployed. Nonetheless, there are other factors that distinguish peace operations as successful or a failure. Diehl employs the following yardsticks to measure whether peace operations could be considered successful: operational, contextual and behavioral (pp. 132–142). Although Diehl offers many good examples, he could have also included complete case studies of one successful, and one failed operation. This would help the reader to better conceptualize such operations in practice and understand what made them successful or what factors contributed to their failure.

The final part of the book discusses some challenges to peace operations. Diehl asks the question of "what is the future of peace operations," and classifies ten challenges according to their origins (p. 3). Here the focus is on environmental, political and capacity related issues. Diehl, for example, addresses such problems as sovereignty; as past operations were deployed only with host-country consent and its cooperation (at least partial). International relations

have been undergoing significant changes when it comes to sovereignty, though states are still sensitive to foreign interventions, and it seems likely that the norm of sovereignty will prevent the UN (among others) from being able to pursue a truly international peacekeeping agenda. Another problem concerns ‘carrying capacity,’ which is the maximum limit of services that can be provided to a peace operation. Since such operations are entirely reliant on members’ military contributions, it stands to reason that such operations will receive great attention if the interests of great powers are concerned and scant attention if great powers are disinterested. This poses a significant challenge to establishing a norm of peacekeeping as motivation and means are reliant on interests beyond the scope or scale of the localized or regional problem a peacekeeping mission aims to remedy. The next issue concerns the length of stay of peacekeeping troops in a specific theatre, as the premature withdrawal (or overstaying) of soldiers in a country may undermine the operation (pp. 152–157). These are examples of serious constrictions regarding peace operations. Nevertheless, Diehl points out many others, and tries to stress these concerns so that they may affect the international agenda.

One weakness of the book is that it lacks practice. It is a pity that Diehl did not include more practical examples as the book is mainly theory-oriented and only provides an overview of peace operations. It would be very useful to include also something as a “troubleshooting guide” to show how some specific situations may be resolved.

In sum, Diehl answers all the questions he poses, and covers a wide range of peace operations. Diehl also provides a comparative analysis of some peacekeeping missions so it is easier to imagine the real operation. Definitely, *Peace Operations* is an excellent book, is readable for both novices to the issue of peace operations, as well as for veterans. It offers an in-depth analysis of peace operations using a broad range of examples from the oldest to the most recent conflicts. The book’s greatest strength is its coherent and comprehensive interpretation of peace operations and Diehl has clearly ‘raised the bar’ on other studies of peacekeeping. Despite a few shortcomings, *Peace Operations* it is a must read for anyone interested in peace operations not only theoretically but also for its comparative analysis and insights into the workings of current international relations.

Counterterrorism

by Ronald Crelinsten

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**Reviewer: Klára Medunová
(Metropolitan University Prague)**

Counterterrorism – theories and practises – currently preoccupies thinkers and practitioners on a variety of political levels: local, national and international. Many see the threat emanating from terrorism as representing a more ominous danger than other challenges. That said, theories of counterterrorism has become a popular research topic however, *Counterterrorism* by Ronald Crelinsten, stands out in its treatment of the phenomenon; providing concrete explanations, definitions and deploying a strong and varied case selection. Also, Crelinsten evaluates several characteristics of the current international security environment including ‘certain’ and ‘uncertain threats,’ ‘vulnerabilities,’ dangers of ‘securitization,’ a widening technology gap between the US and the ‘rest,’ ‘liberalization,’ ‘democratization,’ state-building and humanitarian intervention.’ And, as an additional theoretical imperative, Crelinsten identifies distinctions between rogue and failed states in a bid to develop a more thoughtful and comprehensive approach to understanding terrorism and means available to counter it.

The securitization of terrorism and weapons of mass destruction (WMD) – particularly since the 9/11 attacks in the US – have featured into how political communities evaluate threats and vulnerabilities. Despite this securitization process, the probability of facing a WMD terrorist attack remains remote due to the difficulties in acquiring WMD and the relative ease of accessing and deploying more conventional weapons. Indeed, Crelinsten notes that “the Bali bombings, the Moscow theatre siege, the Madrid train bombings, or the London suicide attacks demonstrate, terrorists can wreak havoc using the traditional tactics of bombing and hostage-taking” (p. 44).

Yet, understanding the securitization process and the specifics of counterterrorism it is necessary to start at the beginning; defining the tactic itself. According to Crelinsten

(c)ountering terrorism is intimately related to understanding the nature of the terrorist phenomenon and how it fits into the wider security environment. How we conceive of terrorism determines to a great extent how we

go about countering it and what resources – money, manpower, institutional framework, time horizon – we devote to the effort (p. 39).

Ultimately, comprehending counterterrorism implies comprehending terrorism and particular terrorist groups. Once such knowledge has been gleaned, it is a much easier task to subdue terrorist groups because their aims and objectives can be denied (or negotiated over) and pressure points revealed in a more general manner. As Crelinsten argues, it is essential to understand “how particular forms of terrorism can lead to the emergence of particular forms of response” (p. 7). Counterterrorism, of course, is the variety of responses to acts of terrorism and/or groups of people committed to deploying such techniques.

The introduction of Crelinsten’s book raises some important, and novel, ideas which are later fully examined. For instance Crelinsten notes that when “freedom fighters use terrorism as part of their strategy, then they are terrorists, if counterterrorists use terrorism as part of theirs, then they are terrorists as well” (p. 6), underpinning popular depictions that terrorism and counterterrorism are two sides of the same coin, and that each is a ‘tactic’ not an ideology.

Crelinsten identified several basic dimensions: time, space, type of power, type of intervention, which assist in categorizing counterterrorist approaches (short-term/long-term, tactical/strategic, coercive/persuasive, offensive/defensive, reactive/proactive, local/global, domestic/international). He explains and evaluates such approaches and sets the goal of his research as a means “to provide the reader with a clear understanding of the full varieties of counterterrorism approaches that exist and the kinds of variables that underlie their differences” (p. 14), a goal which is indeed achieved in this insightful contribution.

The second chapter is devoted to examining examples of counterterrorist approaches. This chapter concentrates primarily on so-called ‘coercive counterterrorism’ in which two models are developed: ‘the criminal justice model;’ and ‘the war model.’ Crelinsten argues that both models depend on the privileges of states in the legal use of violence. The former model looks to states’ policing efforts while the latter notes the role of states’ military as bearing responsibility for counterterrorist actions.

Crelinsten describes the criminal justice model and balances his arguments by providing several limitations inherent in it. Perhaps the most important of such limitations is illustrated through the post-11 September ‘Padilla Case,’ where US citizen Jose Padilla was detained for three years without due process and held as an enemy combatant. Through this case, Crelinsten highlighted some of the consequences to civil society criminalising terrorism may produce. In the second model of coercive counterterrorism, the war model, Crelinsten continued his examination using historical, empirical data, which benefits readers, by adding an important, almost human dimension to the theoretical treatment of counterterrorism. Crelinsten notes that “(t)he war model is considered quick,

effective, and ideally suited to the new kinds of threat posed by decentralized, ideologically driven terrorist networks whose adherents are not deterred by traditional criminal justice or contained by traditional military power” (p. 77). Both the war model and the criminal justice model are limited, though each offers some advantages in combating terrorism and Crelinsten duly notes that there is a tendency for these models to blur into each other and create a kind of hybrid model of coercive counterterrorism.

‘Proactive counterterrorism’ serves as the basis of the third chapter. This form of counterterrorism aims to prevent acts of terrorism before they occur. This chapter mainly focuses on the particular challenges countering ‘secret plots,’ conspiracies, and activities poses for the police, security services, and the military while serving intelligence functions, including the financing of terrorism and the problems connected to it. The criminal justice model is re-examined in this chapter, but here the focus is on models of policing (reactive and proactive). According to Crelinsten “(r)eactive policing is related to crime solving, while proactive policing is related to crime detection. In this sense, then, proactive policing is very similar to security intelligence ...” (p. 90).

Another approach developed by Crelinsten is termed ‘persuasive counterterrorism’ which relies on deterrence and pre-emption. In other words, deterring potential terrorists from carrying out their attacks by raising and utilising pressure points. Where such pressures are not available or deterrence unable to be extended to terrorist groups – perhaps because of their apocalyptic nature – preemption may be prioritised.

This chapter also concentrates on the communicative dimension of the struggle between terrorists and counterterrorists. In this, terrorism is viewed as “a communicative strategy designed to propagate specific messages to a variety of different audiences using a combination of coercion (threat, violence and terror) and persuasion (explicit or implicit demands)” (p. 122). And counterterrorism – together with terrorism – is the combination of persuasion and coercion. Therefore, deterrence, as a primary form of persuasion is examined in connection to the criminal justice model, but also in context of the war model. This chapter examines the possibility of changing the perceptions and attitudes of terrorists and their supporters, though goes a step further to insinuate that the constituencies of counterterrorists, typically comprised of citizens who perceive threat by terrorism, also to reflect on their actions.

The fifth chapter delves into ‘defensive counterterrorism’ which concentrates on a variety of measures which can be used *not* to dissuade a terrorist attack but rather the defensive approach operates with the idea that there exist some kinds of terrorist attacks which are inevitable; therefore preparations – on local, national and international levels – must be conducted as a matter of necessity.

The final substantive chapter deals with long-term counterterrorism efforts. The chapter focuses on the activities, and initiatives, which do not operate within short spans of time and which do not require the quick return of investments of money, power or time. This chapter emphasises the root causes of terrorism and provides a compelling depiction of them. The argument that poverty and/or personality are not the main factors leading to use of terrorist methods is extremely insightful. As Crelinsten mentions “(t)he majority of poor people are not terrorists, there is no terrorist personality, and the gap between the rich and poor, the haves and the have-nots, is not, in and of itself, a necessary precondition for terrorism” (p. 198). However, the distribution of key resources, the penetration of external powers, the promotion of free-trade and/or socio-political and economic dependency still matter, and should be included, evaluated and discussed in debates concerning counterterrorism.

Crelinsten’s contribution enriches the theoretical and practical horizons of his readers. It is a clear, analytical and conceptually relevant book which offers the full spectrum of counterterrorism efforts in the contemporary international relations environment while constructing a much-needed bridge between terrorism and counterterrorism. This book is highly recommended to academics (researchers and students), policy makers, and the interested public and is a must-read for those who wish to clear away the ambiguities surrounding terrorism and the many engaged to prevent it.

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