

READINGS IN EUROPEAN SECURITY

VOLUME 3

CHAIRMAN: FRANÇOIS HEISBOURG

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Foreword

This new volume of Readings in European Security comes at a time when the European Union has entered a protracted period of crisis, in the wake of the ‘voters’ revolt’ that took place in France and the Netherlands in the spring of 2005. This new development in itself constitutes a substantial change in the conditions of European Security: the period during which an ever-enlarging Union was at the same time developing its ability to produce a foreign and security policy in its own right has been replaced by a situation in which enlargement will, at the very least, slow down, while the major changes contained in the Constitutional Treaty in the field of external relations are put on hold. This state of affairs will materially affect the EU’s own security, notably in the Balkans, while limiting its prospects as a major actor on the world scene, not least because the EU’s political energy will be focused more than ever on its internal problems. This will in turn have knock-on effects, positive and negative, on the interests of outside actors, notably the US and Russia but also further afield – such as those of China and India as emerging great powers or the troubled regions of Africa and the Middle East. A divided, inward-looking Europe will be a less-interesting partner for allies like the US or for friends in need, such as Africa, as well as those seeking ‘multipolar’ support, e.g. China. But such a Europe will also be less of a problem for partners pursuing their own goals (as in the case of transatlantic divergences on the lifting of the EU’s arms embargo *vis-à-vis* China) and will present an easier target for countries seeking to improve their hand in a bilateral relationship with the EU, as in the case of Russia.

That such events should be unfolding need not come as a surprise – after all, during the last 20 years, bigger changes have affected just about every player on the international scene, to the point of eliminating some entirely (the Soviet empire) or transforming others beyond recognition (NATO). That the EU should be entering into a period of turmoil is not in itself an anomaly, but a challenge that has to be taken in stride.

Indeed, the issues affecting European security are no less relevant in the current EU environment. Even when in disarray, the EU has a degree of institutional inertia and covers a field of competence so great, that its own responses – even if they were to occur by default (as in the case of not deciding to lift the arms embargo towards China) – continue to have great importance for itself and quite often no less (and sometimes even more) for others.

Thus, Russia's relationship with the West (as covered in the papers from the European Security Forum (ESF) session of 22 March 2004) will continue to hinge to no small extent on the state of the EU and its decisions (or lack of decisions). The EU's crisis may have made the corresponding problems more difficult to handle, but neither less acute nor less important.

European homeland security and transatlantic relations (ESF session of 7 June 2004) is unfortunately more relevant than ever, with North America and the EU intertwined in the world's tightest network of economic and societal relations. The manner in which the EU puts its counter-terrorism act together is of substantive and direct importance to US homeland security, and US-EU counter-terrorism relations are essential to all. Russia's management or mismanagement of its own homeland security challenges merges with its broader relationship with both the EU and the US. What was true in the aftermath of the 11 March 2004 bombings in Madrid is no less true today.

Meanwhile, the question of a 'European Balkans' (ESF session of 25 October 2004) has become even weightier as result of the crisis of EU enlargement after the French and Dutch referenda. The ESF session on this topic emphasised the absolutely vital nature of prospective EU membership as a source for security in both the Balkans and the EU. Out of the otherwise catastrophic meeting of the European Council on 16-17 June 2005 arose at least one wise decision – that of restating the '*vocation européenne*' of the Western Balkans, affirmed in Thessaloniki two years earlier.

The rise of China with special reference to arms supplies (ESF session of 31 January 2005) illustrates the challenge that will gain even greater salience as a determining factor of the organisation of the international system in general, and of Euro-American relations in particular. If Europe's descent into a 'default mode' has some short-term benefits in terms of defusing the emerging arms embargo issue, in the long run, the conduct of a proactive strategic dialogue between the US and China remains in the general interest.

The chapter concerning "Iran's Moment of Truth" (ESF session of 13 June 2005) analyses an issue of no less importance, particularly in the short term. Indeed, this is an arena in which, since the autumn of 2003, the EU-3-Iran negotiation has been quite literally the only game in town. No 'default mode' has occurred in this regard, and mercifully so, given the unpalatable nature of whatever alternatives may be conjured up. It is on this particular issue that much of the future of US-ES security

relations rest. This is true today as it was before the current EU crisis. What is new is that the decisions of the EU-3 *vis-à-vis* Iran have also become crucial to the ability of the EU to affirm itself as a major player, with or without a duly ratified Constitutional Treaty. If the ‘proof of the pudding is in the eating’, it can be said that the demonstration of the EU’s role as an international actor rests in large part on the manner in which it collectively handles the Iranian affair, with the EU-3 acting by proxy for all.

It is the ambition of this instalment of *Readings in European Security* to serve as a prism through which to assess the external and security consequences of the most recent developments affecting the EU and its external relations, not least its North American and its Russian partners in a troubled time.

François Heisbourg
Chairman
European Security Forum

RUSSIA AND THE WEST

WITH CONTRIBUTIONS BY

MICHAEL EMERSON

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From an Awkward Partnership to a Greater Europe?

A European Perspective

*With a post-script written after the Russian presidential
election of 14 March 2004*

Michael Emerson*

Russia and the EU talk in their summit communiqués about their strategic partnership, but it seems like an awkward partnership. The relationship is not that bad, certainly not life-threatening, but it is not that good either.

There is the inevitability of a complex relationship, given proximity and massive complementarity in trade, yet there are huge differences in how the two parties view Europe and the world, and how they behave internationally.

The complementarity factor in trade and lifestyle services is a bedrock that binds both parties in a stable relationship at a primary level. Russia exports oil, gas and other energy-intensive materials, which the EU buys in exchange for smart manufactured goods, holidays and secondary residences in the sun for the new Russian middle classes. Young Russians want a normal place in the modern world, both Western and European. All of this is positive, fundamental and durable. It makes a huge change for the better after the dreary decades of ideological hostilities and deadly strategic security threats.

But even this complementarity leaves Russia uneasy, since it has developed a big case of the Dutch disease. The strength of oil and gas exports brings a high exchange rate that exacerbates the non-competitiveness of Russian manufacturing sectors. Russian politicians grumble about their country becoming just a raw-materials producer, and the new business leaders lobby hard for retaining high tariff protection, along with low gas prices for industry. This leads to frictions with the EU over trade policy and continuing blockage over Russia's accession to the World Trade Organisation (WTO).

As foreign policy actors, the two entities are totally different animals. The EU is a vegetarian elephant and Russia is the bear that at times cannot resist growling out of bad humour and intimidating its smaller neighbours. Russia sees its former empire continuing to contract, seemingly relentlessly. The EU sees its quasi-empire growing, almost out of control. The EU is seen as normatively attractive in international relations, but is still more of a

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framework organisation than a foreign policy actor – lacking in discipline as a single force. Russia under President Vladimir Putin has become a much more coherent presence in international relations after the chaotic period of former leader Boris Yeltsin, yet it often lacks normative attractiveness for its neighbours.

These fundamentals are today reflected in the recent papers exchanged by parties on both sides. On 9 February, the European Commission published a remarkably frank document on the state of the EU-Russian relationship, containing much internal self-criticism as well as complaints directed at Russia.¹ For its part, Russia has transmitted an unpublished but much publicised list of 14 technical complaints in relation to EU enlargement, while Foreign Minister Igor Ivanov published an implicit reply to the Commission at a more strategic level (see Annex Box A.1).

The EU's self-criticisms. The recent Commission document comes in the aftermath of Silvio Berlusconi's EU presidency and the summit with Russia in November 2003, which was hugely embarrassing. Mr Berlusconi improvised, clowning at the press conference as President Putin's self-appointed advocate, clearing him of any criticism over either Chechnya or the Mikhail Khodorkovsky affair. Earlier, Mr Berlusconi had made speeches advocating Russia's accession to the EU. But for the rest of the EU this was no joke, either on form or substance. With regard to form, the EU was revealing its incoherence at the top political level, coming after the searing split over Iraq earlier in the year. On substance, there was an apparent erosion of the EU's priority attachment to fundamental political values.

Even setting aside the ephemeral frivolities of Mr Berlusconi's presidency, for President Putin there is apparently a problem of understanding how the EU works. A story is circulating about a fairly recent meeting between Mr Putin and the leader of a small EU state that has traditionally had a strong relationship of trust with Russia. At this bilateral meeting, Mr Putin asked why the EU institutions seemed to be so difficult to deal with, compared to his bilateral relationships with many EU leaders. The reply was that Mr Putin should not be surprised, since the member state leaders were so often inclined to make vague and friendly promises for things for which they no longer had competence at the bilateral level (e.g. visas and trade).

The Commission's document is partly about these internal issues, referring to the need to "clearly draw 'red lines' for the EU, positions beyond which the EU will not go". Various other phrases repeat the same language: "to defend

¹ European Commission, *Communication of the Commission to the Council and European Parliament on relations with Russia*, COM(2004)106, Brussels, 9 February (2004) (retrievable from www.europa.eu.int).

EU interests vigorously” and “discussing frankly Russian practices that run counter to universal and European values” along with “the need for increased coordination and coherence across all areas of EU activity – sending clear, unambiguous messages to Russia”.

The self-criticisms are all the more justified, since there is a basic commonality of interest among the EU member states over Russia. This subject is nothing like the Iraqi affair, where the divisions were real and fundamental. The chances of the EU improving the coherence of its policy over Russia are therefore quite good and the institutional improvements of the proposed constitution – including the appointment of an EU foreign minister – could be especially useful, given the latent unity of EU interests.

Moscow's policy. What is Russia's foreign policy, in particular towards Europe? The official answer is found in the recent press article by Foreign Minister Igor Ivanov, which stresses the objective of creating a genuinely strategic partnership that is not impaired by various outstanding problems (which are listed in the article and reviewed later in this paper), nor diverted from the long-term strategic objectives.

Independent analysts have the task of decoding or commenting on these official positions, which is done from a Russian standpoint by Dmitri Trenin (see extracts from his recent article in Box 1). Mr Trenin sees a form of 21st century realpolitik evolving, rather than a values-driven strategy, and a foreseeable concentration of effort on the near-abroads ('Operation CIS'), which in his view will mean growing competition with the EU. For the US, the strategy will be one of “limited partnership and local rivalry”.

Russian Deputy Foreign Minister Vladimir A. Chizhov, in a speech at a conference about Wider Europe, is consistent in combining these two elements of Russian foreign policy, namely a strategic bilateral partnership with the EU and Russia's objective for the reintegration of the CIS area.² He criticises the EU's Wider Europe policy, which is seeking to deepen the EU's relationship with Ukraine and Moldova. He is therefore confirming Mr Trenin's point about competition in the overlapping near-abroads.

Former Deputy Foreign Minister Ivan D. Ivanov has provided another succinct but perhaps classic statement of Russia's view of itself as a great power and why this limits the perspectives for its relations with the EU (see Annex Box A.2).

² For details see the Russian Mission to the EU, Press Release No. 32/03, 11 November 2003 (retrievable from www.users.coditel.net/misruce).

Box 1. Moscow's Realpolitik

by Dmitri Trenin

Relations with the West are not an ideological imperative, but an external resource for economic modernization.

The elite think in terms of a 21st century *realpolitik* as a combination of geopolitics and geo-economics with military might thrown in for good measure. Ideological preferences of governments and values of societies do not play a decisive role.

'Integration' implies promoting contacts with the international community in general, not absorption by one part of it. Membership of the European Union is out of the question. Russian-European relations are mostly restricted to trade and economic contacts and political debates over human rights and civil liberties.

The Kremlin has made up its mind with regard to the United States: limited partnership and local rivalry.

Russia accepts the need for self-restriction and concentration on vital interests. The major objective in the near future will come down to rearranging post-Soviet territory and establishing a centre of power under Russia's aegis. This new strategy may be called 'Operation CIS'.

Expansion of Russian capital into the former Soviet republics and Russia's transformation into an economic magnet is a major factor in establishing the new centre of power. Establishing a common economic zone and a regional security framework with some former Soviet republics is a strategy for the next 20-25 years.

All CIS countries will retain their sovereignty (Belarus may be the exception). Ukraine, Moldova, Belarus, and countries of the southern Caucasus are 'nearby foreign countries' for the European Union. Russia's active policy in the CIS will result in direct rivalry with the European Union over the future of these countries.

Establishing a Russian centre of power will mean some serious sorting out of issues with the United States and the European Union. It will not be easy, but Russian leaders must prevent a confrontation with the West at all costs. Russia itself should be Russia's number one concern in the 21st century. That means the modernization of Russia.

Source: Extracts from the article published in *Nezavisimaya Gazeta*, 9 February 2004 (a full English translation is available at www.carnegie.ru).

Partnership, cooperation and common European policy spaces. Official relations between the EU and Russia are governed by the Partnership and Cooperation Agreement (PCA) signed by President Yeltsin in Corfu with EU leaders in June 1994. This provides for very wide-ranging cooperation, especially in economic domains. An important institutional provision is the half-yearly summit meetings at the level of the president of Russia with the presidents of the EU Council and the Commission. A striking development under President Putin is that these meetings have become an occasion to set the agenda with important objectives and review work in progress, in comparison to the earlier meetings with Mr Yeltsin, which were insubstantial.

One ambitious idea in the PCA is to envisage free trade between the EU and Russia, but this is subordinated in any case to the prior accession of Russia to the WTO, which still has not been agreed, despite years of negotiations with the EU and the WTO itself in Geneva. The WTO negotiations have thrown up three major issues: the level of Russian import tariffs that would become binding upon WTO accession, compliance with the rules for some key service sectors (notably banking) and the level of domestic energy prices in Russia. These issues have not yet been resolved and touch on strategic issues of economic policy for Russia, whose new business leaders have been lobbying very hard to keep a relatively high level of tariff protection for goods or for regulatory protection for banks. Russia agrees to the principle of market alignment for domestic energy prices, but only over the long term and without precise commitments. These issues interact with the pressure of EU business lobbies to retain instruments of protection (anti-dumping provisions and some quotas) against the Russian exports that would compete with those of EU producers, including metal and chemical products. Nevertheless, serious negotiations are continuing at a high level and the mood seems to be that a workable deal may be struck this year.

The domestic energy price issue in particular touches a very raw nerve in Russian politics. The gas price for industrial use is the main issue, since the oil price is relatively close to world-market levels and the very low price of gas for household use is not contested as a matter for negotiation by the EU. Russia argues that the presence of natural gas in Russia is a natural comparative advantage, just as the sun is for tourism in the Mediterranean. The EU is believed to have moderated its position in light of the impasse and a negotiated agreement does not seem inconceivable. The argument has become very heated in Russian political circles, even to the point that the EU is accused of wanting to cause social and political chaos in Russia (since the negotiation positions of the two parties is not publicly known, the Duma parliamentarians have every temptation to be polemical). The argument of the economist is that the very low gas price keeps the Russian economy stuck

in a structure of energy wastage and obsolete industrial technologies. It also contributes to global warming, which the Kyoto protocol is intended to curb, but which Russia now hesitates (or declines?) to ratify. With the Bush administration having already pulled the US out of the Kyoto agreement, Russian ratification has become a necessary condition for the Kyoto protocol to enter into legally binding force.

The EU and Russia have pursued many more issues in their energy dialogue since its inception at their Paris summit in October 2000. There has been one significant disappointment, with Russia declining in December 2003 to ratify the European Energy Charter transit protocol, on the grounds that the European Commission had been trying to transfer the issue to the WTO legal environment. The transit protocol would introduce multilateral regulation of the gas and oil pipeline business, which is especially pertinent for complex cases where major pipelines cross many frontiers. Within Russia there are manifest differences of interest between the gas company Gazprom, which has been against this multilateral legal order since it would restrict its monopolistic position, and other energy sector interests that favour it. It is possible that the Russian side stands to lose most from a sub-optimal regime, failing to digest the fact that the economics and technology of liquefied natural gas (LNG) transport are improving fast, which means that the monopolistic position of Gazprom is eroding. For example, European companies are considering possible investments in major Iranian offshore deposits, which would be based on LNG delivery systems.

More generally, the world natural gas market is becoming more competitive and fluid. The EU also seeks Russian agreement for its pipeline system to allow the transit of gas from Kazakhstan for example, with direct dealings between buyer and seller. Russia is sticking to the position of wishing to be the buyer of such gas before selling it on to European buyers, which would strengthen its monopolistic position in the short run; however, as a monopsonistic buyer, the EU will in this case seek alternatives, which seem to be increasingly available in the medium to long term (such as LNG supplies and trans-Caucasus pipelines). Overall, the negotiators do not yet seem to be converging on an optimal solution. The Russian side could be criticised for yielding to rather short-sighted lobbying by Gazprom,³ while

³ See the remarks of former Russian Deputy Energy Minister, Vladimir A. Milov, as reported in the Newsletter of the Energy Charter, Winter (2004) (retrievable from www.encharter.org).

the European Union could be criticised alongside it for not trying hard enough to use the potential of the multilateral Energy Charter framework.⁴

A second summit initiative in May 2001 was to launch the idea of a 'Common European Economic Space' (CEES). The purpose of this initiative seems to have been to find ways of preparing for deeper market integration, pending resolution of the WTO-accession negotiations. The two parties set up a high-level group to produce a concept document, which they delivered in December 2003. But this turns out to be a very sketchy contribution as yet, without immediate operational implications. It did nothing to dissolve the mounting terminological and conceptual confusion in relation to the existing European Economic Area (EEA) or political confusion and potential contradiction with the Single Economic Space (SES), which Russia launched with Belarus, Kazakhstan and Ukraine in mid-2003 at Yalta.

Nevertheless, the two parties still seem encouraged by the idea of creating common policy spaces, and at the St Petersburg summit in May 2003 they announced their commitment to developing three more spaces. The first of these, for education, research and culture, has some substance already with Russian participation in existing EU-funded programmes and surely deserves sustained support. The second, for justice and home affairs, which certainly deserves a long-term effort as well, is already engaged on matters of visas and readmission agreements. In the fight against organised crime, the common interest of the EU and Russia to curb illegal drugs is of huge importance, given that the production of opium in Afghanistan is now booming again. Heroin addiction is surely destroying many more lives in Europe than were lost on 11 September 2001 in New York, and for these drug problems the whole of Europe is in the same boat, with little protection from any official borders.

The third common space, for external security, seems devoid of substance so far, beyond the useful procedural initiative already decided at the Brussels summit in October 2001 of having the Russian ambassador to the EU meet the Troika of the EU Political and Security Committee for briefing each month. One might expect that this common space for external security would see the EU and Russia really cooperating over conflict resolution in near-abroad cases such as Moldova and Georgia, but as illustrated below this is far from being the case. The summit commitment here seems to fall into the category of an empty political gesture.

⁴ See the remarks of Russian Deputy Prime Minister Viktor Khristenko, as reported in the Newsletter of the Energy Charter, Winter (2004) (retrievable from www.encharter.org).

In 2002, President Putin used the summit process to make a big push to obtain some positive outcomes for Kaliningrad, before it became an EU enclave with Polish and Lithuanian accession. This delivered some results, with new procedures to facilitate the transit of persons between Kaliningrad and mainland Russia, compared with the usual Schengen visa procedures.⁵ A study was also launched to create a new high-speed, non-stop train link between Kaliningrad and mainland Russia. Yet more ambitious ideas from the Russian side to make Kaliningrad a ‘pilot region’ for Russia’s integration with the EU have not really advanced, either conceptually or in practice.

A continuing Russian priority is to enhance the institutionalisation of its relationship with the EU, alongside analogous developments with NATO, which has its 19+1 forum. The November 2003 summit decided to establish a Permanent Partnership Council (PPC), whose shape is still to be agreed. Russia wants a 25+1 format, whereas the EU prefers a troika format. The EU has been puzzled by the apparent Russian preference for such an unwieldy 25+1 format, which seems to be motivated by the desire to have a dialogue ‘within’ the EU rather than ‘with’ it. EU foreign ministers ‘decided’ on 23 February that the troika format will be used to represent the EU.

EU enlargement. Among Russia’s 14 complaints, the most numerous concern the trade policy consequences of enlargement. Negotiations on these issues are ongoing. Where these consist of the logical extension of various quota provisions to take account of the EU’s enlargement it seems likely that agreement will be reached. This is less likely, however, where Russia has introduced old items into its shopping list, which are largely extraneous to the enlargement process. There are a number of positive moves under way or under consideration, regarding Kaliningrad for example and the movement of persons in border regions, which can move ahead without being framed as conditions for Russia’s ‘acceptance’ of EU enlargement.

Russia has been reinforcing its arguments with the threat of not agreeing to the extension of the PCA to the enlarged EU, which the EU considers to be automatic. Indeed if the PCA was not extended there would be a legal void in the basis for EU-Russian relations. If one examines the possible consequences of this eventuality, apart from a bad political atmosphere, there could be a discontinuation of the half-yearly summit process and possibly some of the asymmetric trade preferences granted to Russia by the EU. On balance, this bargaining stance does not seem to have been well-conceived. It led EU foreign ministers on 23 February to “emphasise that the PCA has to be applied to the EU-25 without pre-condition or distinction by 1 May 2004.

⁵ See Yevgeny Vinokurov, *Kaliningrad’s Borders and Transit to Mainland Russia – Practicalities and Remaining Bottlenecks*, CEPS Commentary, CEPS, Brussels, January (2003) (retrievable from www.ceps.be).

To do so would avoid a serious impact on EU-Russia relations in general... The EU is open to discuss any of Russia's legitimate concerns over the impact of enlargement, but this shall remain entirely separate from PCA extension."⁶

Also included in the list is the situation of the Russian-speaking communities in Latvia and Estonia, which are matters of member state rather than EU competence and not directly affected by the enlargement process. The recent revision of the education-language law in Latvia, however, has been generating a lot of tension, most of all in Latvia itself. There has been a worrying instability in the Latvian parliament's handling of this question. In its first reading, the new law was to introduce a rule that 60% Latvian language and 40% minority language (e.g. Russian) was to be used in the curriculum in schools for minorities. This is a well-trying formula for producing young people with bi-lingual competence,⁷ and therefore conducive to the full social and professional integration of minorities, including in this case the acquisition of Latvian citizenship. Yet extreme nationalist elements in the Latvian parliament succeeded in getting the second reading to change these percentages to 90 to 10% (or 85 to 15%), which caused an uproar and demonstrations within Latvia, as well as protests from Moscow. The government then managed to get the third and final reading to revert to the 60 to 40% ratio and the law has since passed. The situation appears to be calmer now.

While the EU has no jurisdiction in the matter, it is of political concern in relation to generally understood European values. So here Russia had a point, even if Russian parliamentarians themselves do not always speak respectfully of the independence of the Baltic States. Hopefully the worst of this crisis is now over. What seems certain is that this is all a passing problem, since the Russian minorities of the Baltic States face a future full of opportunities, as long as they do their foreign language homework. They will become EU citizens and have full access to the EU for travel, residence and employment, yet they will be able to return to Russia if they wish, engage in

⁶ See the Conclusions of the Foreign Ministers' Council, 23 February 2004, 6294/04 (Presse 49). Nevertheless, on the next day (24 February) President Jacques Chirac declared in Budapest, "*l'Union européenne devait avoir un peu plus de respect à l'égard de la Russie*", seemingly commenting on the conclusions to which his own foreign minister had subscribed the previous day, and offering thus a more carefully phrased version of Prime Minister Berlusconi's conclusions to the November 2003 summit (referred to above).

⁷ This is close to the system of the European schools of Brussels, where all pupils are taught in a second working language to the extent of about 30% of the curriculum, and where the average student becomes fluently bi-lingual if not poly-lingual.

EU-Russian business opportunities and enjoy dual nationality as well if they desire (e.g. Estonian or Latvian and Russian).

The overlapping near-abroads. As was already indicated in the Russian 'Foreign Policy Concept' adopted in June 2000, President Putin has decided to prioritise the near-abroad, after observing that Russia could not really compete with the US for global influence or with the EU in the wider European arena. Several episodes or incidents have stood out in recent months that illustrate the tone and method of Russian policy.

For Ukraine there was the affair of the Kerch straits at the mouth of the Sea of Azov, where in late 2003 a hundred or so heavy trucks suddenly started building a causeway from Russian territory to a Ukrainian island, so as to change the political geography there by unilateral action. When Ukraine protested, Moscow said at first that this was a spontaneous local initiative of some Cossacks. Ukrainian commentators are now remarking that nothing has so united them all with anti-Russian sentiment as this episode, including the Russian-speaking communities of Eastern Ukraine.

In the case of Moldova, there was the Kozak memorandum affair, in which Mr Putin's close advisor, Dmitri Kozak, tried to bulldoze through a new federal constitution to re-unify Moldova and Transnistria. This ran into a blaze of objections on the grounds that it by-passed the OSCE mediators with whom Russia was meant to be working, it was seriously defective as a federal design (too many joint competences) and it would have given hugely disproportionate power to the highly undemocratic Transnistria.

With regard to Georgia, there was the first reaction to President Mikhail Saakashvili's Rose Revolution with mutterings in Moscow about foreign plots and interference, while the government immediately received the secessionist leaders of Abkhazia and Southern Ossetia, and the virtually separatist leader of Adjara – appearing to support them. In recent years there were also episodes when Russia switched off the gas supplies in the middle of the freezing winter for reasons that were a non-transparent mix of commercial debt collection and geo-political pressure. Another example of Gazprom geo-politics occurred in mid-February 2004, when Russia cut off gas supplies to Belarus for debt collection and whatever other reasons, with a collateral interruption of supplies to Poland for 20 hours without prior notice. This immediately triggered a reopening of the political debate in Poland over a recent decision not to build a new gas pipeline from Norway.

These incidents seem to indicate that the Russian foreign policy machine is not yet fitting comfortably into contemporary Europe. All the examples cited appear to have been counter-productive. Kremlin advisors do not seem to realistically assess that the effects of Russian behaviour, which threatens to dominate and pressurise, contrasted with EU behaviour, which does exactly

the opposite (declining so far to grant membership prospects to Ukraine and Moldova or even inclusion in the Wider Europe concept to the South Caucasus states), makes the states in question want to run away from Russia even more and to have a deeper relationship with the EU.⁸ Russian political discourse is all about defending ‘national interests’, which is hardly objectionable as such, but there is very little analysis about how the mechanisms for doing this are supposed to fit into either the norms or even the realpolitik of the modern world.

Wider Europe. The EU receives plaintiff calls from the states of the overlapping near-abroads to support them more, requesting recognition of ‘prospects’ in the long term for EU membership. In reply, the EU is offering a sketchy Wider Europe policy, without granting such ‘prospects’. By its statutes, the EU recognises the eligibility of all European democracies to become member states. Yet it does not want to provoke more accession candidacies, since the task of digesting the move from 15 to 25 member states looks formidable and the moves by Poland to block the proposed constitution are already causing serious concern.

The strategic messages, however, are becoming highly confusing. The EU and Russia are agreeing in principle to create several common European policy spaces, notably for economics, education and research, justice and home affairs, and external security. These sound like excellent building blocks for an all-inclusive Wider Europe policy that would minimise the new divisions in Europe between the enlarging EU and its neighbours.

Yet if the EU-Russian common policy spaces are to be filled with anything beyond hot air (which is what they mainly are so far), they will necessarily have to tackle the issue of coherence in their relations with the countries that lie between them. This is patently obvious for such matters as transport and energy infrastructures, trade and market policies, any ambitious regime for the movement of persons and anything concerning common external security threats.

If one wanted to seriously pursue these common European policy spaces, it is not that difficult to design a framework for doing so. The elements are half-assembled already, but not yet properly put together.⁹ A total of seven common policy spaces are conceivable for 1) democracy and human rights, 2) education, research and culture, 3) trade and market policies, 4) macroeconomic and monetary affairs, 5) economic infrastructures and

⁸ The EU is now reconsidering its position on the exclusion of Georgia in the Wider Europe and seems likely to take a decision by mid-2004.

⁹ As is proposed in some detail in M. Emerson, *The Wider Europe Matrix*, CEPS, Brussels (2004).

networks, 6) justice and home affairs, and 7) external security. There is a plethora of multilateral organisations concerned with this or that element, including the Council of Europe, OSCE, NATO, the European Bank for Reconstruction and Development (EBRD) and several other regional initiatives of direct interest to Russia (for the Baltic, Barents and Black Seas). The essential question is whether there could be enough political will to invest more seriously in a Wider Europe of common multilateral institutions, based on common political values and ground rules. If Russia became a willing partner for such an endeavour it would mean giving some substance at last to the old ideas of Mikhail Gorbachev for a common European home or those of François Mitterrand for a European confederation.

Democracy and Chechnya. It is notable that the EU and Russia are trying to create multiple, common European policy spaces for almost everything except the most fundamental of all – democracy and human rights. It is not hard to guess at the reasons.

President Putin's regime has come to be regarded in the EU as a 'managed' or 'limited' democracy. While EU leaders recognise the huge, popular legitimacy of Mr Putin, who put order back into the house of Russia after the loose governance at the end of the Boris Yeltsin period, the Khodorkovsky affair is still viewed as a serious revelation of the nature of the regime, coming after earlier initiatives to dislodge Boris Berezovsky and Vladimir Gusinsky from their control of the main TV channels. The process leading to Mr Khodorkovsky's arrest was monumentally non-transparent. Ultimately, President Putin himself commented to the press that Khodorkovsky had stepped over an invisible red line, namely that the oligarchs should keep out of politics. Concern exists over whether the Putin regime will become increasingly authoritarian, with the Duma recently passing laws that could allow a third term for Mr Putin (which the President says he himself is against).

Council of Europe member states cannot ignore the Chechnyan tragedy. Even if various EU leaders choose diplomatic discretion in their conversations with Mr Putin, their parliamentarians and publics will not be quiet. EU leaders have entirely supported the Russian argument that Chechnya should not be granted independence, for fear of undermining the Russian Federation itself. It is also remembered that in the period of former President Dzhokhor Dudaev from 1991 to 1994, Chechnya enjoyed virtual independence, but then revealed itself to be a dangerously criminalised, failed state. Yet the European Parliament's reports on EU-Russian relations also deplore the failure of Russia to stop human rights violations by its security forces and the absence of any process of dialogue that could lead to

a political solution¹⁰ or even any real political debate in Moscow beyond the language ‘no negotiations with terrorists’.¹¹ The European Commission’s recent document makes the same points. Politicisation has been increasing recently as a member of the European Parliament went on a hunger strike for 36 days over the issue of Chechnya. The hunger strike ended when the Parliament, in a plenary session, adopted recommendations asking the EU institutions to study the proposal of Ilyas Akhmadov – which advocates a temporary UN mandate for the territory¹² – and to report back to the Parliament on this and any other peace proposals.

The Chechnyan crisis is already spilling over into the EU physically, beyond the political debate on matters of principle. It is a terrible fact to report that in the last year Russia overtook Iraq as the biggest source of asylum-seekers arriving in EU member states.¹³ Most of these arrivals from Russia are believed to be Chechnyans, including the case of former Chechnyan minister Ahmed Zakhaev, for whom Moscow issued an extradition request that was rejected by the UK. The grounds for granting asylum are usually that the applicant is judged, by an independent judiciary, to be subject to serious risks of judicially irregular, life-threatening treatment or torture upon return. Chechnyans and al-Qaeda operatives are not generally viewed in Europe as being axiomatically in the same category, even if the implication of some of the discourses of Presidents Bush and Putin tends to put them all in the same

¹⁰ See the European Parliament recommendations to the Council on EU-Russia relations, document A5-0053/2004, 26 February (2004) (retrievable from www.europarl.eu.int).

¹¹ An opinion poll among Chechnyans in August 2003 reported that 69% of Chechnyans judged that the motivation of Chechnyan suicide bombers was revenge for the brutality of Russian forces in Chechnya, whereas 8% were aiming at independence and 8% engaged in Jihad. Some 78% of Chechnyan respondents considered that Chechnya should remain part of Russia and only 19% favoured independence (see D. Trenin, *The Forgotten War: Chechnya and Russia’s Future*, Carnegie Endowment Policy Brief No. 28, November 2003).

¹² See *The Russian-Chechen Tragedy: The Way to Peace and Democracy – Conditional Independence under an International Administration*, Ministry of Foreign Affairs of the Chechen Republic of Ichkeria, February (2003) (retrievable from www.chechnya-mfa.info).

¹³ UNHCR statistics show that in 2003 Russia overtook Iraq as the most important source of asylum-seekers arriving in 24 European countries. In 2002 there were 48,411 asylum-seekers from Iraq and 18,604 from Russia; in 2003 there were 24,248 from Iraq and 32,274 from Russia. A large majority of the Russian immigrants are believed to be ethnic Chechnyans (see UNHCR, *Asylum levels and trends: Europe and non-European industrialised countries 2003*, UNHCR, Geneva, February, 2004, retrievable from www.unhcr.ch).

terror basket.¹⁴ Al-Qaeda is indeed a multinational terrorist organisation. The Chechnyans are a people and nationality, some of whom are violent terrorists.

These developments are not triggering outright sanctions from the EU, but they are certainly not costless to Russia's reputation internationally or to its strategic ambitions.

Dancing partners. One of the intriguing questions thrown up in the post-11 September environment is whether the EU, Russia and the US may become a self-stabilising force in the Western world, not only as a troika, but also as a system in which the three parties can switch partners from dance to dance, without wrecking the ball.

After 11 September, the US and Russia initially made a specific allied move in the war against terror, when Mr Putin – after a pause in Sochi to reflect on how to respond – opted to cooperate with the US to the point of not opposing new US military bases in Central Asia. But as the war over Iraq approached, Russia allied itself with France and Germany to oppose the US in the UN Security Council.

More recently, at the OSCE ministerial meeting in Maastricht in December 2003, the EU and the US formed an alliance to oppose Russian policy over Moldova, for reasons already noted.

The main example so far of Russia and the US taking a common position against the EU is their non-acceptance of the Kyoto protocol, although this was sequential (the US in 2000 and Russia in 2003) rather than coordinated, leaving the EU feeling aggrieved at the global irresponsibility of both parties. The US has had occasion to form alliances against the EU in other arenas, for example in the WTO over agriculture.

Thus there could be a Western club with three main parties. Most of the time they may work cooperatively together. At times one party may take a position that the other two find idiosyncratic, unjustified and dangerous. The other two may ally diplomatically to head off the third party. The organisation of the UN Security Council and the G8 facilitates the task of making the position of the third party costly. These alliances of two parties to constrain the third could be considered an attractive system if the allies base the legitimacy of their positions on internationally accepted norms. But could

¹⁴ Eugene B. Rumer will no doubt be covering the US angle on these issues thoroughly in his paper. It has been noticed in Europe that US Senator John McCain has written to President Bush advocating the suspension of Russia from the G8, to the point that when in Moscow in early 2004 Secretary of State Colin Powell was constrained to deliver some critical remarks together with reassurances that the US was not thinking of this sanction.

the opposite happen at times, in which two parties join together in their disrespect for international norms and override the third party's efforts to support international order (as seen for example with the Kyoto agreement)?

Conclusions. If the outlook is not that bad, but not that good either, is it conceivable that policy-makers could set a better course for a deeper and more beneficial relationship between the EU and Russia? Unfortunately the problems are fairly deep, so a marginal 'try harder' effort does not look like it will yield big improvements. Maybe the most probable scenario is the continuation of a pragmatic, inevitable but still awkward partnership. In this case the two parties would not be able to manage a profound convergence for a long time, yet they are sensible enough to avoid a serious deterioration in relations.

If *realpolitik* is to be the name of the game, the future will depend on how the balance of strengths and weaknesses of the two parties evolve. The EU's enlargement looks like going on and on as far as the eye can see. All of non-EU European countries except Russia (and Belarus) are already candidates or expressing their long-term interests in membership, including Ukraine, Moldova, Georgia and Armenia. What if the political tendencies in favour of these conceivable candidacies for EU membership gradually strengthen, in spite of zero encouragement from Brussels?

The Moscow strategic analyst may place some probability on the EU overstretching itself and falling apart, or relapsing into a smaller core with a disorderly periphery. Or, one could speculate that the EU will become so worried over the prospect of its own ungovernability that it will come down against continuing enlargement, to the point that some of the near-abroad candidates will be deeply offended and return to Russia as the alternative partner. In the latter case Operation CIS would go ahead without serious competition.

But maybe the EU will just remain the biggest and richest entity of the European continent, from the Baltic to the Black Sea, most of the time working alongside the US. Being also deeply committed to a values-driven regime for itself and its neighbourhood, the EU remains a magnet for its neighbours. Moscow's *realpolitik* in this situation could be a miscalculation.

A more attractive alternative may be a renewed effort to give greater substance to the Pan-European space, for which various noble names are on offer (*Bolshaya Evropa*, *la Grande Europe*, European Confederation, Greater Europe, Pan-Europe).¹⁵ The possible content of the common policy spaces for this Europe, corresponding territorially to the Council of Europe's

¹⁵ See the remarkable book of Richard Coudenhove-Kalergi, *Pan-Europe*, New York: Alfred Knopf (1926), which deserves to be reprinted.

membership map, has been noted above. The use of existing multilateral organisations could be revised in this new context. But first and most importantly would be the questions of strategic choice:

- for Russia, whether beyond its declarations in favour of a ‘Greater Europe’ it is able and willing to converge faster and more convincingly on Europe’s basic political norms and values, with a sustained performance translating into reputation; and
- for the EU, whether it is willing to go beyond its present small Wider Europe policy to invest in a much more substantial Greater Europe concept, bringing together the enlarging EU and all the European states of the CIS.

At present, the time does not yet seem ripe on either account. Moreover, both conditions would have to be satisfied together. So a Greater Europe may have to wait another five or ten years for new political conditions, hoping in the meantime that the awkward partnership proves reasonably manageable, which is more likely than not.

But politics is full of surprises. President Putin cleared away his old government to be ready for a new thrust of policy after his expected landslide re-election. But what new thrust of policy? The West has no idea what to expect by way of new developments in Russian domestic politics, beyond the summary slogans such as economic reforms and a strong state. Maybe there could be some fresh approach to resolve the Chechnyan problem at last. For the overlapping near-abroads, Russia may work out an understanding with the EU for more cooperation rather than competition. These two elements – progress over Chechnya and the near-abroads – could together conceivably open the way for development of the common European policy spaces, and so on from a Wider Europe to a Greater Europe.

* * *

Post-Script

The above was written before the presidential election of 14 March. Are there already signs that hint at new directions? Actually there are several.

First, at the level of personalities, Russia's ambassador to the EU in Brussels, Mikhail Fradkov, was appointed Prime Minister, which at least means that the level of knowledge about the EU in the Moscow leadership has been strengthened. Foreign Minister Ivanov was replaced by Russia's long-time ambassador to the UN in New York, Sergei Lavrov. Dmitri Kozak of the Kozak memorandum debacle in Moldova was shifted to a staff position in the Kremlin of less policy significance.

Second, at the level of policy substance, President Putin declared on election day, in a remark that seems not to have been noticed in the Western media, that "Russia would not allow itself to slide into confrontation or aggressive methods of pursuing its national interests. We would demonstrate flexibility and seek compromises acceptable to us and our partners". This seems to be a warning message to the *siloviki* old guard and a pointer for the policy to be followed by the new team.

Third, in the economic policy domain, Mr Putin has indicated that the gas pipeline network should be liberalised to allow greater competition for its use, thus striking at the Gazprom monopoly.

Overall, while 'three swallows do not make a spring', from a European perspective these seem like positive indications for both foreign and economic policies.

Annex

Box A.1. Russia-European Union: Moving towards each other
by Russian Foreign Minister Igor Ivanov

The EU-Russia Summit, held in St. Petersburg on 31 May 2003, opened a new phase of our relations. The summit agreed “to reinforce co-operation with a view to creating in the long term a common economic space, a common space of freedom, security and justice, a space of co-operation in the field of external security, as well as a space of research and education, including cultural aspects”.

The objective in this regard is to create jointly a genuinely strategic partnership based on positive interdependence. Its accomplishment requires enormous effort, a capability to understand and accommodate [the] interests of others and an ability to overcome everyday problems and differences using the strategic goals as the main guidance.

As such ambitious problems are resolved, there certainly will be and already are those who display skepticism. For various reasons, they claim that the substantial progress achieved in the relations between the EU and Russia is, in fact, minor. To justify their view they bring up issues with respect to which there are differences for some reason or other, i.e. the WTO, Kyoto Protocol, human rights in Chechnya, freedom of mass media, Trans-Siberian air transit charges, safety at sea and nuclear security, etc.

Undoubtedly, these and some other issues, i.e. the situation of the Russian-speaking population in Latvia and Estonia, quota limits, anti-dumping procedures, certification of agricultural products, visa barriers, etc., are important as they are. Russia favors their examination in order to elaborate common approaches. However, one may sometimes get an impression that those who try to focus exclusively on these issues, are, deliberately or not, diverting our attention from the long-term strategic objectives, which we should strive to achieve in the first place.

As for Russia, it remains committed to the fundamental universal and European values, the main of which, as President Putin emphasized recently, being its “final and irreversible choice in favor of freedom”. Building on that basis and bearing in mind its national interests, my country will continue to pursue consistently the policy of forging a genuinely strategic partnership with the EU.

Source: Extracts from the article published in *Frankfurter Allgemeine Zeitung*, 19 February 2004; unofficial translation published by the Russian Mission to the EU, Press Release No. 12/04.

*Box A.2. Expansion of the European Union: Scenario,
Problems, Consequences*

by former Deputy Foreign Minister Ivan D. Ivanov

Our country is not in need of affiliation with the EU. This would entail loss of its unique Euro-Asian specifics, the role of the center of attraction of the re-integration of the CIS, independence in foreign economic and defense policies, and complete restructuring (once more) of all Russian statehood based on the requirements of the European Union. Finally, great powers (and it is too soon to abandon calling ourselves such) do not dissolve in integration unions – they create them around themselves.

Source: Extract from the article published in *Mirovaya Ekonomika i Mezhdunarodnye Otnosheniya*, No. 9, September (1999).

New Challenges and Opportunities for the US and the EU in the 21st Century

Which Place for Russia?

An American Perspective

Eugene B. Rumer*

The new century marked a new beginning for Russia and its relationships with the outside world. After a decade of drastic setbacks in its economic affairs, domestic political upheavals and erratic international behaviour, Russia has resumed economic growth, achieved a good measure of domestic stability and re-emerged as a rather predictable actor in the international arena. Together, these accomplishments amount to a dramatic turnaround in Russia's fortunes, unimaginable only five years ago, when the country seemed destined to proceed along the downward spiral for as far as the eye could see.

Still, Russia's resurgence, in the eyes of many students of Russian politics, economics and international behaviour, has an unfinished quality. Today's Russia does not conform to the template of a 'normal' country that was held up by its partners on both sides of the Atlantic for its people and leaders to emulate at the outset of *perestroika*. Its political system, while displaying many of the trappings of democracy, hardly qualifies as one. Its economy, although largely in private hands and operating along general market principles, still remains a breed apart from those of its European neighbours and partners. Russia's international presence also has a special quality – its power projection capabilities are limited at best, its influence in major international fora is a function largely of its Soviet legacy rather than its current might or its moral authority, and despite shared positions and interests with other major powers, it continues to occupy a special place, distinct from the ranks of other major European, Eurasian or global powers.

The task of figuring out why and in what ways Russia is different or special is time-consuming and the findings are likely to ultimately prove inconclusive. Consequently, the task of defining Russia's place in the

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international system and transatlantic relations cannot hinge on the outcome of this process. Far more likely – and productively – Russia’s place in the international system and transatlantic relations will be determined by the emerging shape of that system itself and by the choices made by the EU and the US.

The outlines of the international system for the next 10 to 15 years are not hard to predict. The future of Russia in that time frame is not difficult to predict either. Many of the trends that will shape both Russia and the international system are already in place. The US and the EU need to make up their minds about Russia and decide whether to take advantage of the opportunity that Russia presents or to keep waiting until the moment when Russia reaches its comfort level and thus makes itself a more convenient partner and interlocutor.

Key features of the international landscape in the next 10 to 15 years¹

While many things are uncertain about the direction of change in the international arena and its likely condition 10 to 15 years from now, one thing can, however, be taken for granted: there is nothing else in the world like Eurasia. In terms of its economic muscle, share of global commerce, population, resources, military capabilities, concentration of major powers and their interests, as well as potential for conflict, Eurasia is and will remain for the foreseeable future the geopolitical hub of the world. No other continent has the potential in the next 10 to 15 years (or even beyond that time frame) to shape the global political, military, economic and social environment to the degree that Eurasia has. Eurasia is home to the world’s newest rising powers India and China, as well as Europe and Russia. Events in Eurasia dominate the list of US political, economic and security interests. The rise of China and India, the interaction between them and the established continental powers Europe and Russia and the question of whether and how the continent will be able to attain new geopolitical balance will be uniquely important and consequential for the entire international system.

Another major development is the rise of China. Its vast population, rapidly expanding economy, growing thirst for energy and dependence on energy imports, military modernisation programmes, strategic location (including common borders with Russia and India), as well as ambitions to play a major role in the affairs of Eurasia and the international system more broadly, make China a crucial factor in the future security environment of Eurasia and the world. China’s partners and neighbours must find ways to accommodate and

¹ This section draws extensively on an unpublished paper by and author’s discussions with Sherman Garnett.

channel Beijing's growth as a regional and global power without destabilising Eurasia. The same factors that make China so important as a rising power make it even more important if its progress is interrupted and it becomes a weak or failing state. A hostile and rising China or a fragmenting and weak one would exert a range of pressures on Russia's Siberian and Far Eastern regions and Central Asia, as well as influence events on the Korean peninsula and Taiwan. The fallout from either of these two turns of events in China in Southeast and South Asia would be equally troubling and destabilising. Furthermore, given China's role in global trade, the consequences of its stumbling or turning hostile would no doubt reach Europe, making it a truly Eurasian and global event.

There is little need to elaborate on the likely persistence of terrorism as a security challenge over the longer term in Eurasia. There are active terrorist organisations throughout Eurasia, whether one looks to Saudi Arabia, Spain, Israel or Uzbekistan. These organisations are part of a global sophisticated terrorist network. They have demonstrated a wide range of operational capabilities, from the simplest suicide bomber to highly sophisticated attacks. They are interested in acquiring weapons of mass destruction and advanced conventional capabilities. Terrorist actions have sought to disrupt normal life on both sides of the Atlantic and throughout the Eurasian landmass.

Terrorism will continue to coexist side by side and take advantage of weak states dispersed throughout Eurasia, especially those concentrated along Russia's southern frontier. These weak states represent a source of future instability, despite their current efforts to collaborate with the US and Europe in the war on terror. Weak states spawn within themselves civil, ethnic and regional conflicts. They become havens for drug traffickers or terrorists. They lack the resources to shape their own security environment; by their weakness they invite other powers and potential rivals to intervene and recreate new regional competitions. Several important Eurasian states exhibit signs of weakness and fragmentation, including many of the states emerging from the former Soviet Union.

The tasks of preventing the emergence of weak states and managing the effects of those that do emerge will be a major security preoccupation in the decade ahead, especially in the region reaching from Turkey through the Caucasus and Central Asia to China. Latent conflicts in and around the former Soviet Union, unresolved ethnic tensions, weak governments, political succession and declining social conditions have threatened and will continue to threaten the stability of states like Tajikistan and Uzbekistan. The fragility of Pakistan, Saudi Arabia, Azerbaijan and Georgia, to name just a few, remains a major concern for their neighbours and beyond.

Amid these geopolitical developments, energy security will be a growing concern. There appears to be no technological breakthrough on the horizon likely to reduce the importance of fossil fuels to the world economy. In the past decade, China and India have become net energy importers. By 2025, China may require 30 million barrels of oil a day, most of it coming from the Persian Gulf. When new demands from these and other countries in Eurasia are added to those already made by advanced economies such as Japan, maintaining a stable energy network will be a crucial global-security priority. Energy resources in Russia and in other nearby Central Asian and Caspian states may be a critical factor in addressing growing energy demands in the Far East, South Asia and Europe.

The proliferation of weapons of mass destruction (WMD) and advanced and highly accurate conventional weaponry promises to be a growing international concern. In the past several years, India, Pakistan and North Korea have openly declared their nuclear status. In addition, highly accurate conventional munitions along with supporting command and control systems are becoming 'off-the-shelf' technologies available to small states and even insurgents or terrorists. These developments will trigger entirely new dynamics in the security perceptions of major, established nuclear powers, rendering old notions of deterrence and retaliation insufficient to meet new challenges.

Demographic change, coupled with the spread of communicable diseases as well as the rise of political extremism, aberrant ideologies and inequality of globalisation, will have a powerful destabilising effect on the international system. Those societies that cannot educate and modernise their workforce face particular challenges, especially if they simultaneously face demographic shifts and one or another forms of extremism. The forces of globalisation are undercutting traditional sources of legitimacy in places such as Saudi Arabia and deepening the divide between active participants in the global economy and those outside. India and China have responded to globalisation by greatly expanding their trade and technological capabilities; other countries in the region find themselves left behind by the demands of a global economy and are seething with resentment at the economic, political and cultural impacts of a global economy and information age. Globalisation's demands are likely to put additional pressures on weak states and fuel political extremism, especially on those being left behind. Two aspects of globalisation that appear to have enormous security consequences are the lessening of the importance of geographical distance and the diffusion of serious political, economic and military power to non-state actors.

This cursory overview of major trends in the international arena in the next 10 to 15 years highlights the crucial role and place of Russia. It finds itself in that place by virtue of geography, history and economics. Russia's

constructive participation in international efforts to manage change in the next 10 to 15 years is one of the necessary conditions for success.

The efforts of the EU and the US to secure Russian support and cooperation for their cause of managing change and instability in the international system will depend on their perceptions and expectations of Russia. What kind of Russia should Russia's suitors from both sides of the Atlantic expect to find in the next 10 to 15 years?

Key features of Russia in the next 10 to 15 years

The outlines of Russia's future, much like the rest of Eurasia's, appear quite predictable. It will be a smaller nation, hemmed in by its much larger and more powerful neighbours to the east and west (by China and Europe), heavily dependent on its trade in mineral wealth and other 'natural advantages', busy dealing with domestic challenges, limited in terms of its power-projection capability and focused on its external relations with its troublesome periphery. In fact that periphery is likely to become the primary arena of Russia's interplay with other major powers and the prism through which Russian foreign policy and political elites will view relations with the rest of the world.

Russian demographic trends, long a major cause for alarm among students of the former Soviet Union and Russia, are projected to leave Russia with a smaller population than today – about 130 million by 2015. The spread of HIV/AIDS, as well as other infectious diseases, along with the cumulative effects of decades-old underinvestment in the nation's health care and basic infrastructure will put an effective brake on the ability of the Russian economy to grow. A World Bank study estimates that the impact of HIV/AIDS alone will amount to an annual cut in the economy's long-term growth rate of half a percentage point by 2010 and a full percentage point by 2020.

The ill-effects of Russia's demographic crisis will be profound and widespread, ranging from the size of the military Russia will be able to field to the burden it will have to shoulder in caring for the sick and the elderly. Sustaining the labour force needed to grow the economy will be a challenge for Russian policy-makers, who are already struggling with the task of managing internal and external migration in order to satisfy current and future demands of the labour market and essential commercial activities.

The Russian economic outlook also contains relatively few surprises. According to the best possible (or most ambitious) scenario, sketched out by President Vladimir Putin in his millennial address in 2000 as well as subsequent pronouncements, Russia will double its GDP by 2015. In per capita terms that means it will catch up with Portugal (Portugal circa 2000,

not 2015). An aggressive growth effort of this kind would, presumably, rule out further structural reform of the Russian economy and rely on the growth strategy employed by the Russian government so far – which involves heavy reliance on exports of raw materials.

Yet even if successful, this strategy would put Russia in the range of middle-income countries with a long list of problems inherited from the Soviet and immediate post-Soviet eras to tackle. These include an obsolete industrial base, a crumbling infrastructure as well as health care and communications systems, to name just a few that would require a commitment of funds in the tens of billions of dollars. The size of Russia's federal budget – currently approximately \$100 billion – precludes substantial investment in infrastructure, the socio-economic sphere, science, education, civilian or military research and development, or any other basic sector that would give impetus to a fundamental shift in the structure and direction of the Russian economy.

Furthermore, Russian geography, long considered as one of the country's strategic advantages, is emerging as one of the likely constraints on its ability to grow and a source of difficult challenges for Russian policy-makers. The long-standing option of 'going to Siberia' that was available to Soviet planners in the conditions of a command economy if resources in European Russia ran scarce, has become in market conditions a matter of real cost-benefit calculations. From the 'cost of cold' to the cost of transporting Siberian mineral wealth to markets in Europe and Asia, Russia's geographic expanse appears in a very different light in the 21st century than it did a generation ago.

Compounding the financial costs of doing business across 11 time zones is the problem of governability. The country's regional and ethnic diversity as codified in an unwieldy federal structure of 88 constituencies poses a challenge to the central government and imposes an additional tax on its resources. Mr Putin's efforts to revamp the federal structure have been successful to a degree, but the goal of effective governance remains elusive.

The Russian military is by all accounts in disarray. Military reform, declared in the Defence White Paper of 2003 to be officially over, by most independent accounts has not begun. The military has been reduced in size to approximately 1.2 million, but conceptually and structurally it is oriented towards major war in the European theatre. After a decade of conflict in Chechnya, peace in the province remains elusive. Russia's ability to project power, carry out stability operations and generally play the role of regional security manager along its periphery is limited at best.

The outlook for the Russian military for the foreseeable future is more of the same. The lack of research and development (R&D) funds throughout the

1990s means that the military will continue to rely on technology that is 20 to 30 years old well into the 21st century. Despite the increases in Russian defence spending on President Putin's watch, the size of the Russian defence budget – officially pegged at roughly \$15 billion, but most likely to be considerably higher – will act as a brake on efforts to modernise and restructure the Russian military.

The outlines of the Russian domestic political landscape are emerging with the degree of clarity that suggests a fair amount of certainty about its evolution in the next 10 to 15 years. The defeat of the liberal wing of the political spectrum in the parliamentary elections of 2003 and the emergence of the statist centre appears to be one of the most likely enduring features of the political landscape for the foreseeable future.

According to a recent public opinion survey, two out of three Russians believe that the country needs to have an opposition. Nevertheless, the number of those committed to vote for any of the established liberal parties does not exceed the 5% threshold required for Duma representation. The Communist Party and the Liberal Democratic Party led by Deputy State Duma speaker Vladimir Zhirinovskii each command more committed support than the two established liberal parties combined. There can be little doubt that in the minds of most Russian voters that the experiment with a market and democracy has left a sour memory. Considering the potential quality of the opposition, one cannot help but wonder whether Russia is better off without any opposition at all for the foreseeable future.

In this context, 2008 and the end of President Putin's constitutionally mandated two-term tenure looks increasingly as a political exercise limited to one party – that of power. With the liberal wing of the Russian domestic political spectrum in disarray and no independent bases of political mobilisation in evidence, Russia appears to have returned to one-party rule.

Russia the indispensable

Yet, despite these numerous constraining factors (and paradoxically because of some of them), Russia will continue to play a crucial role in the affairs of Eurasia. Russia's oil output, expected to reach 11 million barrels a day by the end of this decade, will be essential to satisfying the global energy demand. From Beijing to Brussels, Russian oil and gas will be important ingredients of the energy security picture.

Russia's geography, historical and economic ties to its neighbours as well as its Soviet legacy make it an indispensable factor in any effort aimed at stabilising weak states around its periphery, combating drug trade, stemming

the flow of people, weapons, WMD materials, etc. – in other words, securing Europe's borders against the wide range of threats previously discussed.

Moreover, despite its limited economic muscle and financial resources, Russia is bound to play a disproportionately large and stabilising role in the economic areas of its neighbourhood. It already acts as a magnet for excess labour from Tajikistan, Armenia, Moldova, etc. It is a market for agricultural exports from Ukraine, Georgia and Azerbaijan. It is a source of below-market priced energy for many of its neighbours. It is a source of billions of dollars' worth of remittances from migrant workers to their hometowns and villages where these remittances make survival possible. Russia thus plays an important stabilising role in its neighbourhood.

Finally, no discussion would be complete without Russia's special role in combating WMD proliferation. While its cooperation is not sufficient to stem the flow of dangerous technologies and materials, its unwillingness to cooperate can render any such effort futile.

In sum, while Russia's systemic weakness invites the idea of ignoring or marginalising it in the international arena, a more sober assessment of its place in the international system and the likely challenges to that system in the next 10 to 15 years suggests that there is no alternative to dealing with Russia, and dealing with it as a serious and credible partner.

Russia as it is, not as we would like it to be

The first step in this direction is to accept Russia for what it is, not what American or European policy-makers and publics would like it to be. Thus, the very question posed at the outset of this paper of what the US and the EU together do about Russia, appears headed in the wrong direction.

If 'doing on Russia together' implies promoting democracy and assisting economic reform 1990s-style, the best answer is 'nothing'. When asked recently by US National Security Advisor Dr Condoleezza Rice what the US could do to support Russian democracy, political reform leader Yegor Gaydar is reported to have said "nothing". In the words of one prominent Russian political analyst, the new democratic opposition is not yet visible; it will take a long time – decades – to emerge and gain strength, and will have to be homegrown.

The worst mistake that the US and the EU could make under the circumstances is to treat an undemocratic Russia as if it were another Soviet Union. It is not. It lacks the former Soviet Union's expansionist ideology, its hostility to Western ideals and its resources.

In addition to its indispensable role in Eurasian affairs, from the standpoint of American and EU interests, Russia has a powerful stake in maintaining

good relations with Europe and the US. Culturally, its elites view themselves as European. Europe is the preferred destination for key Russian exports. Further, the special relationship Russia enjoys with the US confers upon it a very special status as the world's second nuclear superpower.

Given Russia's internal outlook and key trends in Eurasia, Russia is keenly interested in forging a partnership with the US and Europe. The alternatives – a junior partnership with China or the task of managing the geopolitical balance in Eurasia alone *vis-à-vis* China and India – are a source of growing concern among Moscow's foreign policy analysts.

Russia, the US and the EU share a common interest in a stable and secure region that stretches from Turkey to China and includes most of the former Soviet states. It is an area of growing concern for the US and the EU and a region of never-ending worries for Russia. It is a region that cries out for more resources and more attention from both sides of the Atlantic, not as a replay of another 'great game', but as a joint cooperative effort to which the US, the EU and Russia do not have an alternative.

Defining a new relationship

To date, the US and Russia have maintained the most visible presence in the South Caucasus and Central Asia. Each has offered a clear set of alternatives to countries in the region – integration in the NATO-based security and political framework in the case of the US versus integration in the Commonwealth of Independent states. The two approaches have pulled countries in the region in two competing and contradictory directions. The EU, despite its substantial commitment of funds through its Tacis programme, has not offered such a commitment, articulating instead a set of ambiguous policies under the rubric of the European Wider Neighbourhood that are (at best) equally amenable to interpretation as a bridge or a barrier in relation to Europe.

This approach needs to change. The EU has more at stake in the future of the region than the US. Yet US investment measured in terms of political and intellectual capital, economic assistance, peace-making efforts, security assistance and know-how has by far exceeded that of the EU. This effort on the part of the US has, incidentally, taken a much greater toll on Russian attitudes towards the US and US-Russian bilateral relations.

American interest and the tempo of their activities in these former Soviet lands are unlikely to subside in the years to come. Security assistance to several countries of the South Caucasus and Central Asia (Georgia, Azerbaijan and Kazakhstan) carried out through a series of intensified Partnership for Peace (PfP) efforts, will be an important aspect of American relations with them. While some of the countries involved in this effort have

expressed interest in joining NATO, membership in the alliance remains a very distant prospect for them at best. In this context, PfP is far more likely to serve as the vehicle for NATO's efforts to secure the periphery of Europe than for the countries of the South Caucasus to become part of NATO. Notwithstanding PfP's explicit link to NATO, it has the advantage of full transparency *vis-à-vis* Russia, an open door to Russian participation and the added potential benefit of the cautiously promising NATO-Russian relationship.

The EU, as a function of its own uncertain security policy, has been largely absent from the security assistance arena in the South Caucasus and Central Asian regions. The task of developing a strictly European PfP-like programme for the region appears both unrealistic and counterproductive. Nevertheless, the EU could use the vehicle of PfP to deliver much-needed security assistance to key South Caucasus and Central Asian states.

Such assistance could supplement and should be coordinated with ongoing PfP efforts aimed at security sector reforms, regional cooperation, military education and training. EU funds could further support a variety of regional efforts ranging from integration of South Caucasus states into southeast European defence and security fora to their participation in peacekeeping operations, border security, regional training facilities and infrastructure improvements.

The EU could play a positive role in the region *vis-à-vis* Russia as well. On the one hand, a common US-EU position in support of the former Soviet states' independence and sovereignty would send a clear message to Moscow that there are no differences on the subject between Washington and Brussels for Russia to exploit. On the other hand, a stepped-up EU security assistance effort in the region could serve Russian interests as well. For example, EU financial assistance for redeploying and resettling Russian troops from Georgia and Moldova to bases in Russia could help resolve the difficult issue of the continuing Russian military presence in those countries.

Another option to explore involves internationalising the Russian military presence and bases in Georgia and Moldova under the aegis of PfP. By re-flagging Russian bases and turning them into PfP training facilities with the help of funds provided by the US and the EU, Russia would legitimise its military presence there in the eyes of the international community; the US and the EU would secure international oversight over Russian military presence and activities in Georgia and Moldova; and Georgia and Moldova would gain assurances that the Russian military presence on their territory would not serve as a tool for occupation and subversion.

The 1 May 2004 expansion of the EU to include new members from Eastern and Central Europe is likely to have far-reaching consequences for its

dealings with Russia and other former Soviet states. For reasons that are self-evident, the experience with and perceptions of Russia among the EU's newest members differ from those of its older members. The EU lacks the kind of single institutional mechanism for engaging Russia that NATO has sought to develop through its NATO-Russia Council. For that, as well as other historical and political reasons, national priorities often dominate the relations of EU member states with Russia. This situation could trigger a crisis in EU-Russian relations and could produce serious fissures within the EU itself. The answer to this challenge is to have a pre-emptive discussion within the newly expanded EU about its relationship with Russia, Ukraine, Moldova, etc. – in other words, a discussion about a new policy for dealing with the newest EU member states, which in turn could provide a new basis for US-EU cooperation in this area.

The course of action outlined here is based on no illusion about the prospects for a US-EU-Russian partnership. Rather, it rests on an assessment of US, EU and Russian interests, the means available to all sides for pursuing them and areas where such interests overlap. The US, the EU and Russia can ill afford to find themselves on the path of collision. The answer then lies in patience, consultations and transparency about interests, motives and policies, and compromise where core interests are not at stake.

Russia and the West

A Russian Perspective

Irina Kobrinskaya*

In the traditional socialist economy, 2004 would be identified as a marker that defines the development of Russian-Western relations over the next four years. This is the year of Russian and US presidential elections and of EU and NATO enlargement. ‘Smaller’ events, such as the presidential elections in Ukraine or the shaping of the new political landscape in Georgia should add to the general framework and guidelines that define Russian-Western relations.

Nevertheless, this perspective would oversimplify matters – for at least three reasons.

First, with regard to Russia, it is still not clear whether the next four years of Vladimir Putin’s presidency will bring or at least break ground on economic reforms, namely modernisation – or shift from the dominating orientation and status of Russia as a raw materials supplier of oil and gas – thus changing and strengthening Russia’s position in the global economy. No more predictable is the direction in which efforts in the economic domain will push the development of the political regime in Russia. What is likely to remain a high priority for Russia’s economic, political and security agenda is the post-Soviet region.

At the same time, some of the events of the past four years are likely to remain influential factors in Russia’s relations with the West – whether these were intentional (through President Putin’s strong pro-European, pro-Western vision, institutional policy and focus on economic modernisation) or circumstantial (such as 11 September 2001). Russia is politically stable and its position in world affairs has strengthened. Moreover, these days it is generally perceived as a partner (even if a difficult one) rather than as an antagonist.

Second, with regard to the West, the results of the US presidential elections (whether President George Bush retains his position or the democrats win) do not presuppose a change from the current US foreign policy orientation towards unilateralism and its focus on the use of power. It rather depends on developments in Iraq, the Middle East, the pace of WMD proliferation

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(particularly nuclear weapons in North Korea and Iran) and the activities of terrorist networks. Thus, the course of US international relations remains more circumstantial. Changes in US policy towards Russia (namely the focus on democratic freedoms and values and on Chechnya), while much more likely under the democrats cannot be excluded under a second-term administration of President Bush. What matters more in US relations with Russia is the development of the American vision of the post-Soviet region, especially the Caucasus and Central Asia.

Third, with the European Union digesting and adapting to new member states, the elaboration of its policies towards Russia or efforts at breakthrough initiatives are unlikely to be priorities. It is more likely that the present 'dull' agenda will continue at least until its key points – first and most importantly Russia's accession to the WTO – are fulfilled. Nevertheless, the impact of the new member states and their vision (which is a separate issue for analysis) may push the EU in one of two directions. It may move towards more cohesion in its own development (of overlapping Euro-regions with a strong coordinating nucleus versus a centre-periphery pattern) and consequently, in the direction of defining a real framework for EU-Russian relations. Conversely, as many Russian analysts suggest, the EU may develop its political ideology and accelerate its enlargement further to the east (Moldova and Ukraine) without an enhanced partnership with Russia.

Fourth, the West-West transatlantic dimension – which is very important for Russian-Western relations – is not expected to acquire a more stable character either. The traditional value and institutional frameworks are degrading at an increasing pace under the pressure of complex circumstances. The ethnic, social and economic changes in EU member states are precipitating outbursts of nationalism on a significant scale, which have a serious impact on domestic politics and international repercussions, as the world witnessed during the elections in Spain after the terrorist attack in Madrid. Whether the EU will cooperate more closely with the US in its anti-terrorist struggle or consolidate its own resources and follow, as proclaimed recently by Romano Prodi, a more peaceful 'Venus'¹ approach is an open question. In Russia the prospects for Russian-EU relations are viewed pessimistically by a number of analysts, who predict that the Madrid drama is likely to drive the EU towards making the 'wall' around its border with Russia less transparent and less friendly.

¹ R. Kagan discusses the 'Venus' approach in "Power and Weakness" in M. Houben, K. Becher and M. Emerson (eds), *Readings in European Security*, Vol. 1, Centre for European Policy Studies, Brussels and the International Institute for Strategic Studies, London (2003).

Finally, relations between Russia and the West are not restricted to the Atlantic. The coming developments in the Asia-Pacific region, first and most importantly in China, are likely to influence Russian-Western relations to a greater extent.

Consequently, it is probable that the existing ‘division of labour’, whether constructive or detrimental to cooperation in Russian-Western relations will see little change in the near future. Russian partnership with the US will mainly continue in the security domain, while cooperation with the EU will develop around the ‘economic plus’ axis (three common policy spaces embraced at the EU-Russia summit at St. Petersburg in May 2003).

Even this brief sketch reveals that in the foreseeable future, relations between Russia and the West will, on the one hand, preserve continuity along the lines worked out mostly in the beginning of this century. On the other hand, despite interdependence, relations are likely to depend more on the internal priorities of the key actors (Russia, the EU and the US), rather than on external demands and pressures. Another point that comes to the surface is the increasing focus (after the first half of the 1990s) on the post-Soviet region as a potentially controversial area in Russian-Western relations. Thus, it is this huge area that will demand renewed concentration to avoid crises and develop cooperation.

Therefore, when analysing Russian-Western relations, the pertinent questions are:

- What are the key internal priorities of the main actors? Are these of an urgent, vital and long-term nature, such as economic and security issues? Or are they more ideological (historical and politically oriented), based on the fears of the 19th and 20th centuries, such as the unstable *Zwischeneuropa* political design?
- What are the main external pressures and demands?
- What is the vision of all the parties with regard to each other?
- Are the interests of Russia and the West (the European Union and the US) in the post-Soviet region really contradictory, or, on the contrary, when stripped of all the ideological covers, can they be formulated and implemented in such a way that leads to greater political and economic stability for all of the political actors involved?

Finally, do the existing mechanisms enhance cooperation? Or do new, more constructive patterns need to be elaborated to overcome the lack of trust and misreading of intentions in all spheres of interaction – especially the economic, political and security domains?

Russian priorities under President Putin's second term

For the most part, the priorities in Russia as these are declared and actually exist concern its economic and social spheres. The motto for the next four years is 'modernisation' of the Russian economy. The key levers and modes of modernisation continue to be: a) state-controlled and managed modernisation, and b) market mechanisms and the decreasing role of the state. How to reconcile these two patterns remains a dilemma, even after the presidential elections and the change of government in Russia. This situation can be explained by several factors.

First, the tendency towards state control proved rather successful during the first term of Mr Putin's presidency. The concentration of state control over big business and the regions (apart from the natural developments in the market economy after the 1998 financial crisis) helped to partly overcome the wild market situation of the 1990s. Thus, with regard to state power, it is difficult to refute the working model. Nevertheless, as predicted by many Russian analysts, an over-concentration of state power, whether effective or not, has deprived the Kremlin of the mechanisms and levers of decentralisation. In spite of its expectations and declarations, the chances of the new government changing the existing economic patterns and countering the strong inertia of state (or rather Kremlin) control over the economy are estimated as being very low. The big business sector has not yet recovered from the Khodorkovsky case; thus it is not ready to offer its leadership or assume responsibility for risks.

The renewed and enhanced responsibility of the Kremlin leaves it very little room for manoeuvre – and no room at all for mistakes. It faces not only the problem of 'modernisation at any (social, political) cost', but also the issue of choosing the branches for economic modernisation or restructuring the whole economy. In fact, if recovery from the financial crisis of 1998 had not been accompanied by very high oil prices, Russia could have avoided this dilemma and started economic restructuring five years ago. But a subjective mood is inappropriate for history.

Second, there is the issue of 'making mistakes' and their costs. The results of parliamentary and presidential elections, regardless of the assessments of their democratic methods, show – and nobody in Russia or the West denies it – that the Russian electorate is rather indifferent to the nature of the political regime. At the very least, the majority of society is generally comfortable with President Putin's 'managed democracy' and strengthening autocratic tendencies, provided the economy grows and Russia's position in the world strengthens. These two achievements of Vladimir Putin's presidency are regarded as the most important. And in fact, results show that they are: Russia has overcome its deep humiliation and identity crisis of the 1990s and

is definitely more prosperous today, even taking into account the extreme and abnormal socio-economic differentiation for a developed market economy.

President Putin has received an unquestionable mandate for his political course. Still, the continuation of the present political-economic trend entails a delayed threat of the semi-restoration of autocratic power in Russia. There is no structured or meaningful opposition party on the right. The chances of developing a credible opposition under the present political regime are diminishing, as the evolution of democratic institutions and civil society falls below an unacceptably low level – particularly in Russia, where traditions of democracy and civil society are very weak. At the same time, the political tactics, aimed at dividing the traditional left and supporting the new nationalist left during parliamentary elections (political block ‘Rodina’) and then at suppressing the left during the presidential election campaign, did not change the general picture of electoral preferences. Indeed, the votes for the left remained significant and rather stable.

The enormous task of moving forward on economic modernisation, while avoiding the risk of restoring an autocratic regime, is driving the Kremlin to look for solutions on the road of converting the dividends from the still high oil incomes into both social improvements and modernisation. It is impossible to tackle such a difficult task without the levers of strengthened state control and an autocratic political regime, particularly in such a short timescale (2006). Thus, the chances for more democracy in Russia, at least according to Western standards and values, over the next four years are very small.

These priorities as well as those closely connected to them (i.e. providing for its internal and external security) will remain at the top of Russia’s domestic, economic and policy agenda and will further strengthen the power of the state.

Scenarios discussed in the West are mostly based on the interplay of two alternatives: a strong versus weak president (which one is Mr Putin?) and liberal versus state-controlled reforms. The short timescale to achieve its goals leaves Russia little choice but to opt for the combination of a strong president and state control, at least in the first two years of President Putin’s second term. Thus it is no surprise that Mr Putin has demanded that the government urgently defines ‘the points of growth’.

Meanwhile, the lack of realistic alternatives as frameworks for progress makes the external pressure and criticism of Russia’s deficit of democracy ineffective, irritating and somewhat hypocritical.

Russia, the EU and the US in the post-Soviet region

Russian policy towards the new independent states (NIS) in the last four years has definitely acquired new substance, which in general can be characterised as *realpolitik*. On the one hand, Russia has overcome its identity crisis and the general basic perception of the NIS is that of sovereign states. On the other hand, particularly after the current policy of relations with the West was established, Russia has come to view its position in these states as a potential opportunity for its own economic development (predominantly using private business actors) and a lever to strengthen its security.

Russia and the Commonwealth of Independent States (CIS) are now in a period of economic growth. Russia aims at establishing new integration structures – the Eurasian Economic Community (EurAsEC) and the Common Economic Space – as well as strengthening old ones (the Collective Security Treaty Organisation). In practice, cooperation within the CIS has proceeded largely on a bilateral basis. The 1998 financial default in Russia was followed by economic growth and the expansion of Russian private business into the CIS, above all, in Ukraine. Occasional trade conflicts (e.g. the pipe exports conflict and the ‘caramel war’) were settled more or less successfully at ministerial and top level meetings. Russia’s gas company, Gazprom, and the Unified Energy Systems were effective levers in Moscow’s political and economic disputes with Minsk, Kiev and even Tbilisi. Formally, the disputes were about integration, its format and scale, but they were actually about Russia’s participation in privatisation projects in the CIS, its role and influence on the economies and, to a lesser degree, the policies of the CIS countries. Russia and Belarus, which have formally established a ‘union state’, have been engaged in a difficult dispute for years, which seems quite hopeless under the Alexander Lukashenko regime.²

At the same time, President Putin’s fundamental orientation towards integration into Europe and the Western community and the creation of a common economic space with the EU has shaped the ideology of the post-Soviet region’s integration efforts. The concept of ‘together into Europe’ is motivating CIS countries towards a more civilised, democratic, market-economy future. Yet few people heeded the well-grounded arguments about the low compatibility of economic integration projects between the EU and the CIS, not to mention their membership in international organisations (suffice it to note the multi-speed accession to the WTO). In the near future,

² For more details see I. Kobrinskaya, “The Multispeed Commonwealth”, *Russia in Global Affairs*, Vol. 2, No. 1, January-March (2004), pp. 51-63.

any chances for the European CIS countries to join the EU are very low, while large, multilateral integration projects in the CIS hardly go beyond the declarative, protocol phase.

The gap between the readiness of the West (in 2001-02) for more active Russian policies in the NIS and the time at which Russia began to implement these (in 2003) is one, but not the only reason for the tensions and new high profile of the NIS topic in Russian-Western relations.

The future of the CIS is not yet clear. Although the CIS may no longer fear such horrible scenarios as revolutions or civil wars, the West still views the post-Soviet region as a zone of uncertainty in the 21st century. Conflicts remain unsettled in the CIS (Abkhazia and South Ossetia in Georgia, Nagorno-Karabakh in Azerbaijan, Transnistria in Moldova and Chechnya in Russia). Meanwhile, worrying trends such as the degradations of international law, international security institutions (the UN and OSCE) and the arms-control system, alongside the spread of double-standard policies, unilateral actions and the 'might is right' attitude all combine to create dangerous precedents. Such trends aggravate existing differences (e.g. the Russian-Georgian conflict concerning the withdrawal of Russian military bases) and provoke the use of pressure (e.g. the territorial dispute between Russia and Ukraine over the Kerch Strait). In all of these conflicts, the West has taken sides with Russia's opponents.

For the US, the importance of the CIS is again on the rise. Most analysts in Russia, the CIS and the West argue that Washington, driven by the difficulties of post-war Iraq, the situation in Iran, as well as economic (above all, energy) and security considerations, now seeks to increase its influence in the Caspian and Caucasian regions. Its unilateral approach to foreign policy, security and the war against terrorism requires stronger influence and positions in those unstable zones, which coincide with energy zones. These subjects will play a major role in the forthcoming presidential election in the US and are among President Bush's main trump cards. This is certainly nothing new to Russian diplomats.

As previously mentioned, the position of the EU towards the NIS is much more uncertain. Still, the clearly articulated aims of Russia, the US and the European Union with regard to the NIS in economic and security spheres, as well as a more coherent vision of their partnership in the region makes it possible to avoid controversies over the NIS in Russian-Western relations and even develop greater cooperation there.

Russia and the West – Vision and perceptions

Cooperation with the West remains *sine qua non* for Russia's modernisation and the return to a high profile position in global affairs, at least under

President Putin. The EU has acquired an even more important role for Russian foreign trade and economic relations as a result of EU enlargement. Nevertheless, as Russia's focus gradually shifts eastward, which many analysts regard as an inevitable development, the priority of cooperation with the EU may diminish. Simultaneously, however, the EU will preserve its value as a centre for cultural, scientific and educational exchange. Meanwhile, the EU's vision of Russia depends largely on the real and symbolic steps Russia takes, its demonstration of development in the 'right' (market democracy) direction and adherence to European values. The political-ideological framework is likely to become more important in the future than in the recent past, warmed by the glow of Russia's WTO accession.

In US-Russian relations, the mutual vision and perceptions are much more realistic. These are based on vitally important aims in the security sphere, namely withstanding the threat of WMD proliferation and the struggle against terrorism.

The progress in Russian-Western relations depends a great deal on the development of cooperation mechanisms and international institutions. The 'institutionalisation' of Russia was among the key priorities of President Putin's first term, allowing Russia to restore its position in the international arena and to integrate international standards and norms into its economic and political domains.³ Conversely, the strengthening of international structures and fora will certainly depend on the policy of the next American administration, and whether the US continues to follow a unilateral course or shifts to a multilateral approach in its foreign affairs.

³ See I. Kobrinskaya, "A Marathon Election Campaign", *Russia in Global Affairs*, No. 1, December (2002), pp. 122-38.

**EUROPEAN HOMELAND SECURITY
POST-MARCH 11th
AND TRANSATLANTIC RELATIONS**

WITH CONTRIBUTIONS BY

**DIDIER BIGO
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INTRODUCTION BY

FRANÇOIS HEISBOURG

Introduction

François Heisbourg*

In the oral presentation of their papers, Didier Bigo, Jeremy Shapiro and Andrei Fedorov generally highlighted their respective region's specificities rather than dwelling on the elements of commonality. Although this was in part a consequence of the European Security Forum's modus operandi – with its differentiated European, American and Russian perspectives, rarely in our meetings has the contrast been so clearly highlighted.

Thus, Didier Bigo emphasised the clash between the US approach and European values, with the EU's identity and sovereignty being very much at stake. The insistence of the US on technical fixes ("which are anything but technical") and on the intelligence and military-driven fight against terrorism, was in counterpoise to a preference for a politics-driven approach and one led by police-cum-justice. Similarly, the US decision to establish a Department of Homeland Security stood in contrast to the current EU model.

Jeremy Shapiro, while criticising various aspects of US policy in the field of homeland security, also noted that the US wanted to externalise the fight against terrorism (an approach that could be a positive force to the extent that it implies US cooperation with others) while imposing its own domestic solutions particularly in the judicial arena (a not-so-positive development). He highlighted that the American public (if not the elites) considers that 100% success in preventing terrorist attacks is mandatory – not necessarily a realistic assumption. But he also stressed the capacity for self-correction in the US, urging America's partners to engage with non-executive branch players in the US.

In his description of "Russia's Challenges", Andrei Fedorov underlined the "lifetime" nature of the fight against terrorism, while voicing the risk that terrorism could be "decriminalised" to some extent if it were seen as part of a legitimate clash of civilisations. The struggle was made difficult by what he described as "black holes" in the European dimension of the fight against terrorism.

In opening the debate, we put forward three issues to be considered among others in the discussion:

- Who makes the rules internationally?

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- What balance should be sought between the preventive aspects of the fight against terrorism on the one hand and on the other the dimension of crisis and consequence-management, notably in the face of terrorist attacks involving chemical, biological, radiological and nuclear (CBRN) weapons?
- How can the balance between the political dimension in the fight against terrorism and the technical/operational aspects be struck? In particular, how does one avoid a politically dangerous slide to a counter-insurgency approach (and methods!)?

In the first round of discussions, the challenge of suicide attacks drew particular attention: it was pointed out that suicide operations made the chances of 100% success in preventing terrorism unlikely, an aspect that makes such attacks quite rational from the standpoint of the perpetrators. This point is reinforced by the fact that suicide attacks greatly broaden the scope of conceivable terrorist operations: suicide bombers kill people, but in an intellectual sense, they also ‘kill’ analysts.

Mr Fedorov’s “black hole” analogy also drew attention: the large size of often disaffected Muslim communities in Europe, along with the porosity of the borders of countries that lie between the EU and Russia (notably in South East Europe), were mentioned in this respect. The location of Europe is in itself an element of vulnerability.

The question of what the US would have said if the events of 11 March 2004 in Madrid had happened before 11 September drew the response that the March attacks were not in the same category – the March attacks were of a pre-11 September nature. In effect, the great impact of the events in Madrid was in part the consequence of it having happened after 11 September.

The second half of the discussion focused largely on the issues of ‘who makes the rules’ and the ‘politics of counter-terrorism’, specifically:

- How far will we move towards ‘Big Brother’ in terms of privacy and notably in terms of movement of people?
- How effective is the EU in negotiating with the US on the rules? Is the EU too reactive or inefficiently proactive?
- Are the terrorists ‘just criminals’? If some of their grievances are justified, how can we avoid the continued generation of new terrorists?
- How counter-productive are Russian counter-insurgency methods in Chechnya from the standpoint of avoiding the recruitment of terrorists?
- Can the EU and Russia cooperate on justice and home affairs, notwithstanding Chechnya?

These and other questions posed during the second round of discussions drew the following responses among the session participants:

- Overall, the EU has been quite effective in its negotiations with the US (albeit reacting to American initiatives rather than attempting to set the agenda). US-EU intelligence cooperation, however, is not as smooth as is sometimes portrayed: some Europeans complain about the ‘Latin American’ approach of some their US partners, with the latter casting themselves as a ‘case officer’, in an ‘information source’ relationship. Such a mode is not conducive to goodwill given the actual balance of expertise and experience between American and European intelligence and security services. Some of the Europeans have been in this game for rather longer than the Americans, with some significant successes at which to point. (These complaints did not appear to apply to the same extent in the field of military intelligence sharing.)

Whatever the case may be, there was strong European insistence not to allow judicial cooperation to be a subordinate variable of intelligence cooperation: remaining in a judicial logic provides the legitimacy that, in the long run, is of the essence in the successful fight against terrorist activities. In this context, the danger of registering large populations was highlighted by non-US participants. For instance, the fact that North African-born nationals of the EU were subjected to extra screening upon entry into the US led to the absurd situation of one million French ‘*Pieds Noirs*’ (former settlers who left North Africa at the time of decolonisation) being subjected to extra interrogation: this sort of blanket profiling is a great waste of resources. The US practice of subjecting all transit passengers simply passing through US airports on the way to and from foreign destinations to full entry formalities must carry a high opportunity cost. Blanket measures are rarely smart. Nevertheless, the point was also made that the US population is actually more concerned about privacy issues than many Europeans assume: although Americans are less worried about corporate databases than Europeans are, they tend to particularly distrust government intrusion. It was also noted that the *de facto* sharing of data tends to pre-date institutional pooling: the ‘social practices’ in groups such as Trevi or the Schengen Information System preceded the ‘official practices’.

- Discussions between Russia and the EU are already happening if only because of the need to agree on the visa issues relating to Kaliningrad and Lithuania. The ready availability of Schengen country passports or visas for high-ranking Russian *mafiosi* needed to be factored into that discussion. Yet the shadow of Chechnya was not conducive to a good atmosphere, with no political solution in sight for many years to come.

- Finally, there was the general issue of identifying critical modes in the organisation of homeland security in order to optimise the allocation of resources: simply adding up all possible requirements for all possible contingencies was not a wise or a sustainable option.

In the last round of discussions, the issue of the lack of a proactive stance from the EU came back to the scene, along with the interesting remark that a bilateral EU-US approach may not be as effective as broader multilateral approaches – the G8 and the World Trade Organisation have proven to be quite effective in dealing with terrorism-related issues falling in their field of competence. The point was also made that one of the great difficulties we face is that from the standpoint of the terrorist, as terrorism is often seen as paying off. Finally, several participants (not all American) remarked that the Europeans still hadn't understood the full meaning of 11 September. According to Richard Clarke, President George W. Bush in the first part of his tenure did not understand what former President Bill Clinton's people were saying about the 'new terrorism'. But many Europeans still have not.

In their closing remarks, the three authors dwelled on two topics:

- The threat of a dedicated CBRN weapons attack was growing, especially the risk of a radiological attack (with its strong psychological effect), even if the pursuit of mass destruction by conventional means (as on 11 September) remains the more likely short-term eventuality.
- The police and judicial aspects of the struggle against terrorism are essential. The French adaptation of the judicial system to the specific threat of terrorism was cited as an example of how to proceed in this field.

Les politiques antiterroristes après les attentats de Mars 2002

Un progrès dans la collaboration?

Un Perspective Européen

Didier Bigo*

A l'Ouest du nouveau

Beaucoup a déjà été dit sur l'impact du 11 Septembre en matière stratégique, sur la réorientation de la politique américaine à la seule lumière d'une politique de « guerre au terrorisme » et sur la mise en demeure du président Georges Bush d'être « avec les Etats-Unis ou contre eux ». Les implications de cette politique sont immenses. En terme géopolitique le dossier du Moyen Orient qui était marginal est devenu central, et contrairement à tous les discours qui avaient été tenus au moment de la guerre d'Afghanistan pour faire croire qu'il n'y avait pas de lien entre cet Islam des Talibans que l'on disait spécifique et les enjeux irakiens et israélo-palestiniens, on voit maintenant que la visée stratégique globale des Etats-Unis est d'imposer une « démocratisation » de tous les pays arabes et par extension musulman en montrant « qu'on ne badine pas avec la force ». Au-delà de cet effet direct visant à remodeler le Proche Orient et à tenir le marché du pétrole, les Etats-Unis semblent vouloir anticiper sur le développement de la Chine comme grande puissance antagoniste et assigner aux Européens le rôle de supplétifs mais pas de partenaires au sein d'une alliance équilibrée et encore moins au sein d'organisations internationales limitant leur volonté par des arguments juridiques.

Cela donne à la figure de l'ennemi potentiel un spectre très large allant de la destruction des régimes d'Afghanistan et d'Irak, à la mise sous pression de la monarchie d'Arabie Saoudite et aux velléités de déstabilisation du Venezuela, jusqu'aux plaisanteries antifrancaises et aux jugements définitifs sur la faible importance de l'ONU. Mais tout étranger ne peut pas devenir un ennemi, surtout dans un pays comme les Etats-Unis qui a favorisé le maintien des attaches ancestrales et affectives de toutes les minorités dont il est composé. Il faut choisir et insuffler des priorités. Qui est alors l'ennemi à surveiller ? Contre qui faut-il se préparer à combattre ? La désignation d'un axe du mal est devenue une activité quasi routinière pour le Pentagone, le

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département d'Etat et le Homeland Security. Mais ils ont du mal à s'entendre sur les priorités. Il y a certes une « tradition ». Cet axe du mal reprend en effet en partie mais en partie seulement la liste des Etats dits Rogue States qui elle-même reprenait la liste des Etats sponsors du terrorisme des années 1970. Seulement l'axe du mal n'est plus uniquement défini par les enjeux géopolitiques interétatiques. Il s'émancipe d'une cartographie classique des régimes politiques hostiles au moment où pourtant il en étend la liste. Il faut donc ajouter les organisations d'opposition aux régimes proaméricains qui ont des capacités d'agir contre les intérêts américains, voire contre le territoire américain. Le cas du Pakistan est exemplaire. Il est à la fois considéré comme une des lieux où l'on recrute le plus des individus à même d'attaquer les Etats-Unis mais ne figure pas en première ligne de l'axe du mal. Il en va de même pour l'Indonésie ou les Philippines.

A la liste des régimes politiques hostiles s'ajoute une liste des organisations politiques hostiles et prêtes à passer à la violence. On prête autant de pouvoir à Al Qaeda car c'est un moyen de fédérer au moins dans le discours une nébuleuse d'organisations aux intérêts différents et contradictoires en faisant croire aux capacités de « chef d'orchestre » clandestin de ben Laden et ses acolytes. C'est maintenant à ce niveau des organisations clandestines et non des régimes que l'on situe le danger le plus grave. Cela « invisibilise » l'ennemi au sens où la connexion avec un territoire donné est plus difficile à faire. Le bon vieux temps d'un ennemi puissant mais clairement localisé comme l'URSS a disparu et crée ironiquement de la nostalgie chez les conservateurs. Le Pentagone, malgré ses oppositions au département d'Etat sur la nature des opérations à conduire a toujours préféré minimiser ce hiatus. Pour lui les organisations clandestines ne sont dangereuses que si elles tirent leurs ressources de régimes politiques les appuyant et leur fournissant des armes de destruction massive. Pour frapper Al Qaeda il suffit de frapper leur logistique en Afghanistan et de poursuivre au Soudan, en Somalie tout en décourageant les Etats prêts à leur fournir des armes de destruction massive en en attaquant certains comme l'Irak. Le Homeland Security a lui une vision plus « individualisée » de la menace. Dans son rôle de protection des frontières, il ne rencontre que des individus virtuellement hostiles et difficilement détectables, pas des armées en marche pour envahir le pays. Dès lors plus la guerre ou le désordre se développe à l'extérieur, plus les raisons que des individus hostiles passent à l'acte augmentent. Le conflit irakien met en danger la lutte contre le terrorisme et la protection du territoire, la formule « guerre au terrorisme » ne résout rien.

Le général Wesley Clark, un des candidats démocrates a fait entendre sa voix autorisée sur ce chapitre en rompant le « consensus » de l'après 11 Septembre et l'unanimité en matière de politique étrangère qui a coûté si cher aux démocrates en terme d'image de marque et qui a éconduit beaucoup

d'électeurs américains contre la guerre en Irak qui se sont sentis non représentés par le système des partis politiques. Le sénateur Kerry a compris l'intérêt de cette stratégie qui attaque le camp républicain sur l'Irak mais pas sur la lutte anti-terroriste. Les prochaines élections se joueront sans doute sur ce thème de la figure de l'ennemi, sur sa réelle incarnation et sur la manière de lutter contre lui, ainsi que sur la manière de traiter les Européens dans leur ensemble. Le multilatéralisme pourrait revenir sur le devant de la scène, même en cas de victoire de Georges Bush. L'ONU sera moins traînée dans la boue et on oubliera rapidement les pamphlets idéologiques qui se paraient d'atours scientifiques comme ceux de Kagan, parodiant les livres de psychologie populaire, et selon lesquels les américains comme les hommes seraient de Mars et les Européens comme les femmes de Venus.

En revanche il n'est nullement certain que l'impact des politiques américaines en matière de lutte anti-terroriste sur l'Europe se fera moins sentir, bien au contraire. Les exigences « techniques » se substitueront aux bravades politiques. Dans ce contexte, il est probable que les Etats-Unis vont continuer durablement à peser sur la coopération anti-terroriste Européenne et vont chercher à imposer « leurs » solutions au détriment des visions et des arrangements concrets que les Européens avaient formulés depuis le milieu des années 1980, dans le cadre d'arènes policières et de renseignements qui s'étaient peu à peu autonomisés avec succès des policiers américains et de leurs modèles (Bigo, 1996). Ils vont imposer leur modèle en matière de contrôle de la circulation aérienne mondiale et par là vont restructurer la libre circulation à l'échelle planétaire, en poussant chacun des Etats à revoir ses règles d'élaboration des visas, des passeports, des cartes d'identité en poussant paradoxalement à la constitution de « registres de populations » centralisés entre autorités nationales et partagés au sein de systèmes informatiques d'une nouvelle ampleur comme le SIS2 et le VIS, alors qu'ils le refusent pour eux-mêmes au nom de leurs libertés publiques. Ceci affectera profondément la possibilité pour les Européens de fonder une identité commune en terme de liberté de circulation (ELISE, 2004). Mais cela touchera aussi les questions de souveraineté, de constitution d'un espace de gouvernance différent d'un Etat fédéral centralisé dans le cadre européen, en poussant à des solutions qui avaient été refusées explicitement – et pour de bonnes raisons – par les différents gouvernements et la Commission Européenne.

Mais la « tornade » sécuritaire venu des dirigeants américains, bien qu'acclimatée par ses supporters européens, semble avoir transformé, à défaut des pratiques, les discours et surtout les normes de l'Union Européenne, et c'est ce point central qu'il faut étudier car l'importation de discours et de propositions de réformes dites techniques pour une meilleur coordination des renseignements policiers et militaires qui apparaît a priori si

légitime charrie avec elle une conception différente des rapports entre les gouvernants et les gouvernés, une vision différente des relations entre sécurité et liberté, une solution opposée au dilemme pascalien entre la force et le droit avec la préférence pour le risque d'une force sans justice qui soit tyrannique plutôt que le risque d'une justice sans la force qui soit impuissante. Plus concrètement entre le pôle de la guerre avec usage des armées et des services de renseignements et le pôle de la répression judiciaire avec usage de juges ayant des pouvoirs plus étendus, secondés par des policiers agissant à l'échelle transnationale, les américains n'ont pas hésité une seconde, en croyant un peu trop vite que la « solution » de la guerre pouvait mettre un terme à la violence politique transnationale,¹ alors qu'elle n'a fait que la déchaîner encore un peu plus. A contrario, la réponse après Madrid du gouvernement espagnol en faisant confiance à sa police et à ses juges a eu, au moins dans le court terme, des résultats bien plus efficaces. Il n'empêche beaucoup de voix plaident dans l'Union Européenne pour que celle-ci s'aligne sur les Etats-Unis, érigés en modèle d'une lutte anti-terroriste efficace, en évoquant premièrement l'importation d'un « homeland security department » aux échelles nationales et éventuellement européenne, deuxièmement la fusion des renseignements d'origine militaire et policière et l'abandon des distinctions entre les missions internes et externes au nom de la menace transverse du terrorisme, troisièmement la mise en place d'une communauté de lutte anti-terroriste inter agence mais qui serait soumise aux impératifs de la prévention, de la proactivité et donc serait avant tout la courroie de transmission des logiques des services de renseignements.

Sur tous ces points, il est nécessaire de réfléchir à deux fois avant de s'engager dans des discours « technicistes » qui masquent les enjeux politiques soulevés par la nature du système politique de l'Union Européenne que nous voulons dans le futur, et par le rôle que nous voulons donner à la libre circulation des personnes ainsi qu'aux libertés d'opinion, de publication et aux droits à la vie privée dans la société européenne en formation. La gouvernance européenne comme la société européenne seront affectées en profondeur par les choix qui seront fait en terme de centralisation des renseignements, de généralisation des technologies de surveillance de type biométrique couplée aux bases de données les enregistrant et les transmettant à travers le monde. Rentrer trop vite dans les schémas organisationnels possibles sans s'interroger d'abord sur le bien fondé des mesures est souvent le fait de comité d'experts vers lesquels les hommes politiques se retournent en période de désarroi. Notre rôle est sans doute d'inverser cette tendance et de rappeler ce qui s'est passé historiquement, ainsi que de pointer toutes ces questions complexes de choix de société que les « décideurs » voudraient

¹ Voir D. Bigo, *Polices en réseaux. L'expérience européenne*, Paris: Presses de Sciences Po (1996).

oublier à tout prix afin de persuader les opinions qu'ils ont des idées neuves et qu'ils sont bien en charge des problèmes, qu'ils ont transformé les situations pernicieuses en problèmes techniques qu'ils ont la capacité de « gérer », de « manager ».²

Les politiques anti-terroristes de l'Union Européenne après le 11 Septembre 2001

Les politiques antiterroristes ont-elles été transformées, améliorées depuis le 11 Septembre 2001 ? Le choc causé par cet événement, sans précédent pour les Etats-Unis, mais qui s'inscrit dans une longue continuité pour les pays européens, a-t-il modifié la manière de lutter contre le terrorisme, la définition de ce dernier et la collaboration policière?

Certains travaux récents de journalistes ainsi que plusieurs rapports internes de services complaisamment reproduits par les media affirment que tout a été radicalement transformé. Alors qu'avant il n'y avait pas de réelle collaboration entre les services de police et entre ces derniers et les services de renseignement, maintenant, grâce à la volonté politique affirmée des Etats-Unis et du président Bush et son insistance pour que l'Union Européenne se mette au diapason, les informations circuleraient, seraient mieux analysées, plus centralisées et la preuve de cette efficacité se trouverait dans l'absence d'attentat significatif sur le territoire américain et sur celui de ses alliés les plus proches, ce qui aurait obligé les terroristes à choisir des lieux plus « exotiques » comme Bali ou l'Arabie saoudite pour frapper à nouveau. Le « homeland security » assurerait la « protection » de la Nation américaine et « de son jardin -(backyard) ». Les militaires américains démantèleraient les bases internationales du terrorisme une par une, Afghanistan, Irak et demain sans doute Iran et Palestine. Bref la guerre au terrorisme serait efficace, utile et l'optimisme devrait être au beau fixe.³

Fondés souvent sur des déclarations politiques, des discours de presse et des entretiens superficiels, ces « recherches » sont plus de l'ordre de la politique de communication sans sens critique que de l'analyse des politiques à l'œuvre et de leurs difficultés. Sans vouloir prétendre à l'exhaustivité, mais à la suite des entretiens que nous menons depuis un an avec les professionnels

² Voir M. Edelman, *Constructing a Political Spectacle*, Chicago: University of Chicago Press (1998).

³ Parmi bien d'autres voir l'ouvrage de Guillaume Dasquié *les nouveaux pouvoirs*, Flammarion 2003 faisant suite à ses ouvrages sur ben laden et encore plus sa prestation à France info le 11 Septembre 2003 "Comment a évolué la lutte contre le terrorisme depuis le 11 septembre 2001?".

de la lutte antiterroriste dans l'Europe entière, et ce grâce à un programme de recherche financé par la Commission Européenne: ELISE, notre jugement est bien plus nuancé et notre sentiment plus pessimiste.⁴

La collaboration entre services de police et de justice au niveau transatlantique fonctionne mal car les américains ont volontairement délaissé cette voie, au profit d'une approche en terme de services de renseignement, de technologie militaire et d'interventions guerrières.⁵ Au lieu de réfléchir en commun et d'essayer d'apprendre des européens, français, britanniques, espagnols et italiens, les américains ont voulu imposer un modèle qui soumet la police judiciaire et la justice aux desiderata des services de renseignement et à la recherche de renseignements tous azimut sans précaution suffisante en terme de libertés publiques, de protection des données.

La mise à l'écart des solutions judiciaires et de police judiciaire

Les services de polices nationaux qu'il s'agisse des polices nationales et de leurs brigades criminelles ou spécialisées dans l'antiterrorisme, tout comme les polices civiles à statut militaire comme les différentes gendarmeries ou les carabinieri italiens, de même que les structures européennes comme Europol ou Interpol sont sceptiques sur la grande « fusion » des informations, sur l'idée d'un « pot commun » où tout serait déversé.

La crédibilité des informations est différente selon qu'elles viennent de la justice, de la police judiciaire, de services de renseignements policiers ou d'imagerie électronique venant de services de renseignement militaires ou encore d'écoutes aléatoires de conversation sur les modalités d'échelon et du protocole Europe-FBI.⁶ Loin d'inciter à partager les informations, cette « déssectorisation » des services et de leurs homologues habituels, cet effort d'interconnexion entre réseaux de professionnels de la sécurité différents, produit des réticences.

L'usage à outrance des technologies informatiques, biométriques, pour mettre un maximum de populations sous surveillance est considérée au mieux comme inutile, au pire comme liberticide et inefficace, en multipliant les personnes à surveiller sans pour autant donner les moyens humains de

⁴ Voir le détail du programme ELISE (European Liberty and Security) sur le site web www.eliseconsortium.org.

⁵ Pour une analyse détaillée de ce choix voir le numéro de Cultures et Conflits « défense et identités un contexte sécuritaire global » n°44 1/2002 Paris, L'harmattan, site web www.conflicts.org.

⁶ Pour une analyse de qualité sur Echelon et les accords FBI-Europe (voir www.statewatch.org).

surveillance rapprochée des individus connus comme les plus dangereux. L'attitude de certains services américains à l'égard de leurs collègues européens ne simplifie pas les relations, en ce qu'ils veulent gérer les processus d'analyse et de traitement des informations, décider des profils de risque et ne laisser les européens que dans les tâches de recueil d'information en amont et d'exécutant en aval. Assisterait-on alors à une « latin américanisation » de l'Europe dans ses relations avec les Etats-Unis ? C'était la formule d'un de nos correspondants. Un autre évoquait le fait que les Européens de l'Ouest étaient en train d'apprendre à leur dépend avec les Etats-Unis ce que les Européens de l'Union font au pays candidats à l'élargissement et aux Balkans : à savoir l'inégalité que ceux-ci appliquent à leur règle de collaboration, en ne partageant que les informations brutes à caractère personnel mais en se réservant l'exclusivité de l'analyse stratégique. L'asymétrie de ces relations crée de plus en plus de méfiance alors que les discours politiques ne cessent de mettre en avant la « confiance renforcée ». Mais ce leitmotiv, même s'il est partagé par les dirigeants, ne suffit pas à établir la réciprocité dans les échanges d'information qui est la première garantie d'une collaboration réussie.⁷

Si les policiers de police judiciaire se sentent mis à l'écart, l'**amertume des juges** en matière de lutte antiterroriste est encore plus grande, à quelques exceptions près de juges totalement acquis à la raison d'Etat et devenus des adjoints des enquêteurs militaires. La collaboration judiciaire effective en matière de lutte antiterroriste qui aurait pu et aurait dû se développer après le 11 Septembre 2001 a été écartée par le souverainisme américain et les difficultés techniques de concilier procédure anglo-saxonne et procédure d'Europe continentale. Les américains ont refusé de créer un réseau judiciaire qui pouvait les contraindre et ils ont préféré la voie de l'exceptionnalisme, ne faisant que des concessions très restreintes en matière de demande de la peine de mort pour les suspects d'origine d'un des pays membres de l'Union Européenne enfermés à Guantanamo ou emprisonnés aux Etats-Unis comme Moussaoui. Ils ont « saboté » en partie la mise en place d'une cour pénale internationale qui aurait pu pourtant avoir une grande légitimité en fournissant un cadre pour le procès de Saddam Hussein, maintenant qu'on l'a arrêté. Ils ont bloqué les collaborations du FBI et même de la NYPD avec leurs correspondants habituels en Europe et ont imposé semble-t-il une politique restrictive des informations aux services policiers au nom de l'intérêt national américain et du risque de fuites si des éléments sensibles étaient fournis aux Européens. Ils ont préféré conduire une politique où les Cours deviennent des adjoints des militaires et de

⁷ Voir M. Anderson, "Repercussions of the Amsterdam Treaty and the Tampere Declaration on Police Institutions", *Cultures et Conflits*, Vol. 45, spring (2002), pp. 115-23.

l'administration en place. Les discussions internes à l'Union Européenne sur Eurojust, le mandat d'arrêt européen et surtout l'adoption d'un *corpus juris* commun ou tout au moins convergent ont été affectées par cette politique teintée d'unilatéralisme et parfois relayée par certains pays de l'Union qui, pour d'autres raisons, étaient contre le phénomène de convergence du droit pénal, au moins pour les offenses les plus graves.

La priorité aux services de renseignements et ses dangers: Maîtriser le futur?

Les services de renseignements ont eux plus d'intérêts à présenter la collaboration antiterroriste post 11 Septembre comme un succès. Alors qu'ils étaient les premiers à être dénoncés pour leur manque de clairvoyance dans les deux mois qui ont suivi le 11 Septembre, ils ont réussi à rétablir la situation et à demander plus de moyens en personnel et en technologie, ainsi que moins de contrainte judiciaire et juridique sur leurs activités. La surveillance à distance a été grandement facilitée, qu'il s'agisse des écoutes nationales ou internationales, qu'il s'agisse de l'Internet ou du téléphone, les techniques d'infiltration ou de rémunération d'indicateurs ont été « délivrées » des contraintes judiciaires dans de nombreux pays. Les réunions entre services de renseignements ont été intensifiées et ici certains liens transnationaux ont été renforcés. Plus d'informations sensibles circulent. Mais à en croire les mémoires de Stella Remington dans « open secret », ceci n'est guère récent. On a plutôt élargi selon un de nos interlocuteurs un réseau du « Commonwealth et des Etats-Unis » à quelques pays de l'Europe continentale dont la France et l'Allemagne, et ce, malgré la position des gouvernements de ces pays contre la guerre en Irak ; le paradoxe étant que l'on a renforcé les contacts entre par exemple DST et services américains au moment même où les divergences politiques s'intensifiaient.

On a réactivé les réunions de la structure du Club de Berne créé faut-il le rappeler en 1971, et qui a connu quelques réunions supplémentaires et surtout à des échelons plus opérationnels que d'habitude depuis Septembre 2001 et Mars 2004. Ces réunions n'ont guère débouché sur une accélération effective des informations selon nos sources, mais elles ont soulevé la question de la présence ou non des membres du secrétariat général du conseil et de Javier Solana en sus des responsables des gouvernements nationaux. Nous avons eu des informations contradictoires sur la présence des américains et sur leur participation directe aux réunions mais il est certain que de hauts responsables des services US étaient dans la même ville et au même moment. Quant au club de Berne (à savoir les 15 depuis que les Grecs y ont été admis récemment, plus la Suisse et la Norvège), on évoque son institutionnalisation au sein d'une agence européenne de renseignement, un peu comme Trevi avait pu avec Maastricht se transmuter en Europol. L'idée

d'un Euroens là aussi est loin d'être neuve. Le projet fut évoqué par Mr de Kerchove dans plusieurs colloques dès 1998 mais l'actualité l'a relancé. En revanche elle gêne les tenants du développement d'Europol qui voudraient que la structure en gestation s'insère au sein d'Europol au lieu d'en devenir un concurrent potentiel. Beaucoup d'arguments ont été échangés pour savoir où localiser la coordination et la centralisation des renseignements au niveau européen, ainsi que sur la présence et le rôle des instances de Bruxelles.⁸ Mais l'on peut noter qu'il y a loin entre les discours de fusion, centralisation ou même coordination européenne interagences et l'effectivité des pratiques où l'enjeu essentiel semble être la présence de Bruxelles dans ces groupes et leur visibilité en matière d'opinion publique. Le débat le plus important pour l'avenir est néanmoins bien présent avec la localisation des services de renseignements à l'intérieur ou à l'extérieur d'Europol et le partage ou non des mêmes banques de données.

Une fois de plus ce « débat » européen semble dérivé en partie des luttes internes aux Etats-Unis. La participation assez intensive du département de la Défense américain dans la lutte antiterroriste afin de bloquer l'expansion du « homeland security department » à l'extérieur et à défendre ses prérogatives face à un département d'Etat prônant des politiques différentes a joué un rôle clé dans la dynamique post 11 Septembre. Les stratèges américains ont développé et adapté les concepts issus de la théorie des conflits de basse intensité à la guerre contre le terrorisme en mettant en avant l'anticipation des actions de l'adversaire. Ils ont beaucoup mis l'accent sur un terrorisme utilisant des armes de destruction massive (an atomic bomb in a backpack) alors que les modalités d'action du 11 Septembre ont certes tué beaucoup mais en combinant des répertoires d'action traditionnels attentat suicide (de camions comme au Liban) avec des (détournements) d'avions. C'est cet argument qui, étant donné le caractère irrémédiable de l'action justifie de ne pas « attendre qu'il soit trop tard » et justifie du même coup des actions « proactives », des frappes « préemptives », des anticipation sur des comportements et non des actes, des décisions prise sur des « croyances » de la part des décideurs dans l'urgence et non des actes mûrement réfléchis et appuyés sur des faits. Cette dimension anticipative est pour beaucoup dans le malaise actuel sur l'opportunité de la lutte antiterroriste et sur sa légitimité. Si la guerre d'Afghanistan avait déjà suscité des réactions sur la manière dont elle avait été conduite, sur les distinctions oiseuses entre prisonniers de guerre et terroriste emmenés à Guantanamo, la guerre en Irak pose le problème des décisions politiques prises sur la base d'informations non vérifiées faute de temps et sur la base d'une peur d'agir trop tard face à une menace grave mais aléatoire et dont les capacités de « furtivité » (au même titre que les avions furtifs) sont très fortes.

⁸ Voir les débats entre De Vries, Storbeck, Patten et Solana.

On a vu au Royaume-Uni avec l'affaire du docteur Kelly et l'enquête du juge Hutton comment la prise de décision se fonde de moins en moins sur les faits mais sur les croyances et comment ceci débouche sur une compétition entre les hommes politiques, les médias et les services de renseignements pour savoir qui détient la vérité, non seulement à un moment donné, mais à rebours, une fois la chaîne de causalité temporelle reconstruite. Pour le dire autrement et plus simplement : il n'y a pas, malgré les anticipations des stratèges américains de capacités de prédire le futur et de le structurer comme on l'entend. Ce n'est pas parce que l'on croit qu'il existe des armes de destruction massive prêtes à l'usage et pouvant frapper en 45 minutes qu'elles existaient forcément telles quelles au moment x, quand bien même on retrouverait des plans irakiens prévoyant un tel usage. Le fantasme de la virtualisation du réel, de l'anticipation tourne à celui de la fiction. C'est là le point fondamental à discuter. Il n'est pas vrai qu'un recueil généralisé de données brutes peut être mobilisé et filtré en temps et en heure pour éviter des événements de violence si ceux-ci n'ont pas été repérés par des techniques traditionnelles d'infiltration. C'est le mensonge grossier de l'ensemble des services de renseignements qui voudraient nous faire croire qu'ils prédiront l'avenir si nous leur en donnons les moyens techniques et si nous les laissons avoir accès à l'ensemble des bases de données publiques et privées, à partir desquels ils construiront des profils de terroristes potentiels.⁹ Cette vision du recueil tous azimut des informations, du «data mining», est profondément dangereuse non seulement en terme de liberté¹⁰ mais aussi d'efficacité.

Trop d'information non pertinente tue l'information, et l'élaboration de « profils », en particulier via la computérisation de ces derniers par des logiciels experts, détruit la cohérence des raisonnements et « ne reconstitue pas des informations pertinentes à partir de bribes de hasard mises en commun à travers les croyances de ceux qui ont érigé les critères de profiling » (entretien). Ce que masque ce recueil tous azimut et l'accumulation dans des banques de données, c'est « l'arbitraire » des croyances des profilers à l'égard de ce qui sera utile dans le futur. Le succès dans ces communautés de renseignement de « futurologues » comme les époux Tofler qui sont à la limite entre le scientifique et le charlatan montre cette volonté de « maîtrise du futur » qui hante l'imaginaire des services et dont Philippe K Dick a bien mieux rendu compte dans sa nouvelle *Minority Report*.¹¹ Le film *Minority Report* a sans doute eu un succès considérable car

⁹ Cf document ACLU sur MATRIX, la nouvelle version du Total Information Awareness Programme.

¹⁰ Voir les rapports d'Amnesty International, ACLU, les documents ELISE, les entretiens avec les responsables de protection des données à l'échelle nationale et européenne et avec de nombreux policiers.

¹¹ Voir Bigo, op. cit.

il évoque cette ambiguïté, cette incertitude des politiques policières et plus particulièrement antiterroristes contemporaines. Il était plus simple d'être un détective après les faits, d'être un « pompier du crime » que d'être un « profiler », « d'anticiper avant l'action qui est potentiellement l'auteur d'une infraction et quels seront ces actes dans le futur ». Il faut sans doute s'adapter mais il est impossible de « policer le futur ». On ne peut pas prédire le futur et considérer qu'il faut toujours agir en fonction du « worst case scenario ». C'est une attitude paranoïaque au sens fort du terme. Il n'y a pas de sécurité absolue et la tyrannie de la surveillance n'empêche nullement l'irruption de la violence, au contraire elle favorise des vocations.

Ceci a une conséquence qui dépasse les politiques antiterroristes, c'est le mélange puissant entre fiction et réel, entre virtuel et actuel qui détruit la rationalité publique. Les attentats du 11 Septembre sont maintenant devenus un film video-dvd qui se vend au même titre que les films catastrophes d'Hollywood et par les mêmes compagnies et les mêmes moyens. Les victimes sont devenues irréelles, les ennemis surréels, les ennemis potentiels virtuellement présents partout. Comme le disait Zizek dans son ouvrage consacré au 11 Septembre.¹² Il est de la responsabilité des services de police judiciaire et d'une justice soucieuse du droit et des libertés de contrebalancer, si possible, cette tendance à la fictionalisation du monde.

Pour cela les solutions simples existent. Plus d'argent et plus de personnel doivent être mis à disposition des services de police judiciaire et des magistrats. On peut faciliter les techniques d'infiltration à l'étranger en rémunérant mieux les informateurs et mieux former aux langues étrangères un certain nombre d'agents. On doit faire confiance au facteur humain et se méfier du tout technologique. On doit assumer l'idée que le risque est possible et que le meilleur moyen de s'en prémunir est de renforcer les structures favorisant justice et liberté pour délégitimer l'action combattante au lieu de se tourner vers une coercition et une surveillance hautement technologique. On doit raison garder et maintenir la différence entre logique de fonctionnement des services de police et de justice en refusant de les soumettre aux logiques du renseignement et de la guerre. Contrairement à de nombreux discours, nous ne sommes pas en guerre contre un ennemi intérieur et invisible qu'il faudrait éradiquer, nous sommes en lutte contre des criminels à motivation politique qu'il faut arrêter et condamner avec le large assentiment de la population.

¹² Voir S. Zizek, *Welcome to the desert of the real*, London: Verso Pluto Press (2002).

Domestic Dilemmas

US Homeland Security Policy and Transatlantic Relations

An American Perspective

Jeremy Shapiro*

The purpose of this paper is to give a European audience some idea of the state and politics of homeland security in the United States and its implications for transatlantic security. There have been many public transatlantic divides on the broad issue of homeland security, but often they appear fairly technical or simply matters for hard negotiation, such as the recent controversy over passenger name records (PNR) from airlines. In many specific cases, the US and the EU have managed, even in the midst of the transatlantic explosion over Iraq, to work moderately well together on homeland security. As with the PNR problem, they have usually reached agreement and have avoided any serious public disputes to date – despite much goading by the press on both sides of the Atlantic.

Nonetheless, these surface disputes and their subsequent resolutions mask somewhat more fundamental differences between the US and Europe, which stem in part from the complex dynamics of homeland security policy in the US and from genuine domestic dilemmas that US policy-makers face. In an effort to at least expose those differences and dilemmas, this paper first explains some unique features of the domestic politics of US homeland. Second, it explains some of the important changes in US homeland security since 11 September 2001. Finally, it assesses some of the implications of all of this for transatlantic relations.

The domestic politics of homeland security in the US

It is often said that the US discovered terrorism on 9/11, but that the Europeans had faced and understood it for generations. This is an obnoxious statement on many levels, mostly because it is wrong in all of its particulars. The US certainly did experience and confront terrorism for decades before 9/11, dating all the way back to President Theodore Roosevelt's eerily familiar-sounding declaration of a 'war on anarchism' after President William McKinley's assassination in 1901. The US experienced a series of attacks on its interests abroad in the 1980s and 1990s, suffered domestic attacks against the World Trade Center in 1993, an aborted attack against

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New York City in the mid-1990s and the Oklahoma City attack, which killed 168 people in 1995. Moreover, it was involved in a quite conscious pre-9/11 confrontation with al-Qaeda following the bombings of the US embassies in Kenya and Tanzania in 1998 and the attack on the USS Cole in 2000.

Similarly, Europe had certainly never experienced an attack of the order of magnitude or symbolic power of 9/11. Quantity, in this sense, has a quality all its own. The attack on 9/11 was not terrorism as Europe knew it or understood it; previously the largest number of victims of a terrorist attack in Europe was the Lockerbie disaster in 1988 that killed 270 persons; there has been no attack of even vaguely comparable symbolic power in Europe. What 9/11 revealed to the wider public was a new kind of threat based on a newly potent combination of modern technology and extremist ideology. When that threat burst into the public consciousness, it was clear that it required a new and dramatic response, as both Europeans and Americans widely agreed at the time. The US and Europe have since split in some very fundamental ways on the appropriate response to this threat, particularly over Iraq. But we do not believe that they have parted company on that base notion: that the new kind and power of terrorism demonstrated on 11 September requires a response. In particular, it requires re-examining old questions of the appropriate trade-offs between liberty and security, between short-term repression of threats and long-term amelioration of root causes, and between prevention and reaction.

The basis for this re-examination in the US has undoubtedly been 9/11, and indeed the interpretation of that event serves as the justification for all of the major changes in US homeland security policies that followed. Unfortunately, this very fact points, paradoxically, to some of the problems the US government has had in translating the fear, anger and shock engendered by 9/11 into an effective long-term policy to guard the US homeland and to fight terrorism. In the first place, this is because 9/11 was not felt equally in all parts of the United States. Regionally, the attacks had a much greater effect in New York and Washington and many in the American heartland could not escape the idea that this was essentially a big city and coastal problem. Even more subtly and more unusually, the attacks fell especially heavily on the elites rather than on the public. The president, the Congress, the financial elites, and we even hasten to add, the policy analysts were directly threatened in a way they never expected to be. They were thus inspired to confront the problem to a greater degree than the general public.

Related to this issue is the odd fact of the improbability of the actual events of 9/11. From an analytical perspective, such attacks should not have been attempted or should have failed. It was an overly ambitious plan with questionable operational security. It is moreover not true that American intelligence was strategically surprised by these attacks. The US government

had done an enormous amount of work on the issue of homeland security. It was spending by some measures \$20 billion a year to study terrorism, to prevent attacks, to protect critical targets and to prepare to deal with the consequences of attacks, even attacks using weapons of mass destruction (WMD). They had specifically focused on al-Qaeda as the principal threat. US government officials had even imagined and to a degree prepared for the use of airplanes in this manner. Of course, it needs hardly be said that they could have done more. But the change after 9/11 was in the prioritisation of the fight against terrorism and its perceived importance among the wider public, not in the awareness of the threat within the state security apparatus. For a society at peace, the US was enormously aware of the threat of terrorism in general and al-Qaeda in particular.

Next, the effect of the attack in New York was beyond the scope of what anyone thought possible using such means, most likely including the attackers. As one terrorism expert remarked at the time, “it never occurred to me that buildings could collapse like that”. The sheer scale of the attacks meant that they required an emotional and a political response rather than a purely analytical one.

None of this, of course, lessens the reality or the tragedy of 11 September. But it does point to some of the problems of creating a homeland security policy based entirely on an essentially random event. Politically, it means that it is now very hard to argue that *any* kind of attack is impossible. No amount of logic or analysis of the threat can stand up to the stark reality of 9/11. Analytically, one can never say that any given attack is 100% guaranteed not to happen and thus politically it is very hard to prioritise policies and allocate scarce resources. In the current environment everything seems important – even urgent. So-called ‘low-probability, high-consequence’ events are able to absorb domestic and political attention.

At first, this may seem an advantage for the government. It can do anything it wants with little interference from the usual domestic political debates that often paralyse American public policy. Yet after the initial excitement of suddenly being able to push through new laws and policies that many within the executive branch had wanted for a long time, the federal government began to realise that it had a real dilemma. The homeland can never be made 100% secure – at least in a manner even vaguely compatible with American notions of liberty and free enterprise. One can, however, spend endless amounts of money trying. As yet, there is no measure of sufficiency in US public debate. How much are we willing to spend to be how safe? This question remains unanswered; in fact, it has not even been posed in US politics.

Since 9/11, reports have come out of Washington think tanks, government agencies and official commissions with astonishing regularity detailing the myriad vulnerabilities of the US homeland and the insufficiency of the government response in each particular area both before and after 9/11. These scenarios demonstrate a degree of imaginative thinking that even the quite innovative strategists of al-Qaeda could never match. More to the point, they are often connected only to vulnerabilities rather than to threats. That is to say, each kind of attack is convincingly demonstrated to be possible, but there is often little to effort to discern whether there is any particular actor in the world who has both the desire and the capacity to actually carry them out. Al-Qaeda is assumed to be willing and capable of doing essentially anything.

Each of these vulnerability analyses is perhaps individually reasonable. They always seem to make the case that an investment of just a few billion or tens of billions of dollars would fix the problem. The larger problem, as the old saying in Washington goes, is that 'ten billion here, ten billion there and pretty soon you are talking about some real money'. Even the US with all its wealth can not begin to afford all of these investments.

All of this means that if another attack occurs (and no one can guarantee that one will not), there will have been a report warning that this specific attack could have been prevented for a few billion dollars and yet the government did nothing. Elected leaders and government officials will be blamed. Indeed, this dynamic has already taken place to a certain degree after 9/11, despite the essential randomness of the event and the fact the new administration had only been in office for a few months at the time. Next time, the blame game will be even harsher. Now, there is no way that the terrorists will think of something that the wider policy-analysis community has not considered. As Paul Samuelson said in a different context, "economists have predicted eight out of the last two recessions". Similarly, terrorism analysts will continue to overly predict terrorist attacks, nearly guaranteeing that the ones that do occur will have been predicted somewhere in the flood of vulnerability analyses now emanating from Washington and elsewhere. In short, the government cannot avoid blame for any future terrorist attacks, but all the money in the world cannot guarantee that one will not occur.

Making this problem even worse from the standpoint of the government is a continuation of the traditional American problem of 'domestic mobilisation'. It is very hard to mobilise the American public to confront foreign problems. They have a short attention span and are traditionally and overwhelmingly concerned with domestic and local economic issues. The picture of Franklin Roosevelt in 1939-41, arguably the most powerful president in American history, essentially incapable of taking forceful action owing to domestic factors (and despite a recognised threat to American security) is an image

that plagues American policy-makers. The events of 9/11 clearly alleviated this dilemma to some extent as it did serve to mobilise the population. Nonetheless, as previously mentioned the attacks did not affect most of the country directly and as a result the effects of 9/11 are beginning to wear off already after only three years. Paradoxically, however, public apathy will not relieve the government of blame if something goes wrong. Americans demand that their leaders lead them along the correct path, even if they don't want to follow.

Responding to the dilemmas

So how has the US government responded to these dilemmas? There have been quite a few efforts to directly secure the US homeland since 9/11. Many of these were well begun even before the attacks, often dating from the aftermath of the bombings of the US embassies in Kenya and Tanzania in 1998. At that time, the post of national coordinator for counterterrorism was created within the White House; huge amounts of money were already being programmed and spent on the beginnings of a national ballistic missile defence system. In all, as mentioned some \$20 billion a year was being spent on what we now call Homeland Security, of which about \$13 billion went towards protection against weapons of mass destruction. It should be noted that these numbers are estimates as, before 9/11, there was no category of spending called 'homeland security'.

Still, after 9/11, the US government realised it had a huge and fleeting opportunity to reorganise the government to fight this problem in a manner that had long been understood to be necessary but which heretofore had been politically impossible. The organisation of the government security apparatus was a legacy of the cold war and was well understood to make little sense for dealing with the new problem of transnational terrorism. For example, border security was divided among numerous agencies and departments: the Consular Service of the State Department, the Immigration and Naturalization Service of the Justice Department, the Customs Service of the Treasury Department, the Coast Guard in the Transportation Department not to mention the Department of Agriculture, the Border Patrol, the Defense Department, and probably quite a few others yet to be discovered. These agencies were trying to control and process about 500 million legal border-crossings a year and an unknown number of illegal ones, but having little success in actually understanding what was happening. Thus, after 9/11, the US government realised that about 70,000 Saudi men between the ages of 18 and 35 had entered the US between December 2000 and August 2001, but the US government had no idea where they were.

In response, the government acted vigorously and indiscriminately, but in any case, very much in the manner that governments everywhere respond to

such emergencies. The US government detained thousands of people in the search for terrorists. Many were held *incommunicado* simply through the expedient of asserting national security. The executive branch put the population on alert and proposed and passed the Patriot Act through Congress, which gave the government sweeping new powers and broke down the long-held distinctions in American law and practice between domestic and foreign intelligence and between intelligence and law enforcement.

Moreover, the federal government embarked on an immense effort, still far from complete, to link various databases within the multiple levels of government (federal, state and local) and within the private sector to provide greater 'information awareness'. These efforts reflect a widely held belief that the information necessary to prevent the 9/11 attacks existed within disparate parts of the government and within private data sources in the US. Rather than a lack of information, the problem was thought to be that no one agency or decision-maker had had enough information and power to recognise the overall pattern and to act upon it. Thus, for example, a Terrorist Threat Integration Center (TTIC) was created as a semi-independent agency (reporting to the director of the CIA) to integrate and analyse all sources of intelligence and information pertaining to terrorism.

Of course, the most visible change is the creation of the Department of Homeland Security (DHS), the biggest reorganisation of the US federal government since shortly after World War II. It brought together some 22 previously separate agencies, involving over 200,000 employees and a budget for 2004 of over \$24 billion. It includes the Coast Guard, the Customs Service, the Immigration Service, the Secret Service and the new Transportation Security Administration among others. The government also created a Homeland Security Council in the White House, analogous to the National Security Council, to coordinate homeland security policy across the government. The existence of this council expresses an acknowledgement of the inevitable fact that the DHS, despite its size and scope, still does not contain all of the governmental assets necessary for homeland security, not least the FBI, which remains in the Justice Department. Similarly, a National Joint Terrorism Task Force was created to coordinate efforts between the federal government and state and local officials, who in the decentralised US governance system cannot technically be brought under direct federal control by anything short of a change to the US Constitution.

Finally, there have been a variety of different efforts to deal with the consequences of an attack involving WMD against the US, including the stockpiling of enough antibiotics to treat 20 million cases of anthrax and enough smallpox vaccine to inoculate the entire population.

But these actions, while certainly dramatic, are widely viewed as insufficient. Complaints vary: local officials assert that efforts to prepare the public health system and to provide them with special training and equipment for a WMD attack have not received the funding that was originally promised. Intelligence analysts point to the continuing communication problems between the FBI and the CIA, the fact that the FBI was not moved into the DHS, and that no domestic intelligence service akin to the UK's MI5 or France's DST was created. Chemical plants, foreign aviation, surface-to-air missiles, etc., all continue to be considered critical homeland vulnerabilities.

For now, the momentum has clearly gone out of government efforts to revolutionise US homeland security. As Senator John Kerry often mentions, President George Bush has failed to request funding for many of the programmes he himself put in place with great fanfare after 9/11. The government seems to view many homeland security initiatives as money sinks in which spending is very likely to be wasted without doing much to reduce the threat. As a result, such measures simply give people ammunition with which to attack the current administration for overspending and for violating civil liberties, but they will do little to protect the nation or to divert blame if anything goes wrong.

The intractability of these domestic dilemmas has created an impulse towards a few policies that are not often thought of as strictly related to homeland security. It helps, for example, to explain the impulse towards the declaration of a 'war on terrorism'. Europeans tend to not like the use of the word 'war' in connection with terrorism and they are often uncomfortable with a generic struggle against a technique such as terrorism. The reasons for these objections are often semantically and pragmatically valid. But in the context of the desperate need to mobilise an inherently complacent and disengaged population, the 'war on terrorism' has served its purpose in the US quite effectively, despite the obvious disadvantages of the term. It has therefore been adopted across the political spectrum in the US.

More generally, the US government's response to this dilemma has been to externalise the problem – that is to move the focus of the war of terrorism abroad. This strategy re-orientates the problem to issues that can conceivably be solved and perhaps more importantly allows the government to go on the offensive and therefore to control the agenda. Because foreign policy involves issues that are less controversial domestically and require fewer violations of civil liberties, less interference in the daily lives of Americans and less sacrifice by the average American, it keeps the domestic audience interested and united, and at least minimally mobilised. Thus, despite the very high cost in terms of lives and treasure of the war in Iraq, it was still

viewed at the time (perhaps inaccurately) as cheaper in the long term than continuing quixotic efforts to 're-establish' the invulnerability of the US homeland.

Externalisation also implies a strategy of pre-emption that allows the government to maintain the initiative and to set the agenda in terms of identifying and dealing with threats from abroad. No one believes that intelligence can always be accurate nor threats always identified appropriately. But a prevention policy responds both to the reality of a new threat that has a demonstrated potential for surprise and to the domestic need to take the offensive. Moreover, prevention is nothing new nor is it peculiarly American. In fact, nearly all countries that face terrorism or other direct security threats have a prevention doctrine – it is explicit, for example, in French anti-terrorism law at the domestic level and French military doctrine at the international level. The American version, particularly as stated in the September 2002 National Security Strategy of the United States, is uncomfortably explicit and generic. Yet the real question is not whether a prevention doctrine exists – but who can legitimately and efficiently decide when prevention is necessary. On the domestic level, both Europe and America have some legitimate and effective mechanisms for accomplishing this; on the international level, the appropriate balance between legitimacy and efficiency has not been found.

Finally, externalisation requires tighter border security to help re-establish the separation between domestic and foreign spheres along with harsh policies towards immigrants to reinforce the notion that terrorism is a foreign problem. The Patriot Act enshrined the notion that non-citizens had fewer rights under American law to privacy and due process in legal proceedings than US citizens. This action set the stage for the 'Guantanamo system' – the practice of holding non-citizens outside the jurisdiction of US courts indefinitely and without status in domestic or international law and of trying them (potentially) in military tribunals. Indeed this system reflects a widely held discomfort in the US with using the courts for dealing with national security threats. The process is, with good reason, considered too slow, too dependent on inflexible rules, too prone to leaks of valuable intelligence and too unresponsive to the needs of a rapidly evolving and essentially political threat. As a result, there have been no attempts to reform the normal judiciary to deal with terrorism and judicial instruments have not been widely used in the US war on terrorism. In fact, the Guantanamo system has been extended first to US citizens captured in 'zones of hostility' and then to one originally arrested by civil authorities at the Chicago airport simply through executive assertion that he was a national security threat. Much of

the Guantanamo system remains controversial in the US and is currently under review by the courts, but so far the courts have not definitively reversed any government actions.

Of course, even though largely applied to non-citizens, these measures generate vociferous condemnation from human rights groups both in the US and abroad. The US has a long and genuine tradition of respect for civil liberties that is deeply ingrained in American society. Nonetheless, there are some important caveats to this tradition. The US also has a tradition of temporarily suppressing civil liberties during wartime. Thus, the informal declaration of war against terrorism gave the government some breathing room and some deference from the courts, the Congress and the public to wage that war without bothering with many of the usual safeguards placed on civil liberties.

This situation has been justly labelled 'a state of emergency'. There are many aspects of it that are extremely troubling and quite questionable in their efficacy for fighting terrorism. One tries to remain measured, but it is frankly quite difficult for some to even contemplate the idea that the US is establishing military tribunals. But, looking at it more analytically, this state of emergency is very unlikely to be permanent. The US political system characteristically overreacts, but eventually experiences a backlash and corrects itself, indeed usually overcorrects itself. Political choices made in the US about the trade-off between security and liberty are never appropriately nuanced and never permanent, rather they are nearly always excessively responsive to dramatic, visible events and thus dialectical. Thus, for example, it is quite clear that the limits placed on the ability of the CIA to cooperate with domestic agencies such as the FBI in the wake of the various CIA scandals of the 1970s were too onerous and, in the event, not suited to the transnational character of emerging threats.

On the plus side, though, this tendency to correction means that the freedom of executive action has some time limit (or failure limit) before it engenders an almost inevitable backlash, most likely in the form of a reassertion of power from the other branches of government – principally Congress and the courts. We are already beginning to see this in, for example, the decision of the US Supreme Court to consider asserting jurisdiction over the Guantanamo system and over the prison in Guantanamo Bay specifically, in the delayed blame game over 9/11 being played out right now and in the decision by Congress to dismantle the Pentagon's Total Information Awareness programme to link databases, as well as its recalcitrance over renewing the parts of the Patriot Act due to expire in 2005.

Nonetheless, these are fairly early stirrings of a backlash. For the moment, there is little sense of widespread popular outrage over the government's

actions and the Democratic presidential candidate is not asserting with much consistency or strength that the government has been too harsh in its suppression of civil liberties since 11 September.

Implications for transatlantic relations

So what does all of this mean for Europe? Superficially, the externalisation of US counterterrorism policy has had quite positive effects on relations with transatlantic allies. Externalisation relies on cooperation and acknowledges a common interest in battling terrorism at its source. The US government has accepted that it will need military, intelligence, law enforcement and judicial cooperation with Europe, and much of the rest of the world, to even hope to make this strategy work. Indeed, no one in the US says or believes that there is a purely military or a purely unilateral solution to terrorism in general or to al-Qaeda in particular.

Moreover, since 9/11, this cooperation has proceeded fairly well with many, probably most, European countries, despite the quite vitriolic disputes over Iraq. There are many complaints on both sides, of course, but that is the nature of cooperation: what is significant is that, particularly on the level of intelligence, both sides report that contacts have increased dramatically and that they have shown some results in disrupting threats. Indeed, cooperation in counterterrorism created a new constituency on both sides of the Atlantic for keeping foreign policy differences over Iraq within certain limits. Thus, the strongest advocates within the US government of limiting US 'punishment' of France over its role in the Iraqi crisis have been the intelligence and law enforcement agencies that view the relationship as important for accomplishing their jobs.

Many political and technical homeland security issues remain unresolved and they have the potential to cause upset in the relationship in the future. There is no agreement between the US and Europe on the appropriate privacy regime, for example, so they have had continuing difficulties in working out ways to exchange information such as airline passenger data. Many European countries may fail to meet the new US requirements for putting biometric data in travel documents, calling into question, on a strict reading of US law, their ability to continue in the US visa waiver programme. Europeans will no doubt be very upset to discover that the absence of biometric data on their passports mean they must soon be fingerprinted and photographed when entering the US. Moreover, all of this enters into the middle of a complex and politically fraught internal EU effort to establish an Area of Freedom, Security and Justice.

Some bigger problems for transatlantic relations remain latent, however, and come from some of the premises of US homeland security policy and, in

particular, the US externalisation of homeland security. Tremendous European goodwill towards the US after 9/11 has essentially been squandered by various manifestations of the externalisation policy. Similarly, US policies in Iraq and with regard to the Guantanamo system and the unwillingness of the US to encompass terrorism within normal judicial procedures have seriously strained judicial cooperation on the issue of counterterrorism. Judicial cooperation between the US and the EU, always the most difficult type of cooperation because it involves distinct and inflexible procedures, has become, even relatively speaking, quite bad. At the same time, judicial cooperation is particularly important for dealing with terrorism. The unique nature of terrorism means that maintaining the appearance of justice and democratic legitimacy will be much more important than in normal wars or struggles. In this sense, the war on terrorism more closely resembles the war on drugs than World War II; it is unlikely to have any discernable endpoint, only irregular periods of calm. Ad-hoc anti-terrorist measures that have little basis in societal values and defined legal procedures provide little long-term bases for the necessary cooperation with other countries.

On a deeper level, the problem is that the US homeland security policy as now configured demands that other parts of the world fall into line with US domestic political needs – as evidenced in Iraq, on border control, on data exchange, etc. Such demands inevitably alienate other countries, particularly powerful ones such as those in Europe, which the US desperately needs as allies for realising its long-term counterterrorism goals. Worse, if this or other problems (such as the current difficulties in Iraq) cause the US externalisation strategy to fail – leading to, for example, another large terrorist attack in the US – the result will not likely be a softening of US foreign policy. Rather, it will likely lead to a reinvigoration of US homeland security measures to include the creation of a ‘fortress America’, as well as possibly uncontrolled US spending on domestic security needs and a great deal of political conflict within the US on civil liberty issues.

From a European perspective, this analysis creates some obvious issues about how to respond. Because these issues are fairly deeply rooted in genuine dilemmas in US domestic politics, they will not go away with a change of administration and the effect of foreign pressure is limited. In the US, as everywhere else, domestic needs rank first. In the US, as nowhere else, there exists a capability to resist foreign pressure, in part because of its size and power, and in part because so much of the rest of the world continues to depend on the US for security and stability. For these reasons, directly challenging the US on such issues is often self-defeating as many

leaders (if not many publics) around the world have long recognised. Europe in particular is often divided on these matters or at least on the best way to deal with the US on such issues.

Moreover, Europe is not particularly high on the list of foreign policy priorities for the US, which is now overwhelmingly focused on the Middle East and Asia. American policy-makers who do not deal directly with European issues have become astonishingly indifferent to what European leaders or European publics think. They simply do not believe that European opinion has a material impact on the ability of the US to achieve its policy goals, at least relative to American domestic forces or events in the Middle East and Asia: Europeans will whine and complain, but in the end they will have no choice but to conform to US policy needs. They are perhaps wrong in this assumption, but they have yet to be proven so. A more unified, more muscular Europe would certainly affect the capacity to sustain this indifference towards Europe, but that degree of integration is, at best, a very long way off.

While this is a fairly pessimistic conclusion, it needs to be tempered by two previous observations. First, there are self-correcting mechanisms within the US that have, as noted, already begun to manifest themselves. Second, the US domestic political system is quite open. As many European countries have long understood, engaging with the US outside of normal executive channels, to include engagements with the legislative branch and with civil society more generally is often a fruitful exercise in the long term.

Homeland Security: Russia's Challenges

A Russian Perspective

Andrei Fedorov*

Homeland security: Russia's challenges

Homeland security and the struggle against terrorism is one of the most crucial issues for the Russian Federation. As stated clearly by the National Security Concept,¹

Terrorism is a serious threat to the national security of the Russian Federation. International terrorism holds [an] open campaign to destabilize the situation in the Russian Federation...[The] struggle against terrorism, drugs and illegal trafficking should be based on the complex approach with the use of all the state structures...Based on international agreements it is necessary to build up effective cooperation with foreign states, law enforcement bodies and special services as well as cooperate with international organizations dealing with terrorism and widely use international experience.

The same logic is present in every state of the union speech by President Vladimir Putin, as illustrated by his statement that "Terrorism brings [a] threat to [the] lives of citizens and to human rights...The task of strengthening the anti-terrorist coalition is among the most important."²

According to the latest polls (April 2004), nearly 67% of Russian citizens considered terrorism as the main threat (this figure is even higher in the largest cities). The greatest concern is the possible use of chemical weapons and weapons of mass destruction. About 56% of those surveyed are sure that terrorism is a long-term threat and there is a need for a real long-term strategy to combat it.

At the same time it is interesting to note that in Russia there is a largely different understanding of both terrorism and the terrorist threat among the public than in other countries. Again, according to the latest polls (March

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¹ Extract from the National Security Concept of the Russian Federation, adopted in early 2000 by Presidential Decree No. 24 on 10 January.

² President Putin's state of the union address to a joint session of parliament on 26 May 2004.

2004), about 60% of Russian citizens consider terrorism to be Chechen-related and there is little concern about al-Qaeda. The official line today is based on the position that Chechen terrorism is part of international terrorism and Russia's actions in Chechnya should be considered within this context.

Terrorism in the Russian Federation and the infrastructure for dealing with it

The number of terrorist attacks in Russia is growing each year – from around 20 to 25 in the early 1990s to nearly 150 in 2003 (not taking into consideration all the cases in Chechnya but counting only the main ones). There are more than 20 terrorist groups operating in the territory of the Russian Federation, with the majority of them having close links with international terrorist organisations, including al-Qaeda. In 2002-03 more than 500 people were killed and nearly 2,400 were wounded as a result of terrorist attacks; since the beginning of 2004, more than 120 people have been killed and 300 have been wounded.

Of course there are numerous reasons for the increase of terrorist activity in the Russian Federation since the early 1990s, but the principle ones could be described as follows:

- the crash of the previous political structure without the creation of an effective socio-political system;
- an economic crisis and growing differences among the various regions;
- the rise of nationalism and religious extremism in some regions;
- ethnic tensions and conflicts;
- the illegal circulation of weapons and inadequate control over military installations and hardware;
- the increased activity of criminal groups and the establishment of national criminal networks that are developing international contacts;
- various military and ethnic conflicts in the former Soviet states; and
- open borders.

Under the pressure of growing instability and the number of terrorist acts in 1993, a special terrorism article was added to the Russian Federation Criminal Code, which was slightly modified in 1997. In 1998, the Struggle against Terrorism Law was adopted by the State Duma, to which a number of amendments were later made. On 27 May 2004 the State Duma passed amendments to the Criminal Code in a second reading, to the effect that especially grave terrorist crimes will carry a minimum sentence of eight years (rather than five years).

In general, this legislation works and during 2002-03 alone more than 130 criminal cases were considered by the courts, resulting in the imprisonment of more than 700 criminals for terms ranging from five years to life.

There is no special body for homeland security in the Russian Federation today and responsibility for it falls among the following governmental structures:

- the Ministry of Interior;
- the Federal Security Service;
- the Ministry of Emergency Situations;
- the Ministry of Defence; and
- the Security Council.

According to the current Russian Federation Constitution, all these bodies are directly responsible to the president, who usually has meetings with the chiefs of all the power structures twice a week, and homeland security issues are at the top of the agenda. In crisis situations the president is usually the main coordinator of the government's response.

For a number of reasons the Russian Security Council has not functioned properly over the last four years. Homeland security issues and the anti-terrorism struggle were considered only three times at its meetings. Now it is expected that with the appointment of the new head of the Security Council Igor Ivanov (the former Foreign Minister), there will be serious changes in the structure of the Council and it will start to play the role of a coordinating body that mainly concentrates on homeland security issues.

At the regional level Security Councils were created in more than 30 regions of the Russian Federation but only a few of them really work as coordinating bodies (principally in the Caucasus region and in the Southern Russia).

Efforts at international cooperation

There is also a growing understanding in Russia of the necessity of effective international cooperation for homeland security and the anti-terrorism struggle.

There is closer cooperation now with Europol, Interpol and other international networks. For example, the Russian Finance Monitoring Committee signed a cooperation agreement with the US Financial Crimes Enforcement Network. The same type of agreement should be signed soon with the US Treasury Department's Office of Terrorism and Financial Intelligence.

Three conferences were held in Russia from 2000 to 2003 at the invitation of the Federal Security Service (FSB), in which nearly 50 heads of foreign secret service, security and law enforcement agencies attended. The one held in May 2004 gave special attention to the prevention of terrorism involving weapons of mass destruction and advanced technology, as well as new challenges from international terrorist organisations.

A regional Anti-Terrorist Task Force was created in 2003 in the framework of the Shanghai Security Organization (which includes Russia, China and Central Asian countries), which focuses on issues related to radical Islamic groups in the region and drug trafficking from Afghanistan. Earlier this year Russia also expressed its readiness to allocate up to \$1 million to create a system similar to that of the Financial Action Task Force to cover the territory of the Commonwealth of Independent States (CIS).

The main remaining obstacles to an effective homeland security policy

1. *Continuation of the conflict in Chechnya, with very few chances of a long-lasting political solution*

It is clear that there are close links between terrorist groups in Chechnya and international terrorist networks and that there are special relations between these groups and a number of structures from Saudi Arabia. Nevertheless, it should be recognised that the main financial sources for terrorist activities come from within the Russian Federation (i.e. the Chechen community and criminal structures).

2. *The radicalisation of Islamic groups in the Caucasus area (mainly in Dagestan and Ingushetia)*

At the moment there are more than 50 radical religious Islamic groups and movements operating in the region. What is the most important is the growing influence they are having on the younger generations.

3. *Migration from the CIS*

Most of the borders within the CIS are still without proper, effective control (especially the borders in the south), which is exacerbated by the continuation of military/territorial conflicts in Georgia and Moldova, as well as instability in Uzbekistan and Tajikistan. There are more than 10 million immigrants from CIS countries working today in the Russian Federation, many of whom are involved in criminal and terrorist activities. Recent measures such as the introduction of migrant cards are only partly effective (given that in the Moscow region there are about 1.5 million illegal immigrants), but at least there is more information on the number of visitors to the Russian Federation.

4. *Lack of effective cooperation between the law enforcement and security forces within the CIS*

Despite some concrete steps towards better cooperation it should be stressed that political factors continue to have far too much influence on their relations (as revealed for example in the Russian–Georgian conflict during recent years on the extradition of Chechen terrorists).

5. *A very high degree of corruption exists on all levels*

Among the best examples of corruption is that in Moscow last year more than 200,000 people were registered based on false documents; another example is that Chechen terrorists were able to bring weapons and explosives to Moscow in 2003 for the terrorist attack at the Dubrovka theatre, by bribing police officers along the way with about \$500.

6. *A high level of criminality*

Russia's criminal community is becoming stronger especially at the regional level, where many well-known criminals are now expanding their power. There is also an effective infiltration of Russian criminals into international networks. Russia, together with Ukraine, became the main transit corridor of Afghan/Central Asian drugs into Europe. In 2003, the volume of the confiscated drugs increased by three times (up to 30 tonnes), but according to the Ministry of Interior this represents only 10 to 12% of the estimated total drug supply and transit. Drug money is widely used for financing terrorist activities in Russia. The first case against a bank (*Sodbusinessbank* in Moscow) for money laundering and financing criminal activities only started in May 2004, with the FSB report that about 10 banks are involved in the same criminal activity.

7. *Lack of practical cooperation with Western law enforcement and security forces*

The problem here is that although some good steps have been taken at the top level, cooperation is still lacking at the lower levels, including the border regions (this kind of cooperation is needed first in the Kaliningrad area and on the border between Belarus and Poland).

8. *Unsatisfactory control over military hardware*

In 2002-03 more than 60 cases of stolen military hardware were reported, including machine guns, grenades and even surface-to-air portable rocket missiles. The continued existence of installations of chemical weapons that are due to be destroyed represent a dangerous situation. At the same time, since 2001 more tough measures have been introduced for the protection of nuclear power plants, research sites and the nuclear military arsenal.

9. *Continuation of the ethnic/political conflicts in the former Soviet space*

Conflicts in the former Soviet states contribute to instability in the region, such as the unresolved situation in Georgia (with the possibility of new military tensions), Islamic terrorism in Central Asia (Uzbekistan being the main target), slow progress in the conflict in the Pridnestrovje region of Moldova and the remaining crisis in Nagorno-Karabakh.

What to do?

Russia is capable of taking more concrete steps in the anti-terrorist struggle but continues to lack an institutional framework for such efforts. An office of homeland security is needed in case the reorganised Security Council is not able to act properly. Other recommendations include:

- More attention is needed to the real creation of a common space of freedom, security and justice between Russia and EU, including the development of a strategic partnership in the EU-Russian ministerial troikas on justice and home affairs, and the establishment of contacts between Eurojust and the Russian General Prosecutors Office, etc. There is also a need to create a new model for border management and to continue cooperation with G8 countries.
- A rationalisation of mutual legal assistance, including mechanisms for the extradition of criminals is needed along with the harmonisation of national legal systems with regard to terrorism.
- It is important to work towards a more common understanding of the definition of 'terrorism' and to adopt the UN's Comprehensive Convention on International Terrorism as well as the International Convention for the Suppression of Acts of Nuclear Terrorism.
- Effective measures to destroy the financial base of international terrorism must be worked out internationally, including more transparency within Russia. Greater cooperation between the private and public sectors is also necessary to combat money laundering and to increase cyber security.
- Officials responsible for homeland security from the US, the EU, Japan and Russia should have an effective communication mechanism, to include regular meetings to exchange views on current practices. Russia is ready to take an active part in such a system. Meetings of the relevant G8 ministers should have a regular format and report to every annual summit.

A EUROPEAN BALKANS?

WITH CONTRIBUTIONS BY

JACQUES RUPNIK

DANIEL SERWER

BORIS SHMELEV

INTRODUCTION BY

FRANÇOIS HEISBOURG

Introduction

François Heisbourg*

The Chairman recalled the reasons for holding this particular session. On the one hand, at the Thessaloniki meeting of the European Council (June 2003), the prospect was laid out of the Balkans being included, over time, within the European Union; hence, the title of the session. How that vision is to be fulfilled is obviously very much open to question, and is among the themes underlying the work of the new International Commission on the Balkans chaired by former Italian Prime Minister Giuliano Amato. On the other hand, short-term events are going to put the Balkans at the centre of European concerns over the coming months in the run-up to the final status discussions in mid-2005: the Macedonian referendum in early November, the deployment of EU forces in Bosnia–Herzegovina (operation Altea) in December and the rising expectations of Kosovar Albanians following the October 2004 elections. To introduce the session three papers were presented.

The European perspective was laid out by Jacques Rupnik, Research Director at CERI in Paris. In his oral presentation, he emphasised that “Serbian questions” were pivotal in the region, rather than in Kosovo per se (which is emphasised in the two other papers) and that there is a need to move from a failed project (that of a ‘Greater Serbia’) to the adaptation of a smaller Serbia in the region. He stated his fear that the ‘Biarritz assumption’ that the region was moving towards the EU was not actually proving to be correct, except with regard to Croatia. The traditional EU approach to enlargement was not relevant, given the weakness of the states and the uncertainties regarding statehood in the region. Therefore, a broad regional approach was necessary, including some form of EU trusteeship. He concluded by stating that the credibility of the EU was very much at stake on the resolution of this issue: if it did not succeed in the Balkans, how could it succeed elsewhere? Furthermore, the EU was going to be largely on its own, with the United States currently focusing on other priorities.

Boris Shmelev stressed the centrality of the Kosovo issue and the need for a quick settlement (points also made in the paper by Daniel Serwer). His basic formula involves the partition of Kosovo, with the Serbian part going to Serbia and the Albanian part remaining under American and European military stewardship in order to avoid the risk of a ‘Greater Albania’ being

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formed, which he saw as an inevitable consequence of independence – with new Balkan conflicts or even a clash of civilisations occurring as a result. He restated the view that the independence of Kosovo would create an unacceptable precedent for Russia with regard to Chechnya, but also to its Transcaucasian neighbours (e.g. the Abkhazian or South Ossetian issues).

In the absence of Mr Serwer, Dana Allin confirmed that the Balkans and Kosovo would not be a priority issue for the US. Even former US Ambassador to the UN Richard Holbrooke would have other things to deal with. While emphasising the need for final status (given that “Kosovo Won’t Wait”, to use the title of Mr Serwer’s contribution), Mr Allin rejected partition as an outcome, although the risk of partition could serve as a tool of leverage *vis-à-vis* the Albanian Kosovar politicians.

In opening the floor for debate, the Chairman highlighted a few points and questions:

- The EU would have to exercise leadership.
- ‘High noon’ is approaching in Kosovo, against the backdrop of the failure of the UN Mission in Kosovo (UNMIK).
- Independence is inevitable.
- The EU would have to become more deeply involved, while also holding all parts of the ring, in order to ensure coherence of the international community’s actions in Belgrade, Pristina, Skopje, Podgorica and Sarajevo.

Does Kosovar independence necessarily create a precedent for Russia? After all, the independence of East Pakistan/Bangladesh or the independence of the former French metropolitan territory in Algeria (with the removal of more than 1 million inhabitants of European origin) did not, in their time, lead to separatism elsewhere. Isn’t there a risk of this Russian insistence becoming a self-fulfilling prophecy? Would partition not be both a more difficult solution (e.g. the India-Pakistan partition of 1947) and one more likely to set a precedent?

A prominent NGO representative agreed that independence was inevitable, considering that there was little support for a Greater Albania. Nevertheless, the Serbian enclaves in Kosovo had to be protected by Western forces indefinitely if necessary, even if this means creating many ‘West Berlins’. He underscored, as did many others in the discussion that followed, the negative consequences of the EU’s visa restrictions. Another participant underlined the difficulties of ‘fuzzy states’ in moving towards EU membership: the future prospects of Kosovo, Bosnia and Montenegro had to be set out clearly.

An EU official qualified Mr Rupnik's Biarritz assumption: it never was going to be "10 years to the EU". He noted that Europeanisation of the 'protectorate' in Bosnia was happening, as probably would in Kosovo as well. He strongly stressed the importance of keeping the Thessaloniki perspective open and not making the Balkans hostage to the notion that after Croatia, further EU membership would have to be put to referendum in this or that member state. He confirmed that EU ministers are not always aware of the future scale of engagement necessary in the Balkans.

A Russian participant questioned the nature of Russia's interests in the Balkans, now that Moscow has withdrawn its troops from the region.

A former US official reminded us that there were a number of territories with a 'fuzzy' status in the world, with places as different as Northern Cyprus, Taiwan, Puerto Rico or the West Bank. He concurred with the view that the US would leave the problems of the Balkans largely to the EU (while still keeping some US troops there) – in effect, returning to the initial position of the 1991 Bush administration.

A question was also raised about the consequences of having a non-EU Western Balkans as an 'enclave' in the EU once Bulgaria and Romania are member states. A participant from an EU-accession country made the point that this in itself would benefit the non-members, if only by making the case that membership is possible – after all, what did Bulgaria look like 15 years ago?

In responding to these and other comments and queries, the panel expressed a diversity of views. Mr Shmelev stressed that the partition of Kosovo would not constitute a precedent by virtue of the balance of forces in Chechnya. Although he did not state a specific Russian policy towards the Balkans – Russia has in effect sought good generic relations notably in economic terms – he expressed the worry existing in Moscow about the possibility of NATO bases in the Balkans as a result of moves towards NATO membership.

Mr Allin expressed distress at the manner in which UNMIK's problem could be used by UN-bashers in the US. He strongly supported the point that the movement of people had to be encouraged and that the EU's visa regime was a cause of the "claustrophobia of the ex-Yugoslav Republics", which is not good for anyone.

Mr Rupnik put forward the hope that we had moved beyond balance-of-power politics. He emphasised the point that time was playing against us, not for us. On the question of NATO, he made the point that the Muslim population in the region often trusted the Americans more than the

Europeans. He agreed with the suggestion of a CEPS representative that a regional EU–post-Yugoslavian treaty be negotiated covering the Western Balkans, which is well worth exploring.

Conversely, he rejected the Cyprus analogy, which he viewed as an “anti-model”; the many ‘West Berlins’ in Kosovo would look too much like Cyprus between 1964 and 1974; further, the Kosovar Albanians need to understand that respecting the rights of the Serbs is not something that has to be done simply because we impose it, but because this is a basic condition for someday joining the EU. Similarly, the EU should be telling Belgrade that its message of refusal to take part in Kosovar institutions is unacceptable.

Europe's Challenges in the Balkans

A European Perspective

Jacques Rupnik*

More than five years after NATO's intervention in Kosovo and four years after the fall of the regime of former Yugoslav President Slobodan Milosevic (considered as the prime – though by no means exclusive – source of instability and war), the situation in the Balkans as seen from Brussels tends to be described under the headings of 'stabilisation', 'democratisation' and 'Europeanisation'. In the first half of the 1990s, Bosnia revealed the failures of a common foreign and security policy (CFSP) in the Balkans. But more than a decade after Kosovo lost its autonomy, could the region become the catalyst for a coherent approach by the European Union and a European security and defence policy (ESDP)?

Such a reading of the situation is backed by the growing 'Europeanisation' of the protectorates: EU member states are taking over the NATO-led international Stabilisation Force (SFOR) in Bosnia–Herzegovina, thus playing the lead role in Kosovo's peacekeeping. It is also backed by rapprochement from the EU, as evidenced by the European Commission giving the go-ahead to the finalisation of the accession process with Bulgaria and Romania and recommending the opening of membership negotiations with Turkey. Croatia has already been accepted as an accession candidate and Macedonia is hoping to gain that status soon. Hence the impression that the two-pronged EU policy in the Balkans is well on track and its success all the more plausible given that the levels of potential instability remain low and there are no significant policy differences with the US. Europe had displayed its divisions and the absence of any CFSP worth talking about over Iraq, and intends to redeem itself in the Balkans.

This reassuring picture makes sense only to the extent that it can reveal Europe's responsibilities and opportunities in the Balkans. It would definitely be counter-productive, however, if it encouraged complacency and minimised the risks. The aim of this paper is to stress the latter (not to be unduly alarmist), because:

- The somewhat complacent picture presented above goes hand in hand with the marginalisation of the Balkans among the EU's priorities. While

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the US is focused on the ‘war on terror’ and the Greater Middle East, the EU is trying to put its own house in order after its recent enlargement with 10 new member states and attempts to adopt a new Constitution. A new Commission is likely to concentrate on the major challenges of negotiating a new budget and revising existing policies rather than on thinking about strategic priorities.

- The interpretation of trends in the Balkans rests on some doubtful assumptions and a number of blind spots, which if not addressed, could bring the Balkans back to the forefront of the EU’s agenda sooner than desired.
- Some of the EU’s policies on offer to tackle the ‘unfinished business’ of a convalescing region are inadequate.

The Biarritz scenario questioned

In the immediate aftermath of the fall of the Milosevic regime four years ago, his successor in Belgrade was hastily invited to the EU’s summit at Biarritz. This symbolic message to the Serbs and to the region was certainly laudable: after a decade of wars and merely a year after military intervention, the EU welcomed a new Serbia as key to its policy on the Balkans. The underlying assumption was that radical ethno-nationalism in the region had been defeated and that moderates and democrats were embarking on delayed democratic reforms induced by the prospect of a future in the EU. The other assumption was that moderate nationalists could provide a soft landing for exhausted or failed nationalist projects and that signals from the EU would do the rest. Both assumptions are in need of a serious rethink today.

The problem with the first assumption is that it has worked in Croatia, but not in Serbia. It can be argued that the government of Croatian President Ivo Sanader, leader of the Croatian Democratic Union (HDZ) after the late President Franjo Tudjman, is the perfect illustration of the strategy: nationalist authoritarians have been tamed and made EU-compatible through a plausible prospect of EU accession. Unfortunately, however, it has not worked where it mattered most – in Serbia, under the government of Prime Minister Vojislav Kostunica. The triumph of the ultra-nationalist Radical Party, led from The Hague by an indicted war criminal (winning 27.5% of the vote) in the December 2003 elections and the subsequent formation of a Kostunica government with the tacit backing of the radicals and the post-Milosevic Socialists showed the shallowness of the Biarritz assumptions.

‘Welcome back to Europe’ was the right signal for the EU to send. But the unconditional nature of the welcome did not help to confront Serbian responsibilities for the war and thus the need for a break with the legacy of Mr Milosevic in terms of ideology, policies and the involvement of the state

with organised crime. There was clearly no EU incentive for Kostunica's government to tackle some of the most difficult issues after a decade of lost wars. The often-repeated argument that nothing must be done to undermine the democratic transition in Belgrade has meant that Montenegro, led by President Milo Djukanovic, has been demoted to the status of an unruly tobacco-trafficking base and that Kosovo's status issue has remained taboo. The results of this strategy are apparent – the Croatian scenario is not working in Serbia because of the absence of effective conditionality and the window of opportunity to confront the most difficult issues of post-Yugoslavia (Kosovo and Montenegro) has been missed. Hence questions arise as to whether we are really sure that the scenario of stabilisation-transition-integration is at work or whether there are risks of resurgent nationalism in the region? These questions concern not only Serbia but also Kosovo, as the violent anti-Serb riots in March 2004 demonstrated, as well as Macedonia, where a precarious constitutional compromise between opposing nationalist agendas still holds and Bosnia–Herzegovina, where a new constitutional compromise is needed.

Inadequacies of the EU approach to the unfinished business in the Balkans

The good news is that the Western Balkans will now be managed in the EU under the Directorate-General for Enlargement. That is the clearest message Brussels is sending to the region. The bad news is that the traditional concept of enlargement is inadequate for the Western Balkans. Why? Because the countries that need EU integration most are also the least ready for it.

The classic mode of enlargement that worked for southern Europe after Spain's General Francisco Franco and former Prime Minister Antonio De Oliveira Salazar, the colonels in Greece and the often-successful inclusion of Central European countries is not likely to fit the situation in the Western Balkans. There is a fragility in the democratic transitions (not yet consolidations) to contend with, along with economic backwardness (the gap with Central Europe is growing, not narrowing) and the legacies of war (the hold established by organised crime over the state institutions). Most importantly, there is the key condition of statehood that remains the main obstacle. The consensus over the territorial framework of the state is not only a pre-condition for democratic transition, but also for EU integration. The European Union can only integrate functioning and legitimate states. Few in the Balkans pass that first hurdle. Bosnia–Herzegovina is a would-be state in search of an identity, Kosovo a de facto state in search of recognition and Montenegro is a micro-state in the making. The common denominator for the region is the uncertainty about the contours of the Serbian state. The drive for

a 'Greater Serbia' has failed; the priority now is the process of defining a smaller Serbia with obvious implications for all its neighbours.

Since it is unlikely that functioning state institutions can be built that are compatible with the EU's concept of a shared rule of law if it is uncertain what state is being built, the EU may have to confront its involvement in state-building in the Balkans even more explicitly. This applies to the union of Serbia and Montenegro brokered by the EU (with the referendum on its existence planned in 2006), the issue of Kosovo's final status due to be addressed under particularly difficult circumstances in 2005 and the constitutional and political viability of Macedonia and Bosnia. All these issues entail seeking major concessions from mutually incompatible nationalist agendas. The only way to obtain them is to offer something more important to all the protagonists – and that can only be the prospect of EU membership. Given that the conditions for classic enlargement are unlikely to be met in the short or medium term for the reasons previously mentioned and that statehood issues will not wait, it may be relevant to consider other options, such as providing a common EU architecture for the post-Yugoslavia settlement in the Western Balkans.

In the distant past, that common architecture used to be provided by the Ottoman and Habsburg Empires, and more recently by that of former Yugoslavia. Now the common roof for belated state-building can only be provided by the EU. For the local protagonists this implies thinking differently and abandoning 19th century definitions of independence and sovereignty. For the EU this would require accepting its role as a substitute for an empire. Special membership or European 'trusteeship' for the region would be an attempt to reconcile the specific nature of the unfinished business of the post-war Balkans and the invention of a different pattern of EU integration.

In conclusion, the situation in the Balkans is a test case of EU credibility in matters of security, particularly *vis-à-vis* its transatlantic relations.

Kosovo Won't Wait

An American Perspective

Daniel Serwer*

While the Balkans will present democratisation and development challenges for the next ten years, the past five have seen the resolution of almost all the war and peace issues that plagued the region in the 1990s. There is only one serious threat to stability in the Balkans today: the unsettled status of Kosovo. This issue is the one that must be settled if the region as a whole is to proceed expeditiously towards its European destination.

Serbia after former President Slobodan Milosevic has given up the threat of force to regain control over Kosovo, but the majority Albanian population there still fears Serbian intentions. Discontent is growing. Uncertainty over status, an inept UN administration (the UN Mission in Kosovo or UNMIK), concern about Belgrade's efforts to partition Kosovo, determination on the part of Albanian extremists to ethnically cleanse the minority population and economic crisis are combining to generate a predictable rebellion, which was previewed with the March ethnic riots. The June election of Boris Tadic as Serbia's President (over an extreme nationalist opponent) reduced the risk of an early crisis, but the handwriting is on the wall.

This situation presents the international community with a quandary. A crisis in Kosovo is predictable, but that does not mean that the political will to prevent it can be generated in advance. The war on terror and post-war Iraq are distracting the US. The EU has been preoccupied with writing a constitution and expanding its membership. The mistreatment of Serbs in Kosovo after the NATO-Yugoslavian war has greatly reduced international sympathy for Albanian aspirations. The international community has imposed on the Kosovars a policy of 'standards before status', which requires them to show progress towards democratisation before the international community will embark on deciding status.

Thus here we sit, waiting for a crisis we know is coming but unable to move on deciding Kosovo's status because of its failure to make progress in the treatment of Serbs and other minorities. Should we move ahead anyway, possibly further undermining any hope of progress on the standards? Or

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should we stand still, insisting on progress and risking the radicalisation of the Albanian population, and possibly even UNMIK's expulsion?

Kosovo's status will not be decided in a vacuum. Three 'Yugoslav' factors are relevant: the progress of reform in Belgrade, the political situation in Pristina and Serbia's relations with Montenegro. Broader Balkan and global issues also need to be taken into account.

Progress of reform in Belgrade

While the election of Mr Tadic pulled Serbia back from the brink, it will not in itself put Serbia on a clear path. The radicals, whose leader is in The Hague awaiting trial for war crimes, still constitute the largest party in the Serbian parliament and Prime Minister Vojislav Kostunica governs only with the support of Mr Milosevic's Socialists. Security and judicial sector reforms have stalled (and even in some instances reversed) and Serbia's much-needed new constitution is hostage to the political situation. Cooperation with The Hague Tribunal is blocked, at least for the moment. As a result, the US has suspended bilateral aid and the EU is withholding a feasibility study for a Stability and Association Agreement with Serbia and Montenegro.

President Tadic must tread carefully. His formal powers are limited. He needs to manoeuvre the Socialists out of the majority and his own democratic party into it, without causing a break-up of the existing governing coalition. He would like to avoid early parliamentary elections, fearing that the radicals might gain. But even if Mr Tadic is successful in reconstructing a majority that includes all the major democratic parties (but not the Socialists), he will still have only a fragile base from which to deal with Kosovo, where nationalists both inside and outside the majority will exploit any concessions to Albanian aspirations.

That being said, a democratic regime in Belgrade aiming at entry into the Partnership for Peace (PfP), the Schengen area and eventually NATO and the EU has to consider Kosovo more a burden than an asset. Belgrade has elaborate plans for governing the Kosovar Serbs and the territory they inhabit, but across the entire political spectrum there is no stomach for governing 1.8 million Kosovar Albanians. Tacitly even extreme nationalists in Belgrade have given up Mr Milosevic's hope of either repressing the Albanians or chasing them from Kosovo.

The essence of Belgrade's ambitions in Kosovo today is to preserve the governing authority over the Serbs who live there on territory protected from the majority Albanian population. Despite much talk of municipal decentralisation or the creation of 'entities' (such as those in Bosnia), partition is what the Serbs who care about Kosovo want. The more-

nationalist Serbian politicians hope for a substantial number (five or six) of major Serbian enclaves, connected by recognised transportation routes and protected by Belgrade's army and police. The less-nationalist Serbian politicians would either give up all of Kosovo or hope to retain the three northern municipalities, in which the majority of the population was Serbian before the 1999 war.

The likely losers in partition are the Kosovar Serbs. There is little chance of preserving more than one or two Serbian enclaves south of the Ibar, where the majority of the Kosovar Serbs still live, more or less 'integrated' with the Albanian population. Any more than that would render the Kosovo state non-viable. Both Pristina and Belgrade would expect the Kosovar Serbs to move to Serbian-controlled areas, something they have so far chosen not to do, despite current security risks and substantial financial incentives.

Thus, even if Kosovo is partitioned, there is not much to be gained by Serbs in Kosovo, but there is a good deal to be lost by Belgrade by holding on too long. Once Serbia has rid itself of war-criminal indictees, little other than Kosovo stands in the way of rapid progress in Serbia's Euro-Atlantic integration. Belgrade can hope for quick entry into PfP without resolving the Kosovo status issue (assuming it drops its court case against the 1999 NATO bombing), but NATO and the EU will not be interested in Serbian membership so long as Kosovo's status remains unresolved. Neither of them will want the Kosovo problem inside their structures and both understand that their greatest leverage in resolving the issue is the prospect of membership.

While Albanian mistreatment of Serbs has given Belgrade the moral high ground, an increasingly democratic Serbia has to ask itself how it will deal with Albanian aspirations. In public statements, Belgrade has so far hoped that these could be satisfied with wide autonomy. No one who knows a Kosovar Albanian believes this to be the case.

The political situation in Pristina

The problem as seen from Pristina is that Kosovo has already enjoyed a wide degree of autonomy as a province of Serbia in the late 1970s and 1980s, only to see it abruptly and violently removed by the Milosevic regime in 1989. Up until that point, Albanian aspirations focused on becoming a republic within former Yugoslavia, a seemingly small step since it already had its own parliament and police force as well as representative on the collective presidency. But with the removal of autonomy and repression by the Serbian army and police of both non-violent protests and the subsequent violent insurgency, Kosovar Albanians became convinced that only independence

would do. Independence, in Kosovo, adheres to the Weberian definition of sovereignty. It essentially means that Serbia will not legitimately be able to send in its security forces.

Politics in Pristina revolve around the means to achieve independence. The spectrum runs from those who claim Kosovo is already independent and only needs international recognition (Kosovo's President Ibrahim Rugova), to those who think it should declare independence unilaterally (Prime Minister Ramush Haradinaj), to those who believe independence should be negotiated with the US and EU (political leader Hashim Thaci and former Prime Minister Bajram Rexhepi). Others think independence can be achieved by violence against the Serbian population and UNMIK. For Albanians, UN-imposed 'standards before status' entails extra requirements that others in the region have not been asked to meet.

While the international community has managed so far to drag the Kosovar Albanians – some kicking and screaming more than others – into the standards process, even before the March rioting there were doubts about how much longer this could continue without fatally undermining the relative moderates who are doing their best to cooperate with the standards process. These doubts led to the promise of a standards review by the summer of 2005, with the possibility of moving to status negotiations thereafter. The rioting in March led to increased doubts, especially because the violence was directed not only at the Kosovar Serbs but also at UNMIK (which is highly vulnerable). The six-nation Contact Group is trying to accelerate the process with frequent check-up visits to Pristina and turnover of more authority from UNMIK to the Provisional Institutions of Self-Governance (PISG).

It seems unlikely that significant progress will be made by mid-2005 on the only standard that really stands in the way of movement to a decision on final status: the treatment of Serbs and other minorities. Even with the best political will, Serbian returnees over the next year will number in the thousands rather than tens of thousands, especially since Belgrade is not encouraging Serbs to return anywhere but to enclaves. The best political will does not, however, prevail in Pristina. If a start on final status is made in 2005, it is more likely to be on the basis of the PISG's intentions rather than its achievements.

Serbia's relationship with Montenegro

Serbia's 'union' with Montenegro is not going well, which should be no surprise. The word 'union' is used most often when things are coming apart (the United States became The Union only during the Civil War, Europe became a union when it reached a moment of hesitation in its integration process). As the loosest sort of confederation, the union of Serbia and

Montenegro is not functioning well because neither side (but for the moment mainly the Montenegrins) sees much benefit in making it do so. A threat to hold Serbia back from integration with the EU unless the union of Serbia and Montenegro improves is not credible and has now been dropped: Why hold back a country of 7.5 million people vital to EU interests in the Balkans because a country of 600,000 is not cooperating?

The problem for the *independentistas* of Montenegro is that they are not sure they have the votes to win an independence referendum that everyone now acknowledges they have the right to hold. Prime Minister Milo Djukanovic would like Serbia to make the first move and is therefore doing his best to convince Belgrade that the union is unworkable and needs to be dissolved. If need be, he can postpone the popular elections for the joint parliament scheduled for next year, thus truly rendering this union non-functional.

Montenegro's independence would not affect Kosovo's legal status, which is governed by UN Security Council (UNSC) Resolution 1244. An independent Montenegro would gladly allow Serbia to be a 'successor state' when it comes to sovereignty of the current union over Kosovo, recognised (*qua* Yugoslavia) in UNSC 1244.

Legality is one thing, politics another. Montenegro's independence (or Serbia's, depending on perspective) would raise serious questions. If Montenegro, whose population speaks Serbian and has a long common history with Serbs, cannot stay in the same state with Serbia, how can Kosovo, whose majority population speaks a language Serbs do not understand and has a separate, parallel history? One of Serbia's main motives for maintaining the union with Montenegro is to avoid a precedent. If this structure dissolves, the independence of Kosovo will become inevitable to many.

Why not, many ask, strengthen the union by bringing Kosovo in as a third republic? The answer is that neither Serbia nor Montenegro would accept the proposition, never mind the Kosovar Albanians. Kosovo would have to enter the union as an equal partner (1.8 million Albanians could not be offered less than 600,000 citizens of Montenegro!). An already struggling union would then become a serious impediment to integration with the EU. 'Thanks, but no thanks' would be the response of both republics.

The rest of the world

Five other places bear on Kosovo's status: first Bosnia and Macedonia, then Chechnya, Tibet and Kurdistan. The problem is how to prevent the determination of Kosovo's final status from destabilising existing states or creating obstacles in the UN Security Council, especially as the latter three bear on interests that permanent Security Council members regard as vital.

In both Bosnia and Macedonia there are extreme nationalists who might like to follow Kosovo's example, whatever it may be. The problem is acute if Kosovo is partitioned, as then Belgrade may look for 'compensation' for its losses by taking over the 'Serbian' part of Bosnia, and Pristina may look for 'compensation' for its losses by taking over the 'Albanian' part of Macedonia. But even if Kosovo's final status involves not partition but creation of Serbian and Albanian 'entities' (i.e. ethnically defined territories), problems arise – in Macedonia because Albanians might ask for equivalent treatment, and in Bosnia because Serbian resistance to the central government (which has been flagging) would revive. The international community should inoculate Bosnia and Macedonia against infection from a Kosovo final-status decision, through a UNSC resolution that guarantees their sovereignty and territorial integrity.

It has been long understood that Chechnya and Tibet present problems for deciding Kosovo's final status, since Russia and China respectively will not want to set a precedent of independence for a province, even one as far away as Kosovo. Kurdistan may also turn out to be a serious problem. The US is expending enormous political and diplomatic capital to prevent Iraqi Kurdistan from gaining independence. Iraqi Kurds have a claim to independence similar to that of Kosovar Albanians: the Kurds were chased out of their homes *en masse*, they suffered mass slaughter (including the use of chemical weapons), they have developed their own governing institutions, and their language and culture are distinct from that of the Arab majority.

That being said, Turkey has been set against independence for Kurdistan (fearing the aspirations of its own Kurds). So, too, are Iran and Syria. It is the Turks though who count in American eyes, which in any case see the risk of instability without a strong Iraq on Iran's western border. An American president who agrees to final status for Kosovo will want to be sure that it does not set an unacceptable precedent for Kurdistan.

So do we go ahead or not?

The bottom line is this: both in the US and in Europe, there is an increasing conviction that a decision on Kosovo's final status cannot and should not be put off for long. The current uncertainty, as President Branko Crvenkovski of Macedonia points out, is more destabilising than a final status decision. Those closest to the situation on the ground (especially in UNMIK) think it would be best to proceed with final status in 2005, after the review of progress on standards. Others think a decision might be put off until 2006. This could mean a decision on Montenegro first, thus simplifying the equation. Few experts in Washington, Brussels or most European capitals think it would be wise to put off a start to the decision-making past 2006. Yet none of those capitals is ready. Neither is Belgrade or Pristina.

In Pristina, a great deal will depend on the October elections. If someone from the main Albanian parties becomes prime minister, the international community might postpone a decision to 2006 in order to see progress on the return of Serbians (provided it is reasonably confident that NATO and the UNMIK police can handle any consequent unrest). If, however, someone new – with demonstrated good intentions towards the Kosovo Serbian population – were to become prime minister, there would be an argument for moving ahead in 2005.

In Belgrade, the government is ready with its opening position, which has passed virtually unanimously in a vote of the Serbian parliament: Serbia wants sovereignty over all of Kosovo and governing authority over its Serbs. But the Serbian internal political situation is still unclear. If early parliamentary elections prove necessary, their outcome will be important. The international community will not be prepared to suggest to the Kosovar Albanians that they remain in a state with Serbia if an extreme nationalist were to come to power in Belgrade. A decision in 2005 would then be best. At the same time, if Mr Tadic and the democratic parties gain full control, there will be hesitancy to ask him to grab the third rail of Serbian politics with both hands. In that case, 2006 might be a better idea.

Washington and Brussels are also not well prepared. While many Europeans and Americans are saying that they need to enter a decision-making process on final status in 2005 or 2006, little has been done to become ready. Officials who mumble in private that independence is inevitable (with or without a bit of partition) have not worked out any details or negotiating strategy. Nor do they show the political will to start the process.

This situation needs to change. Washington and Brussels need to decide on both a process and a desired outcome, or at least a range of acceptable outcomes. It is clear from the more or less abortive Belgrade-Pristina dialogue convened this year by UNMIK that the UN cannot handle final status negotiations. The US and the EU should nominate special envoys, as they did during the 2001 Macedonian crisis, to collaborate in steering the process and ensuring an outcome that falls within an acceptable range.

The US, even if distracted by Iraq, will have to play a vital role in Kosovo. It is more likely to do so if the Democrats win the presidency in November, since former Ambassador to the UN Richard Holbrooke, Senator Joseph Biden and others committed to Kosovo's self-determination would likely return to power. The Republicans have been more inclined to postpone action, concerned about the consequences of a final status decision for Belgrade and reluctant to invest American prestige in non-vital issues left over from the Clinton administration.

The European Union, even if much of it remains at odds with the United States on Iraq, will also have to play a vital role. Only a joint effort on the part of the US and the EU will enable the representatives of Belgrade and Pristina to find and implement a mutually acceptable solution – whatever it may be – and only a mutually acceptable solution will find a welcome reception in the UN Security Council. That will end, after more than a decade of war and strife, any serious threat of instability in the Balkans and open the way to Europe for all its peoples.

The Balkans: Powder Keg of Europe or Zone of Peace and Stability?

A Russian Perspective

Prof. Boris Shmelev*

1. The Balkan crisis

The Balkan crisis is a result of serious conflicts in different areas of political, economic and social life in the former Yugoslavia. Relations between the former republics demonstrate the complex character of European security. Without the stable development of all regions it is impossible to guarantee security across the whole European continent. Europe was shocked by the bloody events that marked the disintegration of former Yugoslavia. Nobody could imagine that such violent military clashes could take place in a European country 50 years after World War II and or that hundreds of thousands of people would seek refuge throughout Europe.

It was evident at the very beginning of the Yugoslavian crisis that the war would go on for many years and result in many victims if the international community did not intervene. The United Nations, the European Union and OSCE tried to prevent military clashes between the nations of former Yugoslavia, but they failed. National elites conducted a policy aimed at creating national states and were supported by influential forces from abroad. To achieve this aim they were ready to pay any price.

2. Lagging behind in transformation

The disintegration of former Yugoslavia in fact meant putting an end to the process that had determined the development of Western Europe from the beginning of the 20th century to the time between the two World Wars. It was the start of the nation-states. Having gone through a period of strengthening and then exhausting their potential, the countries and societies of Western Europe began to strive for political and economic integration by gradually merging their common structures. The Balkans were lagging behind in their transformation for many reasons and in contrast to Western and Central Europe they found themselves on a different wave of historical development, accompanied by conflicts and chaos. The collapse of socialism affected the

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situation, producing new political and economic conflicts. From this point of view, all the efforts of the international and European communities, directed at controlling the situation after the disintegration of former Yugoslavia, had no chance of success.

3. Nationalism in the Balkans

An assessment of the Balkan crisis based on the analysis of historical trends that marked the development of European countries in recent centuries does not eliminate the question of what caused such a bloody break-up of the former Yugoslavian Federation. Nor does it eliminate the question of the political and criminal responsibility of the leaders of different national movements there for crimes against humanity. Violent clashes in the region were not only precipitated by national prejudices and the lack of democratic traditions, but also by the incompetence and irresponsibility of political leaders who did not manage to achieve a division by peaceful means. With the establishment of The Hague tribunal, both the international and European communities have tried to apportion the appropriate measure of responsibility to them and to treat everyone according to their actions. European countries have made every effort to condemn all forms of nationalism in the region. But it takes a lot of time to liberate the Balkans from nationalism. It is an influential power that has a strong impact on political processes in all the Balkan states and on their interstate relations as well. Until nationalism is eliminated, peace in the region will be fragile.

4. Fragile democracies

Political processes in all the Balkan countries indicate a strengthening of democracy with the best results achieved in Slovenia. The majority of democratic institutions are unstable but positive trends are evident. These trends are led by the tendency towards European values. Authoritarian regimes in Croatia, Serbia and Albania were done away with under the pressure of such tendencies. The compromise between ethnic communities in Macedonia was achieved not only because of the intervention of the EU and NATO but also because of their understanding of the fact that European expectations for Macedonia are reasonable only in the case of cooperation between them. The example of the regimes of former Albanian President Sali Berisha, former Yugoslavian President Slobodan Milosevic and the late President of Croatia, Franjo Tudjman, show the potential for autocracy in the Balkans. These regimes collapsed with the assistance of Europe and the door was opened for building up democratic institutions. But the elections in Serbia, Bosnia–Herzegovina indicated that strong nationalistic positions have been preserved in the Balkans. It means that the democratic changes that have recently taken place in this area are reversible.

5. Prospects for development

The prospects for social, economic and political development in the Balkan countries depend on the character of their relationship with the EU and NATO. These countries are small and do not possess the necessary external resources for further evolution. The Balkan market is very limited and fruitful economic cooperation among the countries is impossible now because of the structure of their economies. Successful evolution can be realised by joining powerful economic and political structures such as the EU and NATO. In fact, they have no alternative other than pursuing NATO and EU membership. Any other option would lead to social and economic stagnation and conflict. In the future all the Balkan countries could be envisaged as members of the EU and NATO. Such membership will influence the situation in the region positively, and is very important for strengthening democracy there.

The EU-initiated Stability Pact for South-eastern Europe also plays a positive role. It is the first serious attempt by the international community to replace the previously reactive crisis-intervention policy in south-eastern Europe with a comprehensive, long-term, conflict prevention strategy. The Pact enabled the signatories to mobilise additional funds for the region. First of all, the funds were employed for rebuilding the economies of Bosnia–Herzegovina, which were totally ruined during the civil war. Of course the Pact cannot solve all the problems in the region, but it is evident that without it the situation in the Balkans would be worse. The Pact defines the principles, mechanisms and instruments that will guide the EU in the regulation of its foreign policy and economic relations with the states of south-eastern Europe: Albania, Bosnia–Herzegovina, the former Yugoslavian Republic of Macedonia, Croatia and the former Republic of Yugoslavia. By joining in the Pact, the countries of south-eastern Europe commit themselves to continued democratic and economic reforms, as well as bilateral and regional cooperation among themselves to advance their integration, on an individual basis, into Euro-Atlantic structures.

6. The Kosovo problem

Some political actions by the EU and NATO have had negative consequences on stability and security in the region. They have accused the Serbs and Serbian leaders of all sins, although it has been evident that the leaders of Croatia, Bosnia–Herzegovina, and Slovenia, were also to blame for unleashing the civil war in the region. Seeking to eliminate former Yugoslavian President Slobodan Milosevic, NATO countries supported the Kosovar Albanians (or Kosovars) in their struggle for an independent Kosovo. This policy transformed into the aggression of NATO against former Yugoslavia and all the principles of international law were ignored.

By trying to undo the Kosovo knot with the use of force, the EU and NATO instead tightened it, making it stronger. The negative effects of such action cannot be overestimated. It strongly affected the democratic forces in Serbia, contributed to the disintegration of former Yugoslavia and produced tensions in relations between Russia and NATO countries. Thus NATO's aggression did not solve any problems but created new ones. Serbia lost control over Kosovo, a part of its territory, and the reestablishment of the sovereignty of Serbia over Kosovo is unlikely. The Kosovars transformed Kosovo into an independent state, gradually realising the programme formulated by the Albanian national movement in the late 1980s.

The EU and NATO are not able to block this process. The Kosovo problem is the key element of security in the Balkans. Without its solution it is impossible to achieve stable peace and sustainable development in the region. The secession of Kosovo (and Metohija) would be conducive to the weakening and dismemberment of Serbia, Montenegro and Macedonia. It would be the first step on the way to creating a 'Greater Albania'. In geopolitical terms, without its southern province, without its links, pathways or strategic depth, Serbia would become a disempowered and damaged state. This would also mean the loss of vast stretches of cultivated and fertile land along with rich mineral and energy resources.

The secession of Kosovo from Serbia would be further proof that disintegration and fragmentation in the region is not over yet and that it is an ongoing process. It would be a blatant invitation to the Muslims from the Raska District (formerly Sajak) to demand secession from Serbia and Montenegro and to join the Muslim-Croat Federation of Bosnia-Herzegovina. The future of Vojvodina would be questionable.

The loss of this national foothold and historical nucleus of state territory would be an immense and horrible ordeal for the Serbs. They would consider Kosovo only a temporarily occupied territory that, sooner or later, ought to be returned at any cost. Thus, a permanent state of potential armed conflict would prevail between Serbia and a new Greater Albania, which could turn into war at any time. Taking into account all the consequences of a secession of Kosovo and Metohija for Serbia, the reaction of Serbs is understandable as they consider secession to be a national disaster.

In secession were to occur, Serbs would probably seek compensation across the river Drina, in the post-Dayton Bosnia-Herzegovina. If Albanians were allowed to unite, why should not the same right be granted to the Serbs and Croats? Consequently, the Bosnian Serbs from the Republic of Srpska would immediately try to unite with their homeland and the Croats from the so-called 'Herzeg-Bosna' would follow suit. This move would step up the process of disintegration of the post-Dayton Bosnia-Herzegovina, with a

possibility of another religious and ethnic bloodbath. Further, Montenegro would also be seriously affected by the loss of Kosovo and Metohija.

A Greater Albania would push Macedonia to the brink of disaster. Although Albanians account for 22.9% of the population in Macedonia according to an EU census, they nevertheless claim half of the country's territory. If further encompassing Albanian objectives were to be attained, Macedonia would cease to exist.

The division and dilution of Macedonia would stimulate the appetite of neighbouring countries for its territories. Any possible seizure of the remaining part of Macedonia by any of its neighbours would probably lead to another Balkan war. Even if the remaining part of Macedonia, incapable of defending itself from any neighbour's attack, decides to join a neighbouring country of its own accord, the situation could still lead to war, because the other Balkan states would rightfully see it as disturbing the balance in the central Balkans.

Apart from the conflicts among the Balkan states, two opposing blocs of Islamic and Orthodox countries could ensue from the formation of a Greater Albania. For all the neighbouring Orthodox countries, a Greater Albania would be the incarnation of an intolerable historical injustice. One may assume that those countries would, sooner or later, forge an Orthodox Balkan alliance against a Greater Albania. This would then force Greater Albania not only to unite forces with Turkey and Muslims in Bosnia–Herzegovina, but also to call upon the Islamic world to intervene in Balkan affairs. Such trends in the development of the Balkans would influence the radicalisation of Muslims in Europe.

7. Partition of Kosovo

The ethnic clashes that took place in Kosovo in March 2004 showed that the EU and NATO could not attain the principle of interstate equilibrium in the region, which promotes local state and historical identities, as opposed to the concept of ethnic exclusiveness, which implies a drastic redrawing of borders and overwhelming forced migrations. The Albanian community is gradually carrying out its plan of creating of its own independent state in Kosovo, where the Serbian minorities will have no real rights. All efforts for the development of democracy in Kosovo, as stated in the declaration of the UN Security Council's standards for Kosovo have failed. The situation in Kosovo can be described as a deadlock. The objective of UN Security Council Resolution (UNSC) 1244, which is to secure the strict respect for all the provisions of the Resolution and the related documents (primarily those reaffirming the sovereignty and territorial integrity of the former Republic of Yugoslavia on its entire territory and the international convention on human

rights), has not been fulfilled. Only the deployment of international security forces in Kosovo under UN auspices keeps the situation under control. If the international security forces were to withdraw from Kosovo, a war between the Serbs and Kosovars would be inevitable.

To break the deadlock in Kosovo, Serbia should adopt new, clear political ideas based on rejecting old stereotypes and an understanding of the current role and significance of Kosovo for Serbs. Could Serbia concentrate its energy on economic and political reforms in order to increase its standard of living or it will continue to pursue the policy of revenge in Kosovo? The future of Serbia will depend upon the answer to that question. But it is evident that the policy of revenge will lead Serbia towards national catastrophe. Forward-thinking Serbian politicians realise this fact and are ready to negotiate with Kosovar leaders to come to a compromise or settlement to the Kosovo problem. The direct dialogue between Belgrade and Pristina that started in October 2003 in Vienna will take time, but a compromise can be reached with the assistance of the EU and NATO. The settlement of the Kosovo problem cannot be put off in the future. The compromise could be manifested in the division of Kosovo into two parts – Serbian and Albanian. Serbia could renew its sovereignty over the northern part of Kosovo and the other part of Kosovo would remain under the control of the international community, first of all the EU and NATO. Western public opinion is drifting towards the independence of Kosovo and people seem to have forgotten the dramatic consequences of such a decision for the Balkans. Preserving the rest of Kosovo as a UN protectorate would be in the interests of all the Balkan states. In the meantime, Serbia needs real and massive economic and financial assistance to carry out the reforms and to help Serbian refugees build up new communities and opportunities for employment. It can cope with all these problems only with the assistance of the EU. Otherwise, the dramatic economic and social crises that are taking place in Serbia could give rise to a powerful nationalistic movement. Such an outcome would blow up the peace in the Balkans.

8. Russian policy in the region

The Balkans have been always the scene of struggle between the great powers for influence in the region in order to serve their own geopolitical interests. The Balkan countries used the rivalry between them for achieving their own goals. But a different situation developed in the 1990s. The great powers, including the new Russia, tried to act together to find a solution to the Balkan crises. They cooperated in the six-nation Contact Group for Former Yugoslavia rather fruitfully and contributed to many decisions aimed at containing the crises. The Russian Federation avoided the temptation to become involved in the struggle for geopolitical influence in the Balkans,

despite political forces to the contrary. Such a policy would have meant the dissipation of Russia's political and material resources, confrontation with NATO countries and in the end the Russia's isolation in Europe. Such activity did not meet the interests of the Russian Federation and therefore it preferred to cooperate with NATO countries and tried to observe the equidistant principle in relations with all nations in the former Yugoslavia, which were at war with each other. This policy was not always pursued, but in general, Russia followed that political line.

In their turn, Western states did not seek to push Russia out the region, understanding that in this case the level of tensions and confrontation would have increased and security in the Balkans and in Europe would have been undermined. NATO countries did not wish to provoke a new version of the cold war over the Balkans. There were many similarities in the approach to the Balkan crises that resulted in cooperation among the parties.

Their cooperation demonstrated the possibilities and limits of their interaction. If they had common interests, they reached positive results. Russia supported the initiative of the US in the settlement of the Bosnian crisis, which allowed the signing of the Dayton agreements. Russia took part in the fulfilment of them. Cooperation between Russia and the West yielded results, which were transformed into the implementation of the agreements. But differences in opinion over Kosovo led to an aggravation of the crisis. Russia strongly criticised the aggression of NATO against the former Republic of Yugoslavia and tried to stop it. Russia's reaction was motivated by the interests of its own security and those of European security as well. It was evident that crucial questions of European and international security were solved without the UN Security Council, basic principles of international law were ignored and the opinion of Russia was not taken into account. The Rambouillet plan could not be considered as a solid basis for the settlement of Kosovo crisis. In fact, the plan meant interference in the internal conflict on the side of those forces – Kosovars – who sought to destroy the integrity of the state. It was clear that Russia could not support this state of affairs. The refusal of former Yugoslavian President Milosevic to sign such papers seemed understandable. No leader of a sovereign state could have signed such accords.

The Kosovo crisis produced real preconditions for a new cold war. The confrontation would have had unpredictable consequences for the Balkans and for Europe as well. Therefore, Russia and NATO preferred to negotiate on the principles of settlement of the Kosovo crisis. The negotiations resulted in UNSC Resolution 1244. According to Annex 2 of Resolution 1244, "The international security presence with substantial North Atlantic Treaty Organization participation must be deployed under unified command and control and authorized to establish a safe environment for all people in

Kosovo and to facilitate the safe return to their homes of all displaced persons and refugees”.¹ The Resolution also included a point about facilitating a political process designed to determine Kosovo’s future status, taking into account the Rambouillet accords. In that way, the Rambouillet plan, which had previously been rejected by Belgrade, was imposed upon the former Republic of Yugoslavia. But Resolution 1244, adopted by the Security Council, produced good grounds for cooperation between Russia and NATO in the Balkans and allowed the situation in Kosovo to be kept under control. At the same time, the Resolution did not eliminate the main reasons for the conflict. It only postponed the future settlement of it.

Improvements in the relationship between Russia and NATO and the new positive trends in their cooperation that have taken place lately have had a constructive affect on the situation in the Balkans. NATO and the EU have committed to maintaining stability in the region and Russia has silently accepted the status quo. After the transformations carried out in the formerly socialist Balkan countries, it is obvious that Russia is no longer the centre of their geopolitical or economic interests. They are oriented towards NATO and the EU, and Russia views such aspirations with understanding. But Russia cannot agree to their attempts to strengthen their own positions in the new geopolitical and economic conditions at the expense of Russia.

9. Conclusion

The Balkans are likely to remain the most unstable region in Europe. The possible proclamation of Kosovo’s succession would lead to a new balance of power in the region, further undermining stability in the Balkans. There is only hope for the development of European integration, which would lead the Balkans out of the historical deadlock they find themselves at the moment.

¹ United Nations Security Council Resolution 1244, S/RES/1244 (1999), adopted 10 June 1999.

**THE RISE OF CHINA
WITH SPECIAL REFERENCE TO
ARMS SUPPLIES**

**WITH CONTRIBUTIONS BY
BRUNO TERTRAIS
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Europe and the Emergence of China

Consequences for the Transatlantic Relationship

A European Perspective

Bruno Tertrais*

1. Introduction

Like the rest of the world, Europe has been fascinated by the emergence of China for a long time, and there has been an official relationship between the EU and the People's Republic of China for 30 years now. This relationship was upgraded in 1998. It now takes the form of a China-EU summit every year, the latest having taken place in December 2004. The EU became China's main trading partner in 2004, with trade between the two parties soaring to €160 billion.

The EU's strategy towards China, which is based on European Commission policy papers adopted in 1998, 2001 and 2003, aims at engaging China in the international community, supporting China's transition towards an open society based upon the rule of law and the respect of human rights, and integrating China further in the world economy.¹ The theme of 'multipolarity' is also implicitly present in the European approach: "The EU, as a global player on the international stage, shares China's concern for a more balanced international order based on effective multilateralism".²

The EU's interest in Asia has been primarily economic and political, and is particularly incarnated in the series of Asia-Europe Meetings that have taken place since the mid-1990s. To be sure, Europeans do have some significant strategic interests in the region. Some EU members are bound by the 1953 agreement to defend South Korea, for instance. The EU has shown a keen interest in the North Korean problem, including being a party to the Korean Energy Development Organisation agreement and keeping contact with

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¹ A country strategy paper for China 2002-06 was also adopted by the Commission in March 2002. It focuses on economic and social reform, sustainable development and good governance.

² European Commission, *Commission Policy Paper for Transmission to the Council and the European Parliament*, COM(2003) 533 final, 10 September (2003) p. 23.

Pyongyang while Washington snubbed North Korea in the early days of the Bush administration. The strategic dimension is not completely left out of the Chinese-European relationship – there are regular meetings of experts on non-proliferation as well as conventional arms exports and a joint declaration on non-proliferation and arms control was signed at the last summit.

Nevertheless, Europe's thinking about strategic issues in Northeast Asia remains very limited. And Asia remains to a large extent the missing dimension of transatlantic dialogue and cooperation. This helps to explain why the political sensitivity of issues such as China's participation in the Galileo system (€200 million) and the ramifications of the question on the arms embargo were not always clearly seen in Europe until recently.

2. Where do we stand?

China is now a confirmed participant in the Galileo programme. A follow-up agreement on technical cooperation on satellite navigation was signed in October 2004.

The question of lifting the embargo started to become a major political issue in 2003, when German and French leaders openly expressed their support for such a gesture. There is a mix of political and economic reasons for their stance. First, it seems that countries supporting the lift of the embargo are genuinely convinced that the embargo is humiliating for China and places it unjustifiably in the same category as Burma, Sudan and Zimbabwe – three other countries that currently face an EU embargo. Second, there is probably a belief that European economic interests would be indirectly served by such a move. The economic benefits to the EU would come from the 'rewards' that would be expected from China, for instance in the form of sales of civilian aircraft planes and nuclear power plants.

This strategy is part of a coherent approach that favours Beijing over Taipeh. The stance taken by France, for instance, shows a significant evolution: while Paris was an important arms provider to Taiwan in the 1980s, these days France seems to have made a strategic choice and appears keen to recognise the arguments of the People's Republic of China.³

The debate within the EU on the arms embargo focuses mostly on the human rights issue. The European Parliament and some countries such as Sweden have opposed lifting the embargo without progress on human rights. Yet EU members with closer ties to Washington, such as the UK and the Netherlands, have made it clear that they would also oppose the lift of the embargo.

³ Paris for instance openly disapproved of Taiwan's 2004 referendum on anti-missile defences.

3. These issues should be de-dramatised

There is no European willingness to make the EU-China partnership some kind of ‘counterweight’ to US power. On Galileo for example, the Europeans are not naive. China will not have access to the most precise navigation service and thus will not be able to use Galileo for military purposes.

The US stance that European arms sales to China could upset the strategic balance in the region should be taken with a healthy dose of scepticism, when such arguments come from the same quarters that consider Europe a military dwarf lagging behind the US in terms of defence technology. American accusations of European weakness *vis-à-vis* China would be more credible if the Bush administration had not taken a U-turn on its policy towards China after 11 September 2001. And the US-EU friction over the embargo should also be put in the broader context of the transatlantic rivalry in the air transportation market, and Boeing being afraid of the penetration of Airbus in the Chinese market.⁴

Most importantly, the Code of Conduct (CoC) would be a serious obstacle to selling military hardware to China, especially as the provision that refers to the respect of human rights. If, as will probably be the case, the CoC was reinforced through provisions that would bar the export of equipment that could be used for ‘external aggression’ or ‘internal repression’, there is little that Europe would be able to sell to China. (It is notable in this regard that the latest joint EU-Chinese statement explicitly mentions the current work on “strengthening the application” of the Code of Conduct).⁵ The real question that remains is that of dual-use capabilities such as observation satellites – a pressing request of Beijing, officially to monitor rice plantations.

4. Should the embargo be lifted?

The above being said, there are still three good reasons why lifting the arms embargo is a bad idea. The first reason is that China will probably always outsmart the Europeans. Let us be clear: Beijing wants to modernise its armed forces at the best available price. Once the embargo is lifted, China will in all likelihood hold other areas of cooperation hostage to arms sales.

⁴ Some in the US have argued that the fate of the Airbus A380 is critical to European thinking about the embargo and that Beijing was holding up an order of five A380s until the lifting of the embargo. On 26 January, however, China Southern Airlines confirmed its acquisition of the five aircraft.

⁵ See the Joint Statement of the 7th China-EU Summit, 8 December 2004, para. 7.

Furthermore, it will play the card of European willingness to sell some defence-related equipment to China as a bargaining tool *vis-à-vis* Russia, its main provider of military hardware.

The second reason is that we do not need another transatlantic crisis. This issue is particularly sensitive in the Pentagon, but even some Democrats have taken a strong stance on it. Even if Washington is exaggerating the dangers of lifting the arms embargo, such a move by the EU would send the wrong political message to the US. Needless to say, such a crisis would also play in the hands of all those who may have a political interest in transatlantic divisions, including China itself.

The third reason is simply that China does not face any military threat today. The goals of the modernisation of the People's Liberation Army are to be able to resist American power, to be in a position to blackmail Taiwan and to bolster the PLA's ability to maintain internal order. Are Europeans keen to signal to China that it is ready to contribute to helping Beijing satisfy these goals?

5. Conclusions

Some would say that there is an element of schizophrenia in the European approach. Within the government circles of some of the countries willing to lift the embargo there is recognition that China could one day become a destabilising force and even a military threat to Western interests. The hope nurtured by many European leaders is in fact that the engagement of China through measures such as lifting the arms embargo will contribute to a normalisation of Chinese behaviour and foreign policy. Whether or not this strategy will be politically 'cost-effective' remains to be seen.

The Lifting of the EU Arms Embargo on China

An American Perspective

Peter Brookes*

Later this year, the European Union will consider lifting the Tiananmen Square arms embargo against the People's Republic of China (PRC). The US and the EU imposed the embargo following the June 1989 crackdown on democracy protestors in Beijing. This paper is one American's view on the range of opinions concerning this nettlesome issue that has crept into the transatlantic relationship.

1. American concerns

In general, Americans are not pleased with the change in EU policy. Perhaps first among concerns about the change in policy is China's refusal to renounce the use of force against Taiwan. In light of China's ongoing military build-up, Beijing might decide to coerce or take military action against Taiwan. The 'Anti-Secession' Law is not encouraging. But more to the point, the sale of EU arms to China could mean that European weapons would be used against American troops in a Taiwan contingency.

Second, a lifting of the EU arms embargo might further exacerbate the shift in the balance of power across the Taiwan Strait. In the next few years, the conventional cross-Strait military balance of power will move decidedly in Beijing's favour. This change could lead Beijing to perceive an opportunity to resolve Taiwan's future through force. This sort of miscalculation has the potential for catastrophic results.

Third, in some quarters there is significant concern that China wants to succeed the US as the pre-eminent power in the Pacific. Increased Chinese military might derived from EU arms sales could at some point allow Chinese forces to deter, delay or deny American military intervention in the Pacific.

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Although many Asian countries welcome Chinese economic opportunities, they are concerned about Beijing when it comes to security matters. Some strategists believe that China also has an eye towards subjugating Japan and dominating Southeast Asia. Australia and Japan have already expressed their unhappiness with the EU's change in policy.

Fourth, China's behaviour towards conventional arms, weapons of mass destruction (WMD) and ballistic missile proliferation is of great concern. The PRC's export control laws leave a lot to be desired. Wilful, government-supported proliferation is even more troubling. China's relationship with North Korea, Iran, Burma or even Syria could lead to sensitive European technology falling into the wrong hands.

Finally, China's human rights record remains deeply troubling and scarcely merits reward. Just in 2004, Chinese security services harassed and detained the justice-seeking mothers of Tiananmen Square victims, political activists and Internet users. In fact, some suggest that China's human rights record has regressed since 1989. Once the arms embargo is lifted, the EU will lose significant leverage with China over human rights. In addition, ending the arms embargo would send the wrong signal to other repressive regimes.

2. Perceptions of European motivations

So why is Europe thinking of making this change? Probably the most dominant belief is that the EU is trying to curry favour with China for preferential treatment in commercial market transactions. China is one of the world's hottest economies and lifting the sanctions may lead to large deals for EU firms such as Airbus. If the political climate is right, the PRC may also look to EU companies for high-speed rail, telecommunications, satellites, energy generation plants or even high-end nuclear plants as China's insatiable appetite for energy grows.

Another more sinister reason is to open a new arms market for European weapons in China. The PRC is a veritable cash cow for arms sales. China's defence budget currently runs at \$50-\$70 billion a year, including plenty of money for arms purchases. With declining defence budgets for Europe's beleaguered defence firms, China provides a golden opportunity for selling arms in a growing market.

From a political perspective, some EU countries are seen to be pushing their fellow member states to acquiesce on this issue, because should the new arms policy go awry (e.g. through the use of EU weapons on political dissidents, Tibetans or Uighurs), the EU can spread the political responsibility for the policy change across the breadth of EU membership.

By altering the policy under the EU's umbrella, some states will inoculate themselves from their constituents' disapproval for backing down on China's human rights record.

Finally, on the most cynical end of the scale, some believe that the EU is attempting to balance American global power through the development of a 'multipolar' world. In such a construct, American power could be counterbalanced by other power centres such as China, Russia, Japan, India and the EU. In this concept, making China more powerful will help Europe challenge the global pre-eminence of the US.

3. Chinese motivations

No doubt China has motivations of its own. First, Beijing continues to seek political absolution for the Tiananmen Square massacre among the international community. The recent death of Zhao Ziyang, the ex-Communist leader who became a reformist after the massacre, is an added nail in the coffin for the requirement that the Chinese government account for its actions at Tiananmen; the lifting of the EU embargo would be another.

Second, since the PRC's main advanced-technology arms supplier is Russia, China is looking for some competitive pricing and alternative sources for the arms it currently buys from Moscow. With the US and EU currently out of the Chinese arms business, it is a 'seller's market' for the Russians.

EU arms producers can compete with their Russian counterparts in terms of quality and (possibly) price. Such competition would turn the Chinese arms market into a 'buyer's market' for Beijing, decreasing their dependence on Russian arms and enhancing the likelihood of generous, advanced-technology transfers to the Chinese arms industry as part of any arms deal. The Chinese may also be hoping that the EU's decision will lead to pressure in Washington from defence firms to do the same. (Nevertheless, a change in American policy is highly improbable.)

In addition, Beijing is hunting for military technology it can't find elsewhere, especially in the Russian market. The Chinese can find top-notch fighters, diesel submarines, destroyers and surface-to-air missiles in Russia, but they may not be able to find the necessary command, control, communications, computers, intelligence, surveillance and reconnaissance (C4ISR) systems needed to make these systems more effective. The EU may be just the market for such systems.

Beijing would also like to drive a wedge into the transatlantic alliance. China certainly would not object to having an ally in the EU, especially when

jousting with the US in the UN Security Council or other multilateral institutions over such issues as Iran's nuclear programme (where China just signed a \$70 billion gas/oil deal).

Further, it should come as no surprise that a lifting of the arms embargo would be seen as a significant defeat for the Taiwanese in Europe and would support China's desire to increasingly isolate Taiwan from the international community in hopes of early unification. Some would argue that if the Europeans sell arms to China, they should sell them to Taiwan as well.

4. Conclusion

There are sure to be consequences for the transatlantic relationship over a decision to lift the EU arms embargo against China. America's perception of Europe, already troubled over Iraq, will not be improved. Americans, especially veterans, would gasp at the thought that European arms might be used against American servicemen and women in a Taiwan or Korean contingency. Americans may also resent a decision on the part of the Europeans that will negatively alter the security situation in a region (i.e. the Pacific) in which they have little or no responsibility for security.

Even with the advent of a new arms-sale Code of Conduct and other regulations, the Bush administration will be unhappy. But the American Congress will react most strongly. There will certainly be attempts to clamp down on defence industrial cooperation with European firms and to prohibit the purchase of defence articles by the Department of Defense from EU businesses that sell arms to China.

The US welcomes China's peaceful integration into the international community as an open and free society through commerce, tourism, academic exchanges and official dialogue. These activities maximise the free world's efforts to encourage positive political and social change for 1.3 billion Chinese.

But in the end, the EU's decision to lift the arms embargo against China will not help close the transatlantic divide and may perhaps even widen it. The decision will also be perceived everywhere as an imprimatur of dismal human rights records. Finally, it could increase the likelihood of military conflict in the Pacific, which is no one's interest – not even the EU's.

The Rise of China and its Meaning for the Structure of Global Leadership in the 21st Century

A Russian Perspective

Alexei D. Voskressenski*

There has been a pointed discussion about the character and orientation of the global leadership in the international analytical community in the last 10 years. This theoretical discussion became even more pointed and entailed more practical considerations after the 11 September 2001 terrorist attacks on the US. Clearly the terrorist acts in the US and elsewhere, as well as the decision of the administrations of President Clinton (on Yugoslavia) and President Bush (on Afghanistan and Iraq) to begin restructuring the contours of global power in the new post-bipolar world and avenge the attacks have complicated the situation, and sharpened the discussion on the character of the global leadership. The role of ‘the China factor’ – the problem of a peaceful rise of China and its accommodating itself to the existing global order or its possibility to subvert or partly restructure it according to China’s new economic status – is one of the main topics in this discussion today.

1. Models of global leadership

It is more or less clear that the epoch of the straight, crude ‘hegemony’ in the global international system has passed. As the globalisation process appeared more complex and incorporated the processes of regionalisation, regionalism and the fragmentation of the world, the essence of the hegemony concept became much more refined in its content and terminology. The international hegemon in the past was understood as the state that had both the military force and creative potential for unilaterally setting up and restructuring the global international system according to its interests. The 20th century has added another important characteristic – there could be not only one state but two: a hegemon and a counter-hegemon. After the disintegration of the USSR and the strengthening of the arguments by the school of thought that

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points to the decline of classical hegemony, concepts of 'structural hegemony', 'soft hegemony' and the 'globally dominant' state have also appeared. If the hegemon has the military force and creative potential to change the global system unilaterally, for the globally dominant state these parameters are not enough. In the new post-bipolar system of international relations, by comparison with a hegemon the globally dominant state must additionally have the desire (more precisely, a large majority of its political elite must have the desire) and the conscious support of the international community to structure the global system and world politics. The support of the international community may be rendered in different forms, such as resolutions by the UN Security Council, formal or informal coalitions (e.g. the initial anti-terrorist coalition) or consensus on strategic issues.

The emergence of the EU and eurozone, and later the new diplomatic coalition of France, Russia and Germany that opposed the unilateral US view on the future of Iraq may show the transition of the US as a world leader from the category of hegemon to the category of a globally dominant state. Other informal arguments for this being the case are the discussions about the necessity of a more benign, structural and soft approach to leadership in the US itself. It seems that in addition to the above-mentioned conditions the main structural difference between the globally dominant state and the hegemon is that the global dominant loses the possibility to unilaterally control and determine the parameters of the extended construction and reproduction of the armed forces of the large regional states.

A state should fulfil three major conditions to be the hegemon or the globally dominant state in the international system:

1. It must have an effective economic infrastructure based on the manufacture of innovations; further, it must financially dominate the system of the world currencies, have leading positions in global trade and dominate in large transnational corporations.
2. Such a state must have military power capabilities on a global scale, must unilaterally lead, create or control powerful military coalitions and carry out effective global military policy.
3. It must create and promote a society that is internationally attractive from the point of view of the political and civic culture, which is based on an open, competent leadership. It must also have a sense of the necessity of significant public sacrifice or donorship, i.e. the readiness of a society and its political elite to commit material and non-material resources in the name of global leadership and the international community. The society of such a state must be attractive in terms of its ideology and should be and simultaneously be perceived as the global centre of the best education and leading science, and must have a vivid and vigorous population.

If we consider these three groups of conditions to be and also to be perceived as defining the global hegemon or dominant state with reference to the US, the current global leader, we can probably argue that there is an erosion of America's undisputed leading role in all these parameters, although the key attributes are still intact. For this reason the transition from the category of hegemon to the category of global dominant does not mean the complete loss of global leadership by the US.

2. Regional leadership

The next group after hegemonies and global dominants consists of the states that can be called 'leaders' (or regional leaders). These states are not considered globally dominant by all three of the even-eroded parameters, but they have a certain (greater or smaller) creative global or large regional potential and their own global or large regional economic and military capabilities. They also have a certain degree of support by other leaders, a globally dominant state or peripheral states to direct or to correct global/regional development – first of all in a concrete area where they are located geographically or have historical, geopolitical, economic or cultural interests. Some researchers call these 'the large regional states'.

There is no uniformity in this group of states. There are leaders (or regional leaders) among this group, i.e. the states that can strengthen the role of a global dominant or even in principle play the role of a regional dominant (of course with the global dominant's consent), which can be silent and informal or fixed in a set of agreements and coalitions. There are also 'anti-leaders', i.e. states that under some conditions and to a certain extent can resist a global dominant and even carry out decisions that run counter to the policy of the global dominant.

The anti-leader states have obvious problems with the transformation of their destructive potential into constructive and creative power. Under no circumstances can the anti-leaders replace the leader. Under certain conditions an anti-leader can try to play the role of a regional anti-leader, i.e. carrying out a policy contradicting (or even challenging) the policy of a global dominant in a specific region. Certainly, a global dominant will not look neutrally upon such attempts, as any regional anti-leadership is key to a position of the 'counter-leader' and probably to the position of a 'counter-dominant' state (and possibly also to a 'counter-hegemon'), i.e. the state that is challenging the existing global dominant and that in principle is able to occupy this position in the future. The core distinction between the anti-leader and the counter-leader is the basic impossibility of the former to turn itself into a global dominant or hegemon. Additionally, there are 'non-leaders' in the global system – states that are unable under any circumstances

to turn themselves into leaders – which tend to accept the existing structure of the international system as a whole notwithstanding their place in it.

3. China's evolving position through economic growth

Because of the steady economic growth it has enjoyed for the past three decades along with its sheer size, enormous market, huge potential and the alternative ideology, the People's Republic of China (PRC) occupies the most important place in this theoretical discussion about the character of evolving leadership. Moreover, the phenomenal planned economic growth of this huge state alongside the realisation of policy reforms and its 'special' foreign policy position moves this theoretical discussion into the practical sphere related to diplomacy and in particular to foreign-policy forecasting, as well as the calculation of the military projections related to the foreign and economic policy of a state such as China.

It is expected that more than 50% of global economic growth will most likely be related to the Asia-Pacific region where China is playing an increasingly important role, as well as related to China itself. The emergence of the PRC among the major trading states and possible world economic superpowers could put the existing global economic and political order into question, because China has always complained that it is suffering under the structural/economic leadership of the West and has never hid its discontent with the past economic and political order. For this reason Western and Chinese analytical communities are today discussing the problem of China's 'peaceful entry' into the system of global relations. Chinese analysts, accordingly, are considering the question of the future role of China as it is acquiring the status of *daguo* (great power) and if it should simultaneously become the *fuzeguo* (responsible state) and what this last notion means in Chinese terminology compared with Western political science and international relations. China has formulated a model of socialism with Chinese characteristics, which is flexible enough to have successfully integrated the socialist idea with a Confucian ethical system and at first rudimentary, and later quite sophisticated 'capitalist' market mechanisms, while the attempts to create a new system of 'socialist morals and ethics' and a 'socialist economy' have obviously failed in the former USSR.

In this connection it is not as important what the actual essence of the Chinese economic system is, i.e. how much 'socialism' is in it, as that China's economic system is perceived as an alternative to the 'pure-capitalist' Western market system. In this sense, mainland China or more precisely Greater China (mainland China plus connected territories inhabited partly and influenced mainly by the Chinese diaspora) is quite capable of challenging Western trading blocks (NAFTA and the EU) and the US not

only economically, but also through the 'spiritual alternative' it has formulated to Western values, economic structures and management.

It is clear, however, that this challenge is special as compared with the challenge of the former USSR, and it will be very difficult to develop an acceptable response for meeting it, for the reasons that follow.

First, Communist China is not unanimously perceived as the leader of the third world or the developing world. The main argument here is economic: China (contrary to the former USSR, which argued that the Soviet Socialist economic system was based on socialist economic laws and that these were different from market ones), has incorporated neo-Marxist innovations into its mainstream theories of international political economy, consisting of the idea that the 'world-economy' has three interconnected structures:

- a united and uniform global market;
- the political systems of the independent competing states; and
- a three-layered spatial structure, consisting of
 - the 'centre', which specialises in manufacturing the most effective high-cost goods and technologies and thus uses in full the effect of making free the resources needed for its own super-fast development;
 - the 'periphery', or more specifically the less-developed countries specialising in exporting raw materials and goods made with manual labour, acquiring mostly luxury goods for the price of that export, investing money into the centre and transferring capital into offshore zones; and
 - the 'semi-periphery'.

Further, the 'semi-periphery' is not homogeneous; it consists of three groups:

- 1) those countries that are relatively advanced in industrial terms, but which as a whole cannot specialise in the production of economically 'more effective' high-cost goods; these countries may, however, be able to produce technology that can be sporadically sold for the not-so-high price in the periphery in particular niches or in some instances can compete with the centre;
- 2) the new industrialised countries, which have based their modernisation on the innovation model, but oriented their production to exporting goods to the centre; and
- 3) the countries that export crude oil.

Additionally, from the point of view of neo-Marxist theory, which is effectively applied in China, economic relations in the modern world are

independent from political ones. Thus, Chinese economists have come to the conclusion that the market is not only a notion intrinsic to the 'capitalist' approach to production, but also to any others including a socialist approach. Thus, it was possible in theory to separate the state, the economy and society. That conclusion made it further possible for them to exclude or to minimise the role of the state in the economy. Yet to minimise it not from the point of view of its role in principle, but from the stance of its operating 'separately' in the economic system, where it should help the functioning of economic law, and in politics where it can form a civil society in democratic states or rigidly structure society on the basis of the ideological concepts in authoritarian states with market economies. In practice this means that it may be possible to transform totalitarian states into authoritarian models of industrial development. These theoretical ideas were first elaborated by General Chiang Kai-shek, who applied them in practice in Taiwan, and in other regions, for example Latin America, by General Augusto Pinochet. In the PRC these ideas made possible the successful implementation of the reform policies. Although the Chiang Kai-shek and Pinochet models of authoritarian development both consciously paved the way for further political reforms and political transformation towards democratic rule, there are no persuasive arguments that this path will be followed by the PRC.

If the global 'capitalist' economy is based on the fragmentary possession of capital and competitiveness, the global (globalised) economy requires a centre (the 'leader'). This means that there are two ways of overcoming the status of being on the periphery or the semi-periphery: 1) it is possible to form a global (or macro-regional) economic system according to one's interests, or 2) carry out a unilateral adjustment of the internal sphere of the state according to the requirements of the international globalised economic system. The specific feature of China is that it is successfully developing in both directions, understanding that it is possible to be integrated in a global system as a part of the periphery or as a large, developing country from which the new nucleus (part of the centre or an alternative centre) can crystallise. What distinguishes the centre from the periphery and semi-periphery, and what is very well understood by the Chinese leadership, is the necessity of creating the conditions for the self-centred accumulation of capital, i.e. defining the conditions for accumulation through the national control of the labour market, national market, centralisation of profits, capital, resources, technologies, etc.

4. Future trends and consequences

It is clear that the crystallisation of new centres is very difficult today, the models of catching-up development are not working smoothly and the force of external factors is becoming more important than the force of the internal

ones (or can very strongly influence the internal factors). A systemic and carefully elaborated policy can nevertheless bear its fruit. And the fruit of reforms are visible in China. The rates of GNP growth in China in 1979-2002 surpassed 9% (i.e. they were twice as high as those from the preceding 30 years) and GNP volume in 2002 exceeded \$1.2 billion, which translates into approximately \$1000 per capita at current exchange rates. Exports for the last 20 years have increased by 20 times. If the existing trends prevail, by 2010 China will probably have the volume of GNP in terms of purchasing power of the present US level.

At the same time, the transition of China from the status of a 'closed' continental power to the status of the largest national economy and the largest trading state in the world (or one of the two largest) means that this state will try to secure the sea lines of communication around its borders, which will inevitably cause conflict with the US and Japan. It is clear that the PRC does not yet have military capabilities comparable with those of the former USSR, much less the US. But the military capabilities of China are growing and its economic capabilities and interests in the very near future could be much more significant than those of the former USSR. China's capabilities are dictated by the cumulative size of its economy, geographical and demographic resources, and not just the per capita GNP (the parameter by which China still ranks low according to international standards because of its enormous population). So, the Soviet type of socialist leadership that China could carry out in the foreseeable future may not be recognised by the whole global community, and in any case the Chinese leadership does not try to give the impression that it aspires to this type of a leadership. The above-mentioned theoretical considerations have enabled China to reject the idea of declining state sovereignty in the face of globalisation and alternatively suggest the state's capacity to adapt to basic changes in international conditions.

The character of the economic transformation being carried out in China along with its foreign policy strategy is aimed at updating the rules of functioning in the global system and forming a huge zone of 'close interaction with China' for those on its perimeter. China argues that as a world power it will be more predisposed to accept international responsibilities than the US, because it accentuates multilateralism and multipolarity. The Chinese approach respects national self-determination and thus hails 'comprehensive security', which consists of 'common security' and 'common prosperity', where the need for a security community is based on sovereign equality. Thus, China is proposing a strategy to offset uneven globalisation, which consists of maximising opportunities for economic globalisation while retaining the state's own sovereign options. This strategic policy can essentially correct and maybe even completely transform the

system of international and regional relations. It is clear that this transformation will take a lot of time and be conditioned by numerous ‘ifs’; however, today such a trend is not seen as impossible as it seemed 10 years ago.

The three conditions for attaining the position of a hegemon or a global dominant as formulated above cannot be met by China very soon and some would argue that they may not even be achievable at all. But this only seems the case at first sight. Today the Eurasian continent produces approximately 75% of the world’s GNP; 75% of the world’s population lives there and it has 75% of the world’s resources, which may be the key to future global development.¹ Some 47 years were required for the US to double its per capita GNP, 33 years for Japan, 10 for South Korea and 7 for China. The GNP of the Asian countries is growing by 6% per year on average, i.e. the rates of growth in Asia are twice as high as those for the rest of the world. It is expected that by 2020 Asia will produce 40% of the world’s GNP. Further, 16 of the 25 largest cities of the world will be located in Asia and 5 of the 7 largest national or supra-national economies will be Asian. Ranked by GNP volume, the Chinese economy may occupy first place. In 1950, the PRC produced 3.3% of the world’s GNP, but by 1992 this figure had increased to 10% and continues to grow, though not as fast as it previously did. In 2003, China’s GNP volume (the size of the economy) happened to put it in third place after the US and Japan, while it took fourth place in the volume of exports and third place for imports. The PRC currency reserves represent at least 11% of the world’s total reserves. ‘Communist’ China has opened its economy to foreign direct investment, welcomed large-scale imports and joined the World Trade Organisation on a scale and at a speed that the former USSR never did and earlier than democratic Russia, spurring prosperity within China and across the region.

In terms of the contribution of their economy to global economic growth calculated by purchasing power parity, from 1995 to 2002 the US contributed 20%, China contributed 25% and the other industrial countries of Asia contributed 18%. And if imagining that the economic and political unification of the PRC and Taiwan takes place, all the previously mentioned trends become even more obvious and with much more significant strategic consequences.

China has obviously managed to create a viable economic model that differs from the Western form of capitalism. Thus, what it is called is not as important as the fact of its viability and an alternative character. By 2025, 21% of the global population will live in the area of ‘Greater China’ or the

¹ Data in this section draws from the Asia-Pacific Center for Security Studies (2003).

area of Chinese civilisation. There will be obvious attempts by the PRC to structure this economic space in various ways (free economic zones, custom unions, the projects with the Association of Southeast Asian Nations (ASEAN+3), the creation of the *yuan* currency zone, etc.).

China has also sought to pre-empt a potential US-led coalition in the region by deepening economic ties with American allies such as Japan, South Korea, Taiwan and Australia. These countries would pay a considerable economic price if they were to support any US-led anti-Chinese policies. China has adroitly exploited every manifestation of regional dissatisfaction with America's obsessive and overbearing war on terror, seeking to cast itself as a friendly, non-interfering alternative to US power in the region. It is even proposing new institutional arrangements wherein China can exercise a leadership role that excludes the US, such as the East Asian Economic Zone and the Shanghai Cooperation Organisation. China is now rapidly creating transnational corporations and buying world brands, making its economy really global and thus more internationally competitive.

5. Military implications

The Chinese army is the largest in the world by the number of soldiers, although it is restructuring according to its new tasks. The PRC military budget is increasing in real figures and there is a strategic goal to double it or even to triple it in the long term in view of the development of dual-use technologies and their commercial implementation. In Asia as a whole military expenditure has increased by 50%.

According to a white paper on China's national defence in 2004, China will maintain the size of the People's Liberation Army (PLA) at 2.3 million members through this current restructuring, aiming at optimal force structures, relations and better quality. China plans to build a streamlined military with fewer numbers but higher efficiency. Under the present military restructuring, China will achieve streamlined forces through such measures as reducing both the number of PLA officers and the number of personnel by about 15% and reducing ordinary troops that are technologically backward while strengthening the navy, air force and second artillery force (rocket forces).

In its modernisation drive, the PLA takes informationalisation as its strategic focus. Computers and other IT equipment have been gradually introduced into routine operations. The ability to provide operational information support has been greatly enhanced while more and more IT elements have been incorporated into the main Chinese weapon systems. In its drive for informationalisation, the PLA adheres to the criterion of combat efficiency, moving in the direction of integrated development, enhanced centralised

leadership and overall planning. It is developing new military and operational theories while optimising the management system and force structure, updating systems of statutes and standards, and emphasising training for informationalisation. The PLA is accelerating the modernisation of weaponry and equipment, depending on national economic development and technological advance.

Since the collapse of the USSR, Russia has emerged as China's principal source of advanced military hardware and technology. By the mid-1990s, Russia's need for hard currency forced a restructuring of military trade with China to a cash basis. Now, however, Russians are increasingly hard-pressed to come up with something new for China, and this pressure will increase as a result of any possible competition for hard currency that may arise between Russia and the EU if the EU arms embargo for China is lifted.

China is eager to renew defence cooperation with Western countries. During his recent EU tour, the Chinese Premier Wen Jiabao pressed for a decision to lift the ban, arguing that the embargo is discriminatory. He asserted that the maturation of China's ties with the EU made the arms embargo a meaningless artefact, calling it a remnant of the cold war. He was encouraged by French President Jacques Chirac's reported remarks that the ban no longer corresponds to the political reality and makes no sense, a view that was supported by German Chancellor Gerhard Schroeder. Mr Wen may have also thought that European arms industries would push for a share of the \$11 billion in arms agreements that China has signed since 1999. So, if some countries are complaining that they have a trade imbalance favouring China, they may try to correct it by selling weapons to China as the Chinese propose.

It is clear that since the early 1990s, the PRC has been upgrading its conventional and nuclear forces and improving its operational capabilities to match the standards of the US armed forces. China's defence budget has annually increased at a double-digit rate since 1995. Virtually the entirety of China's defence spending is concentrated on strengthening its ability to project power in its immediate southern and south-eastern neighbourhood. If the current trend in China's military modernisation continues, the balance of power in East Asia will shift in China's favour.

6. Technical and societal advances

Achieving regional leadership in the spheres of innovation, science and ideology is more difficult for China. The communists' ideals can hardly inspire large masses of people today however China tries to dynamically modernise and adapt them to meet modern ideological purposes, reducing the most odious of them and having combined them with a Confucian system of

values and ethics. Nevertheless, the idea of modernised Confucian ethics can be compared with the idea of Protestant ethics in terms of its creative potential. In this modernised Chinese ideology, the concepts of paternalistic authorities and a stoic perception of life are very important. There is a vigorous embracing of the Asian culture in the region that includes the Asian tenets of diligence, discipline, respect of family values, esteem of the authorities, submission of individualistic ideas to the collective values, the belief in a hierarchical society, the importance of consensus and the aspiration to avoid confrontation by any means. Such a belief system preaches the domination of the state over a society and the society over an individual, but the Asian individual is inspired by the absence of the internal social conflicts and the support of the community's values. Thus, this relatively benign authoritarianism helps to develop societies that are demographically and territorially close-knit. Certainly, not all of these values are universal enough for all kinds of societies, but the developing East-Asian half of the world is inspired by a considerable part of it.

In 2003, Chinese President Hu Jintao's advisors put forward a new theory, called China's 'peaceful rise'. It holds that in contrast to the warlike behaviour of ascending great powers in the past, the economic ties between China and its trading partners not only make war unthinkable but would actually allow all the sides to rise together. The theory did not survive power struggles within the Communist Party, but the general idea lives on in new and updated formulations such as 'peaceful development' and 'peaceful coexistence'.

In addition, China has started to actively position itself as a state encouraging science and innovation. For example, there are 120 so-called 'technoparks' in the country. Further, in 1995 the special state programme on the development of the high-tech industry was elaborated and priority fields in the programme were announced. These are electronics, computer science, space and fibre-optic communications, and energy-saving technology. The state has already invested about 10 billion *yuan* in the development of this programme. The Chinese state also actively invests in the development of the infrastructure of universities. China became the third country in the world to successfully launch a manned spaceflight programme, which became a symbol of its technological leap forward. It is clear that the space programme also has certain military, surveillance and intelligence components, aimed at developing a continuous surveillance capability in East Asia comparable to that of the US.

Thus, intentionally or not, China has achieved a lot in transforming itself into a regional power with some global interests, perhaps more than any other large regional state. Yet the People's Republic of China has done it so

cautiously and smoothly that this policy has not caused any open counteraction by other states or the formation of any anti-Chinese coalitions.

7. Conclusion

China has created the basis for becoming a challenger to the existing regional and to some extent global structure of the international system in the future. This challenge is of a special kind because it is not directly related to the military capabilities of the PRC, which are not comparable by any measure with those of the former USSR. The PRC probably does not even aspire to them. At the same time, in the very near future the combined economic capabilities and the strategic interests of the PRC may be much more significant than those of the former USSR and its military capabilities will have undoubtedly increased to reinforce this new economic status.

China's capabilities are dictated by the cumulative size of its economic, geographical and demographic resources and not just per capita GNP – the parameter by which it still has a relatively low ranking owing to its enormous population. Thus, any 'Soviet' type of leadership that could be carried out by China is not likely to be seen by the global community. Further, China tries in every possible way to avoid this type of leadership. At the same time, because of its size, the regional or even globally significant issues related to China's expansion themselves represent a kind of a global challenge. But the problems arising from this particular challenge are not identical to the possibility of China taking on a regional or global leadership role, or becoming a contender with the US.

Today's unprecedented changes in the world are possibly related to the crisis of global regulation, connected with the world's transition towards another globalised character and orientation, which is viewed differently by various important international actors. This crisis is only partly related to the geopolitical crisis in that smaller part of the world that consists of the post-Soviet territories not 'supervised' by the Western corporate empire and to a problem that has been called the 'incompetent' and 'selfish' leadership by the US. Nevertheless, the crisis of world regulation and the 'incompetent' leadership (which has been exposed to doubt and discussion with no consensus) can result in the situation where some important anti-leader, with the support or the benign negligence of other major regional leaders, will proceed to the category of being a regional counter-leader, and once becoming an uncontested regional counter-leader can move further to become the possible counter-dominant or simply be perceived as such.

At present only China has come close to this position, but has never officially or unofficially given the impression that it has intentions for playing that kind of game. Everyone, including those from the Chinese

analytical community, understands that in view of the enormous number of internal problems China has, it should try to solve these first. But it is also understood that the transition to a new status can automatically help to solve some of these internal issues. It is certain that the Chinese leadership understands this. The political elites of at least two other major regional players, Russia and France (and perhaps Germany), obviously look rather benevolently upon China as the prospective regional leader. For some considerable time, China has been trying to raise the level of its relationship with the EU as it did with Russia – thus showing that it may be possible to geopolitically counterbalance the US-Japanese financial/economic/military knot with an EU-Chinese and Greater China-ASEAN financial and economic knot, along with a Chinese-Russian military and security tie as a basis for this new regional status. The success of China in a more global sense, however, will depend at least on the desire or the negligence of the EU, the US, Japan and Russia, as well as China's own aspirations.

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IRAN
THE MOMENT OF TRUTH

WITH CONTRIBUTIONS BY

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Iran: The Moment of Truth

A European Perspective

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The Backdrop

The definition of European policy objectives and strategies *vis-à-vis* Iran's nuclear ambitions must take into account the specificities of the case, setting, as it were, its *problématique*.

First, we have the unusual situation of a basically three-way game: the EU (and notably the EU-3, comprising the UK, France and Germany), Iran and the 'significant other', the United States, which is outside of the negotiation but a key player. Any student in strategy knows that a triangle is the most unstable and tricky combination to deal with, and the presence of yet another set of outsiders (notably Russia and China) adds an additional element of complexity.

Second, the US and Iran are acting as much, if not more, on the basis of past experience than from a cold-headed cost-benefit analysis based on current facts and future prospects. The American attitude towards Iran remains heavily influenced by the humiliation of the 444-day seizure of the American embassy and its diplomats in Tehran (1978-80), while Iran's vision of the US is coloured *inter alia* by the experience of the American-orchestrated regime change in 1953, with the overthrow of the Mossadegh government.¹

Third, the EU is approaching the Iranian nuclear question on the basis of the severe trauma incurred during the 2000-03 Iraqi crisis, which split Europe down the middle, pitting EU (and NATO) members against each other. The EU-3's decision-making on Iran will clearly put a high premium on avoiding a repetition of the split. Such a consideration can cut both ways: it can lead to emphasising cooperation with the US (as a way of limiting the trauma of another 'old Europe/new Europe' split), but if the US position becomes incompatible with the national interests of all the EU-3 countries, it can facilitate the establishment of a common EU front working against the US line. This situation has already happened, albeit in a relatively non-abrasive

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¹ See *All the Shah's Men: An American Coup and the Roots of Middle-East Terror* by Stephen Kinzer, New York: John Wiley & Sons Inc. (2003).

manner, when in early 2005 the EU put pressure (with some success) on the US to relent on its refusal to proffer carrots in the Iran–EU-3 negotiations.

Fourth, the spread of carrots and sticks among the EU-3 and the US is unusual, in the sense that the Europeans have few carrots and some sticks, while the US has few sticks and more carrots. Thus the EU-3 can hardly make any worthwhile economic, financial, trade or security concessions to the Iranians without a green light from the US, for the good reason that it is the US (and not the EU) that has during the last quarter of a century implemented sanctions, foregone diplomatic relations and avoided any sort of Iranian participation in regional security affairs. Conversely, the US does not have, at this stage, a credible military alternative at its disposal: American political and military efforts in Iraq are heavily dependent on the continued absence of Iranian support for activism by the more extremist Shiite groups. American troops pinned down in Iraq do not need a new insurrectional front and the Iranians know it. This singular context cramps the EU-3's negotiating margin of manoeuvre while preventing to a major extent an effective 'good cop, bad cop' division of labour.

Fifth and lastly, the Iranian mullahcracy is unpopular in its own country, while admiration for the American way of life is commensurately strong. But Iran is also one of the world's oldest nations, with a strong self-perception of its right to be endowed with the symbols of status and power, such as a nuclear programme, and international attempts at removing that right are one of the few things that can solidify support of the regime. Furthermore, the regime benefits from being seen as national in nature: whatever their faults, the mullahs are not in the thrall of Russian, British or American interests as their predecessor the late Shah Mohammad Reza Pahlavi or those in the Qajar era were perceived to be during the 150 years preceding the Islamic Revolution. This leads to a degree of inconsistency in the current US policy of seeking both regime change and denuclearisation – pressure for regime change reinforces Iran's quest for nuclear weapons, while pressure to stop Iran's nuclear programme reinforces the regime.

Current policy objectives

Although the US and the EU are (as they should be) working in close concert on the nuclear account, their policy objectives are not identical in terms of their content and hierarchy. The US policy, as summarised with clarity by Undersecretary for Political Affairs R. Nicholas Burns,² is threefold.

² See R. Nicholas Burns, Undersecretary for Political Affairs, "United States' Policy towards Iran", Statement before the Senate Foreign Relations Committee, Washington D.C., 19 May 2005.

First on the list, the “freedom deficit”, which, along with the severe restriction on free expression and fair elections, “is the first of our concerns with Iranian government policy...A second and critical US concern is our strong and resolute opposition to Iran acquiring a nuclear weapons capability”. This is seen as threatening “the peace and security of the [US], our friends and allies and the stability of the entire region”. The authority of the nuclear Non-Proliferation Treaty (NPT) and the integrity of the international non-proliferation regime are not mentioned. Third is the link between Iran and terrorist organisations.

Although the language used avoids Boltonian hyperbole and eschews open threats, it does not mark a break with the pre-existing vision of the Bush administration. Indeed, as was the case during President George W. Bush’s first term, the policy statement by Mr Burns sets out a vision rather than formulate a strategy, let alone an operational-level policy.

The EU’s objectives also belong to the realm of vision rather than of a grand strategy; but the requirements of the negotiation have led the Europeans to set out operational policy goals. The EU’s goals, as can be pieced together from assorted statements, can be summarised as below.

In addition to the American concerns about the regional effects of Iran going nuclear, the EU emphasises the potential consequences of Iran’s policies for the future of the multilateral proliferation regime: an Iranian *de facto* or *de jure* departure from the disciplines and objectives of the NPT would set a precedent vastly compounding the consequences of North Korea’s NPT opt-out. The dynamic of nuclear proliferation would return to its logic of the 1950s and 1960s, with the ensuing rapid spread of nuclear weapons in the Middle East and East Asia. The EU’s vision has the merit of avoiding the establishment of incoherent goals (i.e. the freedom deficit versus nuclear affairs).

Yet the EU potentially runs the risk of another type of inconsistency, flowing on the one hand from its wish to avoid a clash of civilisations through military confrontations with a prominent Islamic state,³ and on the other hand from its post-Iraq desire to prevent the emergence of a new intra-European and transatlantic split.

Today, the EU’s operative policy in the negotiation with Iran is reasonably coherent with all of the above, including the primary objective of avoiding a breakdown of the non-proliferation regime. This helps to explain why the EU-3 members have found it relatively easy to stick together on a platform

³ On this score, see the thoughtful Policy Analysis Brief by Michael R. Kraig, *Realistic solutions for resolving the Iranian nuclear crisis*, The Stanley Foundation, Musatine, IA, April (2005).

of rejecting any Iranian activity in the enriched uranium (and plutonium) parts of the fuel cycle including related activities (e.g. uranium conversion into UF₆).

If the US or Iran (or both) were to choose the road of escalation, however, the EU may find it much more difficult to reconcile the refusal of the logic of the clash of civilisations with the avoidance of a new transatlantic crisis.

Iran's objectives are more difficult to discuss, given the apparent disconnection between rhetorical posturing and arcane negotiating tactics. Nevertheless, we suggest here that Iran has three basic policy goals.

The first priority is the avoidance of regime change. This policy does not, however, lead naturally to a soft position on nuclear development, whether civilian or military, or both: from the standpoint of the Iranian politicians in power (or vying for power), being rhetorically tough on nuclear affairs contributes to their political prospects and regime stability.

Down the road, if for either American or Iranian reasons, confrontation were to become the preferred option, a nuclear crisis short of a full-blown military confrontation with the US or Israel would on balance favour the regime, not only politically (with the rallying-around-the-flag effect) but also economically: as such Iran would be like 'North Korea with oil', benefiting from the higher price of oil resulting from a context of regional tension.

The second priority is to sustain Iran's ability to keep its population and notably its youth satisfied. If high oil prices can provide the money with which to buy off various constituencies, it still does not create jobs. For that purpose, foreign investment and unfettered access to global capital markets are required. In this sense, Iran is profoundly different from North Korea: there is a civil society in Iran, operating in the space created by competing power centres, which are to some extent answerable to the electorate to a degree that is not always practiced by America's allies in the Arab world, even if Iran is obviously not a democracy.

Only the fear of incurring European censure and the risk of greater political and economic ostracisation can explain why the Iranians backed away from the brink during the discussions in Geneva on 26 May 2005. In other words, the future of the diplomatic, economic and security intercourse between Iran and the outside world still has real weight in Tehran.

Third, at least for the time being, are the strategic aspects. Some Iranian officials harp in private on their wartime experience of utter strategic isolation between 1980-88, thus appearing to justify a possible nuclear weapons capability, while others, less privately, invoke the 'unfairness' of Israel having nuclear weapons. But the fact remains that in today's Middle East, Iran is not an underdog in strategic terms. It is more powerful than any

of its not-so-friendly Arab neighbours. Unlike Pakistan, which had a clearcut rationale for going nuclear in the face of overwhelming Indian power, Iran has no real *prima facie* need to go down the nuclear weapons road. It can wish to go there, and has obviously been trying to get close to the threshold, given its impressive track record of cheating on its commitments to the International Atomic Energy Agency (IAEA). Nevertheless, nothing irreversible has yet occurred in the technical area. As the International Institute of Security Studies states, “[even] if it abandons the suspension, Iran is still several years away from achieving an enrichment capability sufficient to execute a political decision to acquire nuclear weapons”.⁴ The widespread discussion in Iranian strategic and atomic energy circles⁵ of the ‘Japanese option’ (rather than of an ‘Indian option’) may be a smoke screen, but it at least creates some doubt as to whether a definitive political decision has been made to actually ‘go nuclear’. Similarly, in atomic energy circles, there is awareness that India paid a heavy price in terms of a civilian nuclear electricity programme by deciding to give the priority to the military road: New Delhi lost ready access after 1974 to Western and Soviet nuclear reactor technology without reaping obvious strategic benefits from the bomb.

Obviously all this is subject to change. We only know what we know, to paraphrase US Secretary of Defense Donald Rumsfeld, and there may yet be dark secrets lurking in the more remote parts of Iran.

The mullahs may have come to the conclusion that the US really is determined to overthrow the regime and that the Bush doctrine therefore calls for a nuclear counter. Maybe. But given the timelines involved, the West has every reason to negotiate in good faith rather than to seek confrontation.

Scenarios

Under these conditions, three basic scenarios are open to the West.

1. *Drift and failure*

Since the autumn of 2003, the EU-3 group has had a remarkable record of keeping the negotiations in play notwithstanding their rather weak hand. The temptation may therefore be to simply continue on the basis of current practice, for instance not taking seriously the undertaking to come up with a detailed set of substantive proposals by the time the negotiators reconvene in mid-summer 2005 after the Iranian presidential elections. That, however, is

⁴ See the press launch of *The Strategic Survey 2004/5* by John Chipman, IISS, London, 24 May 2005.

⁵ Based on the author’s interviews in Tehran, February 2005.

simply not going to work: Iran, for reasons of national pride and regime stability, will not accept an outcome in which it foregoes its nuclear fuel-cycle activity without any substantial *quid pro quos* or exceptions (or both).

‘Business as usual’ will lead to the dead-end of confrontation.

This point is not a critique of the EU-3’s activities to date; on the contrary, by remaining tightly united and by learning quickly from their difficulties with Iran in the summer of 2004, the EU-3 group has proven their effectiveness and professionalism. But, there are limits as to just how far one can go in a game of poker with only a pair of low-value cards.

2. *Deliberate escalation*

In this scenario, the US arrives at the determination that Iran is not going to abandon “what we conclude is an active nuclear weapons program”.⁶ Furthermore, it decides to treat the ‘freedom deficit’ with the cure of ‘regime change’. Therefore, Washington sets itself a roadmap of subversion (as in 1953), special forces activity and air strikes to be implemented before the end of the Bush presidency, assuming that by 2007 the situation in Iraq is under adequate control. The Americans let the EU-3 play out their negotiation, conceding some carrots *pour la galerie*, but not enough to avoid a break sometime in late 2005 or in early 2006, so that the escalation process can begin both in the UN Security Council (UNSC) and more forcefully in the dialogue between the US and the EU. The Europeans would be invited to use their economic and political sticks (e.g. sanctions and the downgrading of diplomatic relations) independently of a presumably indecisive UNSC resolution. Needless to say, this would create a transatlantic divide of Iraqi-crisis proportions. Whether the EU would remain united or not, with or against the US policy, would be a matter of circumstance. But chances are that this would look more like a remake of Vietnam (with no European support) than Iraq (with a divided Europe).

3. *Bargain or bust*

In this scenario, a determined attempt would be made to strike a grand bargain with Iran. Success would be measured by the following benchmarks: Iran stays in the NPT; it ratifies the IAEA’s additional protocol model; it does not resume the currently suspended fuel-cycle activity. Iran ceases its testing of intermediate range ballistic missiles of the Shahab missile family and does not deploy them (such restraint would not preclude Iran from engaging in a Japanese- or Brazilian-style space programme if it so desired).

⁶ See Burns, *op. cit.*

Assembling the elements for such an attempted grand bargain would imply the following policy shifts. On the US side, a sweeping interagency reassessment of relations with Iran would need to be conducted in the spirit of the far-reaching reappraisal of US-Chinese relations by the US Republican administration in 1969, with the objectives of:

- realigning the psycho-politics of the relationship towards the sort of *realpolitik* conducted by the Bush administration with Pakistan (a semi-failed state, massively involved in world-scale nuclear proliferation after having covertly acquired nuclear weapons). In other words, the US would make decisions based on present and future cost-benefit analysis rather than on the historical legacy of past humiliation and misdeeds;
- expanding the range of carrots authorised for use by the EU-3 in their summer 2005 proposals. Such carrots could entail a security dialogue, including a mutual non-aggression undertaking; better liaison with the IMF and World Bank (in order to facilitate Iran's access to the international capital market); and in the nuclear area, the possible offer of access to pressurised water reactor technology. Some of these carrots would be easier to release than others. Persuading the US Senate to revoke the 1996 Iran and Libya Sanctions Act with its third-party sanctions would presumably be in the close-to-impossible category, but much could be done in the diplomatic, security and financial fields without having to go to the Senate; and
- accepting the proposal by IAEA Director General Mohammed El Baradei for an *erga omnes* five-year moratorium on any new enrichment and reprocessing facilities, as a first step in a fissile material cut-off negotiation (FMCT). This action would remove Iran's argument that it cannot politically accept being singled out in terms of being deprived of its right to enrich under the NPT. Otherwise, the EU-3 may find that they are compelled to give in to Iranian demands concerning uranium conversion (along the lines of the Russian-Iranian ideas of May 2005) or a pilot enrichment facility. Uranium conversion is not as sensitive as enrichment, but building up a stockpile of UF₆ would be an important contribution to any Iranian attempt to go nuclear: if conversion is conceded according to Russian ideas, Iran could from one day to the next decide to halt shipments to Russia and build up such a stockpile. A pilot enrichment facility, if it were of a scale not exceeding current Iranian capabilities (i.e. less than 200 centrifuges) would presumably not be a significant direct threat in terms of acquiring nuclear weapons. But the associated building-up of technical industrial know-how would be an important part of the learning curve towards a nuclear weapons

programme. Hence, the American–EU-3 position of refusing any Iranian fuel-cycle activity should be pursued; it also has to be made politically sustainable.

On the EU side, the same commitment should be made concerning the fuel-cycle moratorium and the FMCT negotiations. In terms of meeting American concerns, the EU should factor into the negotiations with Iran the requirement for Tehran to recognise the existence of Israel. Indeed, the EU should do so not only to placate its American partners but also because of the intrinsic merits of such a position – along with Iran’s nuclear cheating towards the IAEA, Iran’s refusal of Israel’s right to exist fuels Western concerns about Iran’s nuclear intentions. Similarly, the US and the EU should present a common front concerning the fate of identified al-Qaeda operatives currently located in Iran.

Obviously, at the end of the day, it is Iran’s decisions that will be the essence of the matter. A security dialogue can help Iran measure the negative regional consequences of going nuclear, while a non-aggression undertaking would remove the strategic rationale for pursuing a nuclear deterrent. A US reappraisal of its sanctions policy would provide a strong incentive for the Iranian political and economic decision-makers (including those who are keen to generate nuclear electricity, and thus release hydrocarbons for export) to avoid going to the nuclear threshold.

The grand bargain suggested here may fail; but it deserves to be tried with real determination. If it does not work, there is enough time to examine other options. And there would be a real chance that the US and the EU would be able to do so in a cooperative rather than in an antagonistic manner. It is thus a situation of *pari pascalien* (God may not exist, but you cannot be sure, so you can only win if you act as if He does). In other words, the grand bargain is the opposite of ‘damned if you do, damned if you don’t’.

Influence, Deter and Contain

The Middle Path for Responding to Iran's Nuclear Programme

An American Perspective

Patrick Clawson*

Too much of the discussion about responses to Iran's nuclear programme is concentrated on the extreme solutions: either attack or appease. Yet there are a wide range of intermediate policy options that hold much more promise. Western governments need to step up consultation about how to influence, deter and contain Iran's programme.

Influence

Iran's leaders do not want to be isolated internationally; the country's near total isolation in 1980 left it vulnerable to military attack without response from the world community. When confronted with a united stance by the major powers, Iran backs down, as seen in the October 2003 agreement for freezing the nuclear programme. Therefore, the centrepiece of Western policy about Iran's nuclear programme has to be a common stance. On Iraq, transatlantic cooperation was preferred but not essential; on Iran, US–EU cooperation is a necessary prerequisite. The Bush administration is on the whole optimistic that transatlantic unity can lead to a successful resolution of the Iranian nuclear issue, especially if Russia continues to move towards being more helpful (in particular, by making clearer its message to Iran that the Bushehr plant will never be fuelled by Russia until Iran reaches an agreement with Europe).

To influence Iran, the West needs instruments of persuasion and dissuasion. The Europeans are said to be formulating a proposal to put to Iran in early August 2005 with four elements of persuasion: security guarantees, an assured supply of nuclear fuel for Bushehr (if Russia refuses to supply Iran for non-commercial reasons), cooperation in advanced technologies and the supply of nuclear research reactors. The latter area is quite risky, since many research reactors offer much potential for learning dangerous technologies and even for diverting material or using it in a breakout scenario. It would be

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more appropriate to concentrate on security measures, which are a good way to counter the argument that Iran needs nuclear weapons because it has real security needs. Furthermore, there are many confidence- and security-building measures and arms control tactics that would provide gains for both Iran and the West. And these are the kinds of measures in which Europe, the US and Russia have much experience, so these proposals could build a consensus about the appropriate ways to address Iranian security concerns – remembering always that the key to success with Iran is unity among the great powers. Issues worth exploring would include:

- an exchange of observers for military exercises in and near Iran, including Iranian observers during US naval exercises and any large troop movements near Iran's borders, plus American observers during large Iranian exercises. It would be in the West's interest to promote military-to-military contacts;
- naval cooperation at sea, including an incidents-at-sea agreement and a Gulf-wide agency for collecting information about sea hazards; and
- the commencement of negotiations on an arms control agreement along the lines of the Conventional Forces in Europe accord to limit forces close to the Iraqi-Iranian and Afghan-Iranian borders, which would apply to both Iranian forces and the forces of Iraq, Iran, the US and other treaty signatories.

As for instruments of dissuasion, too much attention has been given to economic sanctions, which would be ineffective and inflict much damage on Western economies if imposed while oil markets are so tight. Much more useful would be measures to emphasise to Iran its isolation over the nuclear issue. In several recent cases, the UN Security Council (UNSC) has imposed targeted sanctions designed to drive home the high political price of unacceptable actions. For Iran, it would be appropriate to consider such steps as:

- establishing an international consensus, preferably through a UNSC resolution, about the consequences of withdrawal from the nuclear Non-Proliferation Treaty (NPT) along the lines of the French proposal to the NPT Review Conference, namely that withdrawal does not end a country's obligation to resolve any violations committed before withdrawal; further, a country withdrawing must also give up any benefits it obtained while it was an NPT member – which means dismantling, returning to the provider or putting under seal any nuclear technology of any sort acquired during NPT membership;
- banning travel for important individuals and their immediate families, particularly with regard to influential political decision-makers; and

- forbidding Iranian participation in international sporting competitions. If young Iranians learn that their country's participation in the World Cup is dependent on resolving the nuclear issue, there will be a dramatic increase in the interest they take in how the negotiations are going.

Deter

The West should show Iran that its security will be worse off if it continues with its nuclear programmes. The West should also put itself in a better position to use military force should the need arise later – but do so in a way that does not put the West on the first step of an escalator that inevitably leads to military action. The way to accomplish these objectives is to use military presence and military cooperation with regional states to deter Iran from acquiring or making use of nuclear weapons. The transatlantic partners have much experience with deterrence that can be drawn upon to design a programme to deter Iran. Possible steps in this effort include:

- enhancing cooperation with Arab states in the Persian Gulf, through activities such as selling them more advanced weapons including anti-missile systems and air defence systems. Raising doubts in the minds of Iranian decision-makers about the country's ability to reliably deliver its nuclear weapons could make the use of nuclear weapons prohibitively risky for Tehran in all but the direst of circumstances;
- expanding the Western military presence, through the more frequent deployment of larger and more sophisticated forces. Some of Iran's neighbours might welcome the opportunity to enhance their own military capabilities by closer cooperation with the Western states, including expanding access, basing and overflight rights to Western forces in the region;
- proposing more active and realistic combined exercises by the transatlantic partners aimed at averting the Iranian threat; and
- taking a declaratory posture. The transatlantic partners could make an open statement about their policy of defending the region against a nuclear Iran.

Contain

The US and its transatlantic allies should also enhance their capabilities to contain a nuclear Iran, to hedge against the possibility that Iran will exploit an ambiguous nuclear status. This could include stepped-up actions in four areas.

A first step would be to respond to the main conventional threat from Iran (which is in the naval arena) and specifically the threat it poses to the flow of

oil from the region. Iran has a wide range of capabilities, which it regularly exercises, to disrupt shipping in the Straits of Hormuz, including naval mine, special warfare, small boat, submarine and coastal anti-ship missile forces. Moreover, Iran could conduct limited amphibious operations to seize and hold lightly defended islands or offshore oil platforms in the Gulf. Some Iranian decision-makers might believe that 'the bomb' could provide them with a free hand to assert control over the Straits with relative impunity, since their nuclear capability would deter an effective response by its neighbours or US intervention on their behalf. The Straits of Hormuz are a vital sea lane of communication for the world oil industry, through which more than 10 million barrels of oil per day transits. For this reason, it would be appropriate for the transatlantic partners, in conjunction with Asian countries and the Gulf States, to conduct exercises protecting the Straits. Indeed, an exercise to protect the Straits (with minesweepers and so on), if conducted in the near future, would be a useful way to signal to Iran that the West is serious and united in its willingness to use force to protect its vital interests in the Gulf, yet at the same time such an exercise would be entirely defensive and in no way suggesting that the West is considering attacking Iran.

A second action would be to develop capabilities against the possible use of nuclear weapons by Iran. The West needs to work with the Gulf States to ensure that the capability to interdict nuclear devices en route to the target is present in the region. That would include the ability to detect the transport of nuclear devices being delivered through non-traditional means such as by truck or boat. This effort will require improving local coast guards in the Gulf and reinforcing control over unofficial land-border crossing points and smuggling routes. In parallel, planning should begin now for the management of consequences in the event of a nuclear explosion in the region, including disaster planning and the stockpiling of medical and other supplies that would be needed.

A third area concerns the need by regional states for enhanced capabilities to counter terrorism and subversion. This would include both constabulary capabilities (quasi-military and quasi-police) and also the implementation of political reforms that will alleviate the root causes of terrorism.

A fourth point is that the West should focus on military-technical cooperation with regional friends and allies, deepening existing bilateral security relationships and augmenting regional cooperative ventures; efforts are already underway to create shared air- and missile-defence early warning and C4I arrangements such as the 'cooperative belt' (*Hizam al-Ta'awun*) programme. Undoubtedly, such an approach lacks the appeal of more ambitious proposals to create new regional political and security structures,

but it would allow building on existing bilateral and multilateral efforts, and through incremental steps, laying the foundation for future regional, collective security arrangements.

On whose side does time work?

Some have suggested that Western interests are well served by interminable negotiations, since Iran has frozen its nuclear programme while the negotiations are underway. That could be true. Nevertheless, one way to read the record today is that Iran suspends its nuclear activities when its scientists hit a technical barrier; once the problem is resolved, the programme is unfrozen until a new problem arises. If that is true, then the negotiations are not necessarily slowing Iran's nuclear programme by much. Israel worries that once Iran has acquired the technological mastery of the fuel cycle, then its nuclear programme will be beyond the point of no return – a view that is shaping Israeli decisions about how and when to respond to a potential Iranian nuclear challenge.

Even more troubling, the negotiations are concentrating entirely on how to prevent Iran from going down two of the four routes to a nuclear weapon: diversion from a civilian safeguarded programme and acquisition of the potential for a rapid breakout. Setting aside the third route of buying a complete weapon, there is still a fourth method: the pursuit of a clandestine, parallel nuclear programme. It is not clear if the freeze during negotiations or the proposed agreement would have much impact on such a clandestine programme. This is a matter of concern, because there are accumulating indications that Iran may have such a programme underway. One easy-to-explain indicator has been Iran's proposal to the Europeans that it be allowed to produce UF₆, which could then be sent abroad for centrifuging into reactor fuel. From either an economic or political point of view, this proposal makes no sense: Why would Iran spend billions of dollars and much prestige to develop centrifuges, only to yield them while maintaining a lower-profile UF₆ plant? One explanation is that UF₆ is produced in a large plant that is difficult to keep clandestine, whereas centrifuging can be accomplished in small facilities that are easier to conceal (even a 164-unit cascade can be produced in a building no larger than a typical American home). In other words, Iran is proposing that it be allowed to keep the one link in the nuclear chain that would otherwise be most vulnerable to military strikes.

Yet another factor in the time equation is what will happen after the 17 June elections, especially if former President Ali Akbar Hashemi Rafsanjani is re-elected. Despite hopes that he may strike a deal with the West if elected, his record as president included stepping up terror outside Iran – such as attacking Iranian dissidents abroad and bombing the US barracks at Khobar Towers in Saudi Arabia. And he has had a difficult relationship with

Supreme Leader Ali Khamenei for the last 20 years. Even if Khamenei wanted to normalise relations with the West – and there is little evidence that he is desirous of any ties other than economic – he has no wish to see Mr Rafsanjani receive credit for what would be a very popular step. So while it is quite possible that Mr Rafsanjani would try to reach an agreement with the West – indeed, with the US – it is less clear that he would be allowed to do so by those who really control power in Iran.

Finally, the most important time issue concerns how long the present Iranian regime will last. Analysts have had a poor record at predicting when fundamental changes will take place. Who among us expected that when President Ronald Reagan said “this wall must come down” it would indeed fall within three years? Who expected on 1 January that Syrian troops would be out of Lebanon by 1 May? Nor is it possible to tell when change will come to Iran, but it is quite clear that the Iranian people detest the present system. At the same time that it concentrates on the nuclear issue, the US has important interests – both strategic and moral – in supporting Iran’s pro-democratic forces. Despite complaints from hardliners in Iran about a ‘regime change’ policy, Washington will persist in its frequent and frank criticism of the Islamic Republic’s failings on human rights and the rule of law. It would be a grave setback to Washington’s reform agenda in the region if the US were perceived to have abandoned Iran’s beleaguered pro-democratic forces by doing a deal with hardline autocrats to secure American geo-strategic interests. When Undersecretary of State for Political Affairs Nicholas Burns addressed the Senate Foreign Relations Committee on 19 May about American policy towards Iran, he spoke first and most importantly about democracy and human rights and only secondly about the nuclear issue. That well reflects the priorities of the Bush administration in its current approach to the Middle East in general and Iran in particular.

Iran's Nuclear Programme

A Russian Perspective

Vladimir Sazhin*

In recent years the nuclear programme of the Islamic Republic of Iran has become one of the key problems of modern international politics. Iran's nuclear programme is nearly 50 years old, and conditionally speaking, its history can be divided into two stages. The first stage was linked to the rule of the last Shah of Iran, the late Mohammad Reza Pahlavi. The second stage started immediately after the Islamic revolution of 1979 and is still in progress.

The construction, with the help of the US, of a nuclear research centre having a reactor with a capacity of 5,000 megawatts, attached to the Tehran University, marked the beginning of the first stage of Iran's nuclear programme in 1960. Later a cooperation agreement was signed by Iran and France on the purification and enrichment of uranium ore. A joint Iranian-French venture, the Eurodif Company, was set up for this purpose. In the early 1970s, a programme emerged in Iran providing for the establishment of a network of nuclear power plants (up to 20 nuclear power plants altogether). The initiator of this programme was the late shah, who had ambitious ideas about his country being worthy of modern technologies, having cashed in on the sale of oil at that time. His main objective in the development of Iran's nuclear infrastructure was to do all in his power to turn his country into the main player in the region. Nevertheless, the late shah said at the time with absolute certainty that his nuclear strategy was peaceful in character. Indeed, at that time, there were no signs that Iran had a military nuclear programme. Iran had signed the nuclear Non-Proliferation Treaty (NPT) and said it was ready to admit International Atomic Energy Agency (IAEA) inspectors to visit all of its nuclear sites for inspections.

For nearly 20 years the nuclear programme of the shah-ruled Iran was at the realisation stage, during which time dozens of countries, including the United States, Argentina, China, India and Germany, offered their help. The Islamic regime that came to power in the country in 1979 on the wave of revolutionary extremism broke off all of Iran's contacts with its international partners. Under the conditions of self-imposed isolation, which was closely

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linked to the blockade many countries imposed on Iran, its nuclear programme shut down. All works in this field were qualified as ‘satanic’. Ayatollah Ruhollah Moussavi Khomeini, the leader of the Islamic revolution and a proponent of the NPT, branded nuclear weapons as ‘anti-Islamic’.

After the death of Ayatollah Khomeini in 1989, the pragmatic faction, headed by former President Ali Akbar Hashemi Rafsanjani, came to power in Iran. Not giving up Ayatollah Khomeini’s ideological principles, they determined their main foreign policy objective as that of turning Iran into a regional superpower. This task mirrored that which the ousted shah had set himself earlier – only this time it was to be an Islamic superpower. Iran’s authorities were of the opinion that the formation of Iran’s nuclear potential should be one of the key mechanisms of that process. For this purpose, the Atomic Energy Organisation of Iran was re-activated.

Strengthening Iran’s nuclear potential

While in office, former President Rafsanjani approved a secret directive, with the view that Iran’s nuclear status provides strategic guarantees for the preservation of the Islamic regime in Tehran. The main clauses of the directive involve:

- dispatching specialists to different states to gather all the necessary information for nuclear weapons development, which includes entering nuclear and technological centres on intelligence missions;
- establishing secret nuclear centres and enterprises that could not only compliment each other but also work independently; and
- using all possible means to obtain all the necessary technologies for the production of nuclear weapons.

And it should be noted that this directive continues to be painstakingly implemented.

Iran really has used all possible means, including illegal ones, for this purpose. Since the mid-1990s, the representatives of Iran’s special services have repeatedly made attempts to illegally obtain high-technology equipment from Russia that could be used, among other things, for the development of weapons of mass destruction (WMDs) and weapon carriers. In December 2001, Nikolai Patrushev, Director of the Federal Security Service, said that Iran was more determined than earlier to establish secret contacts with the representatives of Russia’s government bodies, power structures and scientists. Further, Iran illegally bought nuclear technologies on the black market that had been developed by the ‘founding father’ of Pakistan’s nuclear bomb Abdul Kadir Han, including equipment and a file of documents to activate its nuclear activities.

Within the past 10 to 15 years Tehran has also done its utmost to effectively use its legal channel of scientific and technical cooperation with other countries. In the post-revolutionary period, countries such as Argentina, Belgium, the UK, Germany, India, China, Pakistan, Poland, Russia, Slovakia, Ukraine, the Czech Republic and Switzerland have offered their help to Iran in the development of its nuclear programme. Tehran has accepted it to train its nuclear engineers, upgrade their skills and gather scientific information. Iran's physicists have undergone theoretical and practical training in China, Pakistan, North Korea, Russia and other countries. Graduates of the most prestigious institutes in the East and West have been assisting Iran in the development of its nuclear programme.

With the aim of strengthening Iran's intellectual potential, its clerical leadership has worked hard (and successfully enough) to urge Iran's émigré scientists working in scientific research centres abroad to voluntarily return home. Another method used to draw on the intellectual capacities of émigré Iranians for the benefit of Iran is to encourage them to both secretly and openly cooperate with Iranian specialists from the scientific research centres and design departments in Western universities, companies and firms.

Iran's efforts to modernise its nuclear industry do not stop there. To purchase all the necessary equipment and dual-use technologies from abroad, Iran's officials use bogus firms with innocent-sounding Persian names in order to camouflage their clients, primarily the government agencies that are linked to the military-industrial complex.

According to the US-based Centre for Non-Proliferation Studies of the Monterey Institute of International Studies, seven big nuclear research centres, which make up part of Iran's Atomic Energy Organisation network, are functioning in Iran today. Since the Islamic revolution, key research in nuclear physics has been carried out by the research centres in Tehran, Isfahan, Kazvin, Keredj, Yezd, Benab (80 kilometres south of Tebriz) and Iratom (Iran's centre of nuclear power plants). Further, work is underway to set up another 10 centres there.

It should be pointed out here that neither scientific research, performed in the field of nuclear physics, nor nuclear power production run counter to the NPT. This precept applies to the nuclear power plant that is now being built in Bushehr in southern Iran with the help of Russian specialists. IAEA inspectors have been controlling the construction of the plant from the very beginning. The IAEA has never raised objections to either Russia or Iran on these accounts. It is even less likely to do so as Russia and Iran have recently signed a treaty on the return of spent nuclear fuel from the Bushehr nuclear power plant to Russia. According to the head of the Russian Federal Nuclear Energy Agency, Alexander Rumyantsev, Russia's nuclear fuel will arrive in

Bushehr at the end of 2005 or in early 2006. The first nuclear fuel rods will be installed into the local reactor in mid-2006. The commissioning of the nuclear plant is set for the end of that year. The transportation and the maintenance of nuclear fuel will be carried out in accordance with a special regime under strict security and the watchful eye of the IAEA inspectors.

The right to develop nuclear power

Any country has the right to develop powerful nuclear production for peaceful purposes. Touching on the Russian-Iranian contacts in nuclear power production, it would be good to point out the following. Russia must take a pragmatic approach, based on the development of mutually advantageous trade and economic contacts and on the strengthening of its own position on Iran's nuclear power production market. At the same time, it must keep a vigilant watch on the ongoing processes of Iran's nuclear programme – including those concerning dual-use technologies – and do its utmost to prevent the development of Iranian nuclear weapons. Moreover, Russia must act in cooperation with the EU and the US, with which it is in full agreement on this issue. This means that Russia's relations with Iran are likely to be characterised as 'cautious cooperation'.

Yet some analysts note that in addition to scientific research and nuclear power engineering, Iran is actively developing an alternative project that can be regarded as a dual-use programme with a great degree of certainty. It first applies to the so-called 'full nuclear fuel cycle'.

In recent years, solid foundations have been laid in Iran not only for research but also to form the infrastructure for the full nuclear fuel cycle. In and around Erdekan there are uranium mines (at a distance of 200 kilometres from Isfahan) along with plants for extracting ore, a plant for the production of yellowcake (U308) (in either Erdekan or Isfahan) and a uranium conversion plant; in Natanz (150 kilometres from Isfahan) there is a uranium enrichment plant; Isfahan has a fuel production facility and a plant producing covers for heat-liberating elements.

On 15 May 2005, the work to ensure a nuclear fuel cycle in Iran was granted a legal basis. On that day, Iran's parliament adopted a law making it mandatory for the government to develop a full nuclear fuel cycle in Iran within the terms of the NPT treaty. The document makes it clear that the Islamic Republic of Iran must take all the necessary steps for the development of nuclear technologies meant for peaceful purposes, including the development of a fuel cycle for 20 nuclear generating units. The new law states that the government must develop high technologies under the NPT treaty guidelines and within international legislation and that it must use the potential of scientists and researchers.

Iranian journalists commenting on the new law point out that as a signatory to the NPT treaty, Iran has the right to develop a full nuclear fuel cycle and has no plans to give up exercising its right. There's no doubt that any country has the right to develop nuclear power production for peaceful purposes under the strict control of the IAEA and in line with the international legislation. Yet world experience shows that non-nuclear states developing nuclear power production purchase nuclear fuel from the officially recognised nuclear powers without troubling with the production of nuclear fuel themselves – which in their opinion costs too much (with perhaps the exceptions of Germany and Japan). Spent fuel is transported back to the supplier. Such international cooperation is common practice in the nuclear field, about which Russia shares a similar view.

Purpose of development

For what purpose is the work being done now to ensure a full nuclear fuel cycle in Iran, if in the near future it is unable to produce the required amount of nuclear fuel for nuclear power plants and if it is impossible to use it for energy purposes? Moreover, the nuclear fuel that will be generated within its framework will cost three to five times more than the average world cost. Incidentally, Russian specialists are of the opinion that Iran's ore is not quite good enough for the production of fuel. Further, scientists believe that using it for the production of fuel for nuclear power plants will cost too much. Stanislav Golovinsky, Vice-President of the Russian company TVEL (which produces nuclear fuel for electric power plants), has stated that Iran's reserves of uranium are "insignificant", adding that the "extraction cost" would be too high.¹ According to Mr Golovinsky, a nuclear engineer, uranium extraction costs fall into three categories: the minimum of \$40, from \$40 to \$80 and from \$80 to \$120 per kilogramme. The IAEA estimates that Iran's uranium belongs to the last category. "We have some knowledge about Iran's nuclear sites" Mr Golovinsky said, touching on its nuclear deposits, "Iran has started extraction on one of them...[a] very low content of extracted uranium [with] the use of the mining method".²

So, what is real the purpose of the plant for the production of heavy water currently under construction in Arak? As is known, there is only one heavy-water reactor of zero capacity in Iran; it needs a small amount of heavy water and it is situated in the Isfahan nuclear technological centre. Thus there is only one answer: the heavy-water reactor that is now being built in Arak can

¹ See the IranAtom website article "Transparency of the nuclear program of Iran", 14 April 2005 (in Russian) (retrieved from <http://www.iranatom.ru/news/aeoi/year05/april/golov.htm>).

² Ibid.

also be used for the generation of weapons-grade plutonium. Americans believe that the technical characteristics of the heavy-water reactor are best for the production of weapons-grade plutonium.

Another issue raised within the 'Iranian dossier' framework regards Iran's production of polonium-210, which has been discovered by IAEA inspectors. It is not quite clear to specialists why the Iranians have started experimenting with polonium. It can be used for peaceful purposes for space programmes, but that is very unlikely in the case of Iran. On the other hand, in combination with beryllium, polonium-210 is used in military nuclear programmes, for, among other things, the development of neutron-initiating devices for nuclear weapons. Tehran has never previously reported to the IAEA that it had been (and continues) working with polonium-210.

Iran has built several facilities to produce and test centrifuges for uranium enrichment, including the pilot project for 1,000 centrifuges and an underground complex for 50,000 centrifuges. This information has already been confirmed. In February of 2003, Iran said it had installed 100 centrifuges for uranium enrichment at the experimental plant in Natanz, planning to increase these to 900 by the end of the year. In parallel, Iran is working on uranium enrichment with the help of lasers. A report to the IAEA identified that Iran had used both methods for secret uranium enrichment.

Analysing the situation in Iran's nuclear sphere, scientists have come to the conclusion that Iran has undoubtedly made greater progress in the implementation of its nuclear programme than was considered earlier. And if two or three years ago Iran's nuclear fuel cycle was more virtual than real, the information of recent months confirms its reality.

Two nuclear programmes

The objective assessment shows that in the near future, as soon as the infrastructure of the whole chain of a full nuclear fuel cycle is established, Iran will become technically capable of joining the nuclear powers' club. That is why we can say that, as it appears, there are two nuclear programmes in Iran, which are not directly linked with each other. The first involves nuclear power production; the second is an object of concern to the Russian public and the world.

According to the IAEA experts, for a period of more than 15 years Iran has been doing nuclear research out of IAEA control. The so-called 'release' of the Iranian nuclear problem into the international arena dates back to 2000, when the US found evidence that Iran was purchasing nuclear equipment from Abdul Kadir Khan, as previously mentioned. Shortly afterwards the US collected information about Iran's plans to build a heavy-water reactor and a

uranium enrichment enterprise, including some indications of Iran's alleged uranium enrichment at the Kalaye Electric Company, a watch-making factory in Tehran.

At a briefing in August 2002, Alireza Jafarzade, a spokeswoman for Iran's national resistance council in exile, said that Iran was building two secret nuclear facilities: a heavy-water facility near Arak and a plant to produce uranium fuel near Natanz. At the same time, space surveillance and on-the-ground intelligence services discovered a number of secret facilities on Iran's territory meant for uranium enrichment, which could later be used to generate weapons-grade plutonium.

Iran had to make excuses at the talks within the international agencies' framework and at the meetings with EU and Russian representatives. Nevertheless, the negotiators noted that certain problems emerged in dialogues with the Iranians. It often happened that Iran's diplomats said one thing while technical specialists – nuclear engineers – said something quite different or nothing at all. Let's consider the latest example. After the unsuccessful talks between the EU-3 (comprising the UK, Germany and France) and Iran in April this year, some Iranian representatives said that their country would shortly resume its work on uranium enrichment. Others said that the work would resume partially. And still others claimed that the moratorium would last until the round of Iranian-EU talks in May.

What do these differences in Iran's position mean?

These shifts could be attributed to differences among Iran's governing bodies or to an agreed policy to delude the international community through various, often contradictory, statements. On the whole, Iran's scheme for explaining its stance on the country's nuclear status in the past two to three years has been the following. At first, it denied everything; then it partially recognised the facts if clear-cut evidence had been provided but did so with endless reservations, set in conditions of agreed upon or spontaneous differences of opinion among news-makers. Later, if new facts appeared, they were followed by a new negation and so on.

Iran has signed an additional agreement with the IAEA, allowing IAEA inspectors to control its nuclear facilities, but it has not ratified the agreement; it is true, however, that Iran permits IAEA inspectors to work in the country. Although groups of IAEA inspectors arrive in Iran practically every month, there is no transparency or openness in their relations with Tehran. This situation gives the impression that in matters pertaining to the inspectors' jurisdiction, Iran is also playing a 'cat-and-mouse' game with the agency. For example, at first Tehran turned down the agency's request to visit the Kalaye Electric Company. Later, in March 2003, the government gave inspectors permission to inspect the facility but showed only some of

the buildings to the inspectors and did not allow them to take samples of dust for an analysis of nuclear materials. Shortly afterwards, trucks carrying some materials away from the facility were identified in Sputnik photos. In August, when the IAEA obtained permission for a full inspection of the Kalaye facility, it turned out that one of the premises had been reconstructed: the floors and tiles had been changed and walls had been re-painted. Despite all of this, there were still traces of enriched uranium in the samples taken by the inspectors.

What is also alarming is that alongside its nuclear programme, Iran is also taking action on a missile programme. Iran has Shahab-3 ballistic missiles on combat duty, with the range of 1,500 kilometres. Work is underway to create a new, more powerful Shahab-4 missile with a range of 2,000 kilometres. These missiles can only be efficient if they use nuclear or chemical warheads. Therefore, military experts believe that Iran is developing rocket-carriers for WMDs.

Meanwhile, these actions are accompanied by statements from Iran's officials at all levels that the country's nuclear programme is peaceful.

Political factors

Russia and a number of EU countries (such as Germany) believe that a final political decision on the development of nuclear weapons has not yet been taken in Iran. Yet it looks like there is a consensus in Iran that a scientific-technological base and production infrastructure should be created so that the production of nuclear weapons can be launched promptly at any time if needed.

This opinion is widespread and enjoys the support of practically all the sections of the country's population. Therefore, it can be expected that any government of Iran, regardless of its political orientation, will see the acquisition of nuclear weapons as the nation's top priority.

Why does Tehran have such ambitions? This question leads to several explanatory factors.

First, there is a geo-political factor. The Islamic Republic of Iran plays a leading role in the world's most important region, western Asia, which comprises the Middle East, the Caucasus, the Caspian Sea zone and Central Asia. Iran is a strategic country: not only is it part of this region, it is washed by the Persian and the Oman Gulfs of the Indian Ocean. All the regional problems have something to do with Iran. None of the internal problems of the individual states in the area – of an ethnic, religious, military or economic nature along with the problems of refugees, drug trafficking, terrorism and separatism – can be properly resolved without Iran. As a source of

hydrocarbon raw materials and a centre for transporting oil and gas products, Iran is certainly of major importance. In addition, with its 70-million strong population and one of the world's most numerous armies (with some 800,000 enlisted), Iran is a decisive factor in western Asian and even world politics irrespective of any political conjuncture.

Second is the military-political factor. Today the Islamic Republic of Iran is surrounded by unfriendly states and even potential adversaries, if not enemies. Its main adversary, the US (or the 'great Satan'), has concentrated its military might on three sides of the country: to the west in Iraq; to the east in Afghanistan and to the south in the Persian and the Oman Gulfs, on bases and naval ships of the Central Command. NATO countries – Turkey, Azerbaijan and Georgia – are also oriented towards Washington. On the other shore of the Persian Gulf, the Sunni Saudi Arabia and the Arab Emirates have taken a cautious attitude to their powerful Shiite neighbour, and they certainly do not see Iran as their ally. In addition, an important role in the Middle East is played by Israel, which has been described by Iran as a 'little Satan' to which it denies the very right of existence.

Third, there is a national psychological factor. The Islamic Republic of Iran is the heir to one of the world's most ancient civilisations – the great Persian Empire – which conquered half the ancient world. For the past six centuries, Iran has been the world's spiritual centre of Shiism. For many centuries these major historical factors have influenced the nation's mentality. They are the root cause of the pride and lack of will to compromise shown by Iranian Shiites as they have defended their national interests in confrontation with numerous adversaries, the number of which has increased markedly.

At present, Persian national psychology, which is a combination of a great power's imperial nationalism and the pride of the Shiite elite, has become a political factor. This factor appears to be the main cause of Tehran's 'nuclear stubbornness'. The ideological, political and diplomatic opposition of the Islamic Republic of Iran to the world's only superpower – the US – also means that it cannot yield to American allies in the region. According to Iran's military-political doctrine, the country's main adversaries are the US and Israel. As previously mentioned, Tehran denies Israel the very right to existence. This extremist approach, alongside a daily propaganda campaign cannot but influence the hearts and minds of the population. Between the lines of Iran's declarations there is a question as to why countries such as Israel and Pakistan are allowed things banned for Iran. Why do they possess nuclear bombs while Iran has none? Certainly, such 'psychological complexes' at work in the nation tend to influence the country's domestic and foreign policies. They are the driving force of the intricate game that Iran is playing on the international scene.

Compelled to take part in that game are Russia, Western Europe, the IAEA and the UN, and stakes in that game are high but the cards of the players are not equipollent. Under the circumstances, bluffing is a natural move of a keen and proud player. Therefore, many Russian and foreign analysts believe that the aim of Iran is not the creation of a nuclear bomb but an endless process of creating its politically convincing mirage, probably accompanied by a rapid development of nuclear technologies for dual use.

In this way Tehran intends to raise its military and political rating on the international scene, primarily in the Islamic world and in the region. What is also important for Iran is to obtain as many privileges from Western European countries as it can, and not only from Western Europeans but from Russia as well. In doing so Iran does not draw the line at provoking a conflict between the partners. For example, on his return from Moscow, Mr Hassan Rohani, the Secretary of Iran's Supreme National Security Council and chief supervisor of the country's nuclear projects, lashed criticism at Russia's stance on the Iranian nuclear programme. Having emphasised that Russia is leading the delivery of nuclear technologies to Iran, he added that Tehran expected much from Russia hoping that it would help Iran to resolve all crises on the international scene pertaining to Iran's nuclear activity.³ "In fact," he went on to say, "Russia is lagging behind [in helping to resolve] the three European countries' efforts to arrest Iran's attempts at developing uranium enrichment technologies".⁴

It looks like Iran's diplomatic policy in the nuclear sphere is also one of deliberate procrastination. Tehran is disclosing its programme stage by stage. Why? Supposedly, it wants to gain time for the creation of a *mouflage* of a nuclear bomb that can be promptly turned into a genuine nuclear weapon with a highly developed technological and scientific production base, and at the same time blackmail both adversaries and partners.

Key issues for international security

Iran's nuclear policy raises fears that the bluff of the player can give rise to the temptation to acquire the nuclear joker. Where is the demarcation between nuclear research for peaceful purposes and the infrastructure

³ See the Novopol website feature "Rohani accuses Russia of unwillingness to help Iran in its nuclear program" (in Russian), based on the article in *Al-Hayat*, 21 February 2005 (retrieved from <http://www.novopol.ru/print1685.html>).

⁴ V. Sazhin, *Iranian nuclear program and world policy*, Institute of Israeli and Middle Eastern Studies, Moscow, February (2005) (in Russian) (retrieved from <http://www.iimes.ru/rus/stat/2005/23-02-05b.htm>).

necessary for the production of nuclear weapons? What should the international community do to prevent Iran from overstepping that line? These are key issues of international security.

At present the international community discusses methods that can be used to prevent the appearance of nuclear weapons in Iran. In fact, there are two such methods – the use of force or negotiations and sanctions. Political scientists distinguish between three possible variants of the use of force to resolve Iran's nuclear problem:

- an all-out war to topple the incumbent regime, similar to the military operation in Iraq;
- limited military action against Iran's nuclear facilities; and
- secret operations and support of the opposition with a view to promoting a gradual change of the Tehran regime.

Yet none of the three variants seems feasible today. There are no legal reasons for the international community to conduct a large-scale military operation or to take limited military action against Iran, and the possibility of creating an international coalition is practically excluded. In addition, a war against Iran cannot be won so easily as that against Iraq, bearing in mind that Iran has an 800,000-strong army and a people's guard of several million men and officers. Further, it is hypothetically possible to imagine that Iran's ground forces could deliver a powerful strike on US and NATO positions in Iraq. As for secret operations and support of anti-government groups in Iran, this will take time and cannot resolve the nuclear problem.

In short, the use of force is, no doubt, the way to an impasse. In addition, it can produce the opposite results. Bearing in mind the mentality of Iranians, it can be expected that if any pressure is brought to bear on the country, the currently disunited Iranian society will rally to rebuff the challenge from outside. All internal political differences, disputes and even recent aspirations for the Western way of life will be forgotten. The so-called 'Westernisation' that was finding its way into the Islamic society of Iran in recent years (albeit with difficulty) will go into oblivion. The country will be pushed back by 25 years, to the period of revolutionary extremism.

A settlement of Iran's nuclear problem by peaceful means is more constructive. Russia has taken this stance, which is similar to that of the EU.

A resolution to Iran's nuclear problem through peaceful means could also be provided by several variants. For instance, 'the Iranian dossier' could be submitted to the UN Security Council (UNSC) for consideration and subsequent adoption of sanctions against the country. Certainly, the issue can

be brought to the UN but the adoption of sanctions is scarcely probable. Permanent members of the UNSC Russia and China have little interest in the adoption of such sanctions.

On the other hand, economic sanctions against Iran overstepping the nuclear threshold could have positive results if these are adopted, even individually, by Iran's main partners. For the national economy – which only 15 years ago began developing close and important ties with major financial and economic centres (the EU, Japan, China and India) – a curtailment of those ties would mean a disaster.

Most important for the balance of political forces in Iran are the presidential elections scheduled for 17 June. According to all forecasts, the victory will go to Mr Rafsanjani, who was the country's president in 1989-97. The main goal of the pragmatic Mr Rafsanjani is economic reform, a position relying on the development of business ties with Europe and even with the US. So, the international community could use this economic lever to prevent Iran from becoming a nuclear power.

The situation around Iran's nuclear programme causes justified concern by the international community. It reminds the international community once again that all countries should coordinate a policy of nuclear non-proliferation and cut short attempts at the unsanctioned transfer of nuclear technologies, that is, to battle jointly against the 'nuclear black market'.

The Iranian nuclear programme is proof that, unfortunately, the international community is today lacking a comprehensive plan for resolving the problem of non-proliferation of WMDs. The international treaties on non-proliferation of WMDs that have been concluded do not stipulate a machinery of security guarantees. Proof of this is the conference on the nuclear NPT that has just ended in New York.

Thus an independent multi-functional agency should be created within the framework of the UNSC and the IAEA, as an efficient tool for international control and sanctioning of the countries that violate international treaties on non-proliferation of WMDs.⁵ Such an agency should be vested with 'punitive' functions.

Iran's nuclear problem can only be resolved through the coordinated political efforts of all countries, which should use all possible means to persuade Iranian leaders from developing nuclear weapons, including economic sanctions, if necessary.

⁵ This has been repeatedly emphasised by the author in previous articles and speeches (see the Institute for Israeli and Middle Eastern Studies, retrieved from http://www.iimes.ru/rus/frame_stat.html).

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