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STRATEGIC PANORAMA 2010/2011

INSTITUTO ESPAÑOL DE ESTUDIOS ESTRATÉGICOS

REAL INSTITUTO ELCANO

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STRATEGIC PANORAMA 2010/2011

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As in previous years, we are pleased to present a new edition of the Strategic Panorama, a product of the by now traditional collaboration between the Instituto Español de Estudios Estratégicos and the Real Instituto Elcano.

Recent happenings in the Arab world underline the need to try and stay ahead of events so that we can ride on the wagon instead of constantly being dragged along by it. But given the impossibility of addressing the many problems that make up international security relations, every year the Strategic Panorama has centred on the main geographical areas and fields of priority concern to foreign policy and international security, endeavouring to glean a better understanding of the structural causes and the medium- and long-term challenges by conducting a thorough study from an academic approach.

In this year's edition we have focused on six of the most significant aspects of a world that is constantly evolving and permanently in crisis: the impact of economic crises on security; the European security architecture; fragile states; global terrorism in Europe; the ever present Afghan conflict; and energy security. This publication is the result of the work of a group of authors chosen for their in-depth knowledge of these subjects, coordinated and directed by Felipe Sahagún (Maraña Marcos), a prestigious journalist and lecturer at the Complutense university in Madrid, whose efforts have enhanced the coherence and meaning of the publication as a whole, making it much more than simply the sum of the excellent essays of the members of the working group.

The authors of the six chapters of this year's Panorama range from analysts from both institutes (Fernando Reinares and Lieutenant Commander Francisco Ruiz) to scholars from the University of Lleida (Antonio Blanc) and the Complutense in Madrid (Antonio Fonfría), and include a military officer with vast experience and a sound academic grounding (Colonel Amador Enseñat), as well as an expert in international affairs, the editor-in-chief of the Spanish edition of Foreign Policy (Cristina Manzano).

It merely remains to thank the coordinator and members of the group for their work and to encourage everyone to read this thought-stimulating publication which provides a deeper insight into the complexity of the global environment in which we live.

Miguel Ángel Ballesteros Martín
General Director, Instituto
Español de Estudios Estratégicos

Gil Carlos Rodríguez Iglesias
Director, Real Instituto Elcano

Introduction

STRATEGIC PANORAMA 2010/2011

Felipe Maraña Marcos

INTRODUCTION

"Imagine a world with a strong China reshaping Asia; India confidently extending its reach from Africa to Indonesia; Islam spreading its influence; a Europe replete with crises of legitimacy; sovereign city-states holding wealth and driving innovation; and private mercenary armies, religious radicals and humanitarian organisations playing by their own rules as they compete for hearts, minds and wallets"[1].

This is how the political scientist Parag Khanna saw international society in 10 or 20 years' time at the end of 2010: a multipolar society that is much more similar to that of the 12th century than any other—including that of the imperfect balance, only on a planetary scale, of the 19th-century European Concert or that of emerging powers which seemed to be falling into shape in the first decade of the 21st century.

Of course analogies are never perfect and the main power, the US, is missing from this one, but if we replace the Holy Roman Empire with the European Union, Byzantium with the United States, and the crusades and the silk route with globalisation; if it is not possible to contain Iran and the atomic club, which currently has nine members, including North Korea and Israel, is extended to 15 or 20; and if to the humanitarian organisations we add the major multinationals and their leading philanthropic foundations, we will find ourselves closer to a neo-medieval structure equipped with 21st-century weapons than to any of the alternative models considered so far.

Many of the characteristics attributed to this system were dealt with in the latest Global Trends report published at the end of 2008, a collective work by intelligence agencies and leading US think-tanks and universities focusing on developments up to 2025[2].

These characteristics are multi-polarity, which is always unstable unless it is based on genuine multilaterality with effective game rules, converging values and proper counterweights; the consolidation of China and India as major powers; the gradual recovery of Russia, always at the expense of energy prices; the growing influence of regional powers like Brazil, Turkey and South Africa; the growing influence of the capitalism of China provided that the regime remains stable vis-à-vis growing social demands; more than 8 billion inhabitants demanding food, water and energy that are increasingly expensive and scarce; the multiplication in number and intensity of the disasters caused by climate change; the growing risk of terrorist attacks using weapons of mass destruction; and the multiplication of local and regional conflicts in sub-Saharan Africa, Asia and the Middle East, the three regions of the world with the most

[1] "Future shock? Welcome to the new Middle Ages". *Financial Times*, 29-12-2010, p. 7.
[2] GLOBAL TRENDS REPORT 2025. www.dni.gov/nic/NIC_2025_project.html.

fragile security structures and greatest incompatibility between the aspirations of their most influential actors.

Is there any point in wasting a second in indulging in reflections of this kind when we are not even capable of foreseeing eruptions such as those that have rocked North Africa and the Near and Middle East in recent months?

Threats and limits of analyses

In the annual Worldwide Threat Assessment presented to the US Senate on 16 February , the director of national intelligence, James R. Clapper, warned that "although I believe that counterterrorism, counterproliferation, and counterintelligence are at the immediate forefront of our security concerns, it is virtually impossible to rank—in terms of long-term importance—the numerous, potential threats to US national security"[3].

"The United States no longer faces one dominant threat. Rather, it is the multiplicity and interconnectedness of potential threats, and the actors behind them, that constitute our biggest challenge", he added. "Indeed, even the three categories noted above are also inextricably linked, reflecting a quickly-changing international environment of rising new powers, rapid diffusion of power to non-state actors and ever greater access by individuals and small groups to lethal technologies"[4]. Understanding this complexity and addressing it requires a team as diverse and also as integrated as possible.

As an annual review, the Strategic Panorama, started up by the Instituto Español de Estudios Estratégicos (IEEE) of the Defence Ministry 14 years ago and published in conjunction with the Real Instituto Elcano (RIE) since the beginning of the century, has focused on the main events and on the geographical areas and issues of priority concern to foreign policy and international security, always endeavouring to look further than the present in order to glean a better understanding of the structural causes and medium- and long-term challenges.

As the coordinator of the first edition (1996-1997), Lieutenant General Javier Pardo de Santallana, proposed in his foreword, in addition to analysing the current situation, the Panorama includes forecasts and references to certain significant events of 2011 and the following years.

The maelstrom witnessed since mid-December in North Africa and the Near and Middle East, where millions of Arab citizens have taken to the streets to demand and secure rights that their leaders had never recognised, even dying

[3] "U.S. Intelligence Community Worldwide Threat Assessment". February 16, 2011, p. 1. http://intelligence.senate.gov/110216/dni.pdf.
[4] Ibid.

for them, calls for serious reflection on the limits or shortfalls of the capacity of foresight of the powers with the most resources to anticipate events and/or processes as decisive as the fall of the Berlin Wall in 1989, the attacks of 11 September in 2001 and what many regard as the fourth wave of democracy since the seventies or the second Arab Liberation, which began in Tunisia on 17 December and spread to Egypt and other countries in the region during the following weeks.

Judging from the quantity and quality of most of the texts leaked by WikiLeaks in 2010 on Iraq, Afghanistan and US diplomacy, the chief cause of this lack of foresight, as occurred with the intervention in Iraq in 2003, has less to do with the quality of the information than with how political leaders use it.

If to this we add the inevitable inertia that leads many actors (both national and international) to prefer the known—however bad—to the unknown, and the priority that geostrategy and the economy have almost always had over the defence of democracy and human rights, we are able to understand why state actors rarely anticipate changes in society, however revolutionary or necessary they may be.

Any change entails risks and, by their very nature, those who exercise power tend to avoid risks out of fear of losing the status quo—in other words, privileges or advantages they have acquired—but the information revolution of satellite television, the Internet, the social networks and mobile telephones have shattered the information monopoly enjoyed by dictatorships within their own territories and have become outstanding catalysts of change.

The constant and serious errors—by action or omission—of those who mistake geopolitical and strategic analysis for futurology led the coordinators and authors of previous editions, the last four coordinated by Eduardo Serra with his characteristic thoroughness and flexibility, to apply with good judgement Winston Churchill's wise piece of advice that there is nothing like studying the past in order to know the future.

Given the growing complexity and dynamism of international society as a result of the strategic, technological, economic and ideological revolutions that have taken place over the past century, it is easy to mistake provisional crises for historical milestones of much greater significance and temporary anomalies for processes of intense destabilisation.

War studies have always acknowledged the importance of the x factor, that unpredictable event which sparks a serious conflict or lights the fuse of a chain of latent tensions, causing them to explode with unusual violence. "Specific triggers of how and when instability would lead to the collapse of various regi-

mes cannot always be known or predicted", warns the US director of national intelligence, James Clapper[5].

"What intelligence can do in most cases is reduce the uncertainty for decision makers, but not necessarily eliminate it", he added, "We are not clairvoyants".

Clairvoyants or not, the tidal wave that swept over Tunisia and Egypt in January and February respectively, toppling their presidents and menacing authoritarian leaders in the rest of the region, has forced the CIA and other secret services to review their system of monitoring the most instable areas of the world. The CIA claims it has set up a task force of 35 people to study how underlying tension in the most unstable regions can erupt and its possible consequences. These seem to be few resources for the size of the challenge.

Equally, as a result of the so-called Arab Revolution of the end of 2010 and 2011, it is essential to pay much more attention to global television, the Internet and the social networks in order to understand and detect their effects—positive and negative, depending on who uses them and how—on civil society and on security.

As James N. Rosenau warned at the end of the Cold War when attempting to make sense of international micro and macro phenomena, centripetal and centrifugal trends and political responses that foster change or continuity, "every era seems chaotic to the people who live through it, and the last decades of the twentieth century are no exception"[6].

This image of chaos, which Hedley Bull explains so well in The Anarchical Society, often stems more from lack of adequate research than from leaders' blindness or ignorance. This gap—indeed, research was glaringly absent for many years in Spain—has progressively been filled. Our annual report is a contribution, an effort in this direction made by two of the most important institutions for international strategic studies in today's Spain.

Panorama 2010-2011

Each edition of the Strategic Panorama has alternated studies of the main conflicts in progress (Afghanistan-Pakistan, Iraq, Korea, Lebanon, Gaza, Balkans…) with an analysis of the chief regional and global risks and threats (terrorism, climate change, uncontrolled migration, proliferation…) and the challenges of world governance (US hegemony, Russia's recovery, new emerging powers…), without losing sight of the priority importance Spain attaches

[5] Hearing of the House Intelligence Committee. 16-02-2011. Reported by Reuters in a chronicle by Mark Hosenball broadcast on 17 February 2011 at 00.38 GMT.
[6] *Turbulence in World Politics*. Princeton University Press. 1990, p. 7.

to the building of Europe, instability in the Maghreb and the Near East and changes in Latin America.

Bearing in mind the main challenges we face at the end of the first decade of the century, the subjects dealt with in the recent editions of the Strategic Panorama and the lines of research of their respective centres, for the 2010-2011 edition the director of the IEEE, General Miguel Ángel Ballesteros, and the deputy director of the RIE, Charles Powell, chose the evolution of the economic crisis and its influence on security; the vicissitudes of the European security architecture since the end of the Cold War; the present and future of Afghanistan, the chessboard where the major powers of the West play out their prestige and influence; the challenge that the mosaic of fragile and/or instable states poses to security in the 21st century; the transformation of the terrorist threat in Europe on the tenth anniversary of 11 September; and the EU's energy dependency, one of its main Achilles' heels in the medium and long term.

All six authors incorporate into their respective analyses the new concept of security adopted in the most recent European and American national security strategies. The Spanish strategy, the final draft of which was submitted to the government in December by Javier Solana, who headed the team responsible for drafting it, reflects this new concept, which is based on the premise of strong, supportive national economies, a comprehensive approach to civilian and military elements, and the promotion of a fairer and more sustainable international society.

As Solana himself recognised at the end of December, "the concept of security has been broadened, we have to address new risks and threats such as international terrorism, Somali piracy, the energy challenge and attacks in cyberspace and all of us, as Spaniards and as Europeans, have a role to play in protecting our fellow citizens and those of the EU"[7].

The inevitable limitations imposed by reasons of space are made up for by the high standard of the chosen authors: three military and three civilians, all prominent specialists in their fields with numerous publications and brilliant biographies to their credit, who have reached beyond the frontiers of their respective specialities in order to produce a work which, while preserving the individual hallmark of each author, appears to have been written by the same hand on account of its coherence and the interconnectedness of the factors studied.

In his analysis of the connections between economic crisis and security, Professor Antonio Fonfría Mesa recalls the origins and effects of the crisis in the US and in Europe; the different responses mustered by the two actors (promo-

[7] Lecture delivered at the University of La Rioja. II Diálogo de Seguridad y Defensa, 20-12-2010.

tion of growth or putting public accounts into shape); the "ways out" suggested by Paul Krugman and others, many of which have yet to be applied; Europe's difficulties in improving its coordination; and the regional and global consequences, among them greater instability, waning popularity of governments, loss of prestige of the political class, greater inequality, unemployment and poverty, and a revision of the division of power in the main international organisations, starting with the IMF.

Francisco J. Ruiz González, an analyst at the Instituto Español de Estudios Estratégicos, examines in great detail every twist and turn in the labyrinthine journey through Euro-Atlantic security since the end of the Cold War. Why did the international community not commit itself from the outset to a single superstructure that would include the new Russia? Why did it not make the most of the initial advantages of the OSCE to build a new model? How did NATO manage to rise again from the rubble of the Balkans following the disintegration of the Warsaw Pact?

In his fascinating tour of the countless meanders of twenty years of history of euro-Atlantic security, Ruiz González stops at the three decisive moments (1990-91, 1999-2001 and 2009-2010), each marked by a new strategic concept of the Alliance and major changes in each of the main organisations (NATO, EU and OSCE).

He stresses the positive and negative lessons each organisation and its main members have learned from Bosnia, Kosovo, 11 September, Afghanistan and Iraq; the wasted five years in EU-NATO relations following Cyprus's accession to the Union; the progress achieved by the EU since the Feira summit in June 2000; the deep rift in transatlantic relations caused by Bush's unilateralism; the distancing of Russia, which led to the Georgian war in 2008; and the window of opportunity that has opened up in the past two years.

In the author's opinion we are currently witnessing the convergence of five new factors which, if handled properly, can lead us to a free, democratic and indivisible euro-Atlantic security community without the dividing lines, conflicts and spheres of influence that have lingered on in the northern part of the world since the fall of the Berlin Wall.

These factors are a new US administration with a more multilateral vision of the world and a desire to "start over from scratch" in its relations with Russia; the entry into force of the Lisbon Treaty, which for the first time equips the EU with the tools it needs to become a genuine global actor; NATO's new strategic concept adopted at Lisbon in November 2010, despite its limitations; the first OSCE summit since 1999; and the Russian president's modernising project aimed at restoring the country to its former major-power status.

On 7 February NATO Secretary-General Anders Fogh Rasmussen drew attention to the dramatic cutbacks Europeans are continuing to make in defence and warned that "Europe simply cannot afford to get out of the security business"[8].

Two facts explain this concern—which is by no means new, as proven by Robert Kagan in his metaphor of Venus and Mars ten years ago in Power and Weakness:

In two years (the first two of the crisis) Europe's military contribution to defence has been cut by some 45 billion dollars, a figure similar to the entire annual military budget of the GFR;

Whereas 10 years ago the US accounted for somewhat less than half of NATO's total defence expenditure, the figure is now closer to 75% and, as Rasmussen warns, "it will continue to grow, even with the new cuts in the Pentagon's spending that US defence secretary Bob Gates announced last month"[9].

This trend is of particular concern to Washington—indeed, we should all be worried unless the necessary measures are taken to counter its negative effects—because it goes against what the main emerging powers are doing. According to the SIPRI (Stockholm International Peace Research Institute), China has tripled its defence spending in the past decade and India has increased its by nearly 60%.

The Alliance's Secretary-General went on to point out that "too many people in Europe were coming up with 'naïve' and 'dangerous' suggestions that the continent should engage in humanitarian projects, leaving the US to do the hard fighting in conflict situations". He proposed instead that "European nations needed to boost their presence in the NATO family, pooling capabilities and coordinating policies to develop what he called 'smart defence'".

Austerity without loss of efficiency is the major challenge as we turn into the second decade of the 21st century. Some countries, such as France and Germany, apart from further major cuts in their military budgets, began to address it in 2010 with two important defence cooperation treaties along the lines established years ago by the Northern European countries. It is a difficult path for countries so jealous of their military autonomy but necessary in order to maintain and improve security with fewer means.

After recognising the effects of the end of the Cold War, 11 September and the economic crisis on the so-called "fragile states", Cristina Manzano Porteros, editor-in-chief of the Spanish edition of Foreign Policy, analyses the vicious circle of underdevelopment, instability and conflicts. She identifies the most

[8] "Nato chief warns Europe …". FINANCIAL TIMES. 7 February 2011, p. 3.
[9] Ibid.

dangerous cases for the world and examines what has occurred in each of them over the past months, from Sudan to North Korea, to Pakistan. She unravels the effects of terrorism, proliferation, organised crime, piracy and climate change on the most serious conflicts, points out some of the political solutions adopted so far and, after reflecting briefly on how the problem is recognised in the most recent security strategies, proposes that it be addressed as a common task shared among states, with a much greater involvement of the emerging powers, international organisations and the new actors.

In the threat the terrorism of Al Qaeda continues to pose to Europeans ten years on from 11 September, Professor Fernando Reinares distinguishes four main components of the so-called global terrorism: the founding, permanent core; the territorial branches it has progressively established since 2003; affiliated groups; and independent individuals and cells that follow in its wake, even though they have no formal links to the other components.

Why have the main acts of terrorism in Western Europe been committed in Spain and the United Kingdom, and to a lesser extent in the Netherlands, Italy, Sweden and Germany? Why have the largest numbers of arrests of people suspected of Islamist terrorism been made in the United Kingdom, Spain and France since 2006?

To answer these questions, Reinares examines historical background factors (colonialism or a past under Muslim rule), the geographical position of each country, the size and composition of the existing Muslim communities, the economic importance and global presence of each European state, its foreign policy, national elections and other factors such as security measures, especially those aimed at Al Qaeda, and decisions such as the publication of the caricatures of Mahomet in Denmark and the ban on veils in France.

On the basis of these variables, Reinares concludes that four European countries (United Kingdom, France, Italy and Spain) continue to be first-choice targets of Al Qaeda, followed by Germany, the Netherlands, Belgium, Denmark and Sweden.

Ten years on from 11 September, it is necessary to recall the circumstances that led Al Qaeda in the mid-1990s to make Afghanistan its base or haven for striking its enemies and the risk of generating a situation that is equally serious or more so unless a regime capable of stemming it is established on Afghan territory.

With great difficulty, Obama has progressively remedied some of the excesses and errors of the Bush administration's reaction to 11 September. After spending two years gathering information on its effects for the Washington Post,

Dana Priest and William Arkin come up with some significant facts on this tenth anniversary[10].

- In a decade the US government has established or reconfigured 263 organisations to tackle some aspect of the so-called war on terror.
- Spending on the secret services during this period has increased by 250%, and is well over 75.5 billion dollars a year: more than what the rest of the world spends put together.
- The US has constructed 33 buildings or complexes for old and new intelligence bureaucracies alone, which occupy more than one and a half million square metres: the equivalent of 22 Capitols and 3 Pentagons.
- The new Department of Homeland Security is being built some 8 kilometres south of the White House, with a budget of 3.4 billion dollars, to house its 230,000-strong workforce.
- The new security system currently in place produces 50,000 reports every year, some 136 a day, which means that most, as always, will never get read. Many are trivial and "could be produced in an hour using Google", points out Fareed Zakaria in his summary of the Post investigation[11].
- Fifty-one different centres in 16 states monitor the money that flows in and out of terrorist organisations, but their coordination of the information leaves much to be desired.
- Some 30,000 people in the US alone are employed to listen in on phone conversations and monitor terrorism in other media, and yet nobody realised what Major Nidal Malik Hasan was up to at the Walter Reed Army Medical Center. Nobody paid attention to, or passed on to the right superiors, the warnings of Nigerian Jihadist's father about the attack his son was preparing in the US.

Does the fact that Al Qaeda has not managed to deal the US another blow similar to 11 September justify such an effort? Unlike earlier mobilisations for war, which were always accompanied by emergency laws and, on occasions, abuses of power, the problem with this campaign is that, as with the Cold War, nobody knows how it will end. Worse still, it was clear that the Cold War would disappear when the USSR did. However, nobody knows at what point we will be able to claim victory over terror and abolish all the special powers adopted in the past ten years.

The arrest or elimination of the leadership of Al Qaeda, and the destruction of its operational base in Afghanistan and Pakistan would undoubtedly help, but the terrorist threat will not go away with the death of Osama Bin Laden.

[10] The original texts can be consulted at http://projects.washingtonpost.com/top-secret-america/.
[11] "What America Has Lost". *Newsweek*. September 13, 2010, p. 8.

If the success or failure of a strategy is measured by its continuity, it is difficult to gauge the success of the international intervention in Afghanistan, as it has been modified practically every year since 2001.

In his report on the changes made by the Obama administration since 2009, Colonel Amador Enseñat Barea analyses the progress and setbacks of the past year in the Afghanisation, institutionalisation and regionalisation needed to overcome the conflict.

The replacement of General McChrystal by General Petraeus last summer, Enseñat explains, spurred "a change of strategy—the focus shifted from physically eliminating the insurgents to protecting the civilian population" and five major consequences: the need to minimise civilian casualties; more forces on the ground; the consequent danger of more coalition casualties; the need to earn the support of the civilian population; and the duty to measure the results correctly.

The corruption of the local authorities, the increase in casualties and opium production, the different mandates of the allied forces, the difficulties faced by civilian reconstruction as the Taliban area of action is spreading, the limited impact of external assistance and the limits of cooperation with key neighbours such as Pakistan and Iran have sparked an intense debate within the western strategic community, giving rise to three proposed courses of action: a more realistic strategy focused on eliminating Al Qaeda and a pact with the Taliban facilitating the gradual withdrawal announced by Obama starting in July 2011; more resources and time to conduct an effective counterinsurgency campaign; or a combination based on a de facto partition of the country, devoting resources chiefly to reconstruction in the North and focusing counterterrorist operations in the South.

In times of prosperity and evident progress, the European allies might agree to allow their troops to remain for an indefinite period in a failed state like Afghanistan if they were convinced that such a sacrifice were necessary to prevent new attacks such as 11 September, 11 March and 7 June. The economic crisis, paltry progress on the ground and public opinions increasingly less favourable to intervention make it impossible to keep up the current level of forces in Afghanistan indefinitely. Save for last minute changes, the promised withdrawal from this year onwards would be merely symbolic.

After many years, the EU is finally beginning to admit that, without energy security, it is unlikely to be able to consolidate its role as the global actor it wants to be.

According to the main observers of the sector, the gas and oil industry has begun a decisive transition on account of the growing weight of Asia in de-

mand and investment and the—always relative—decline of Europe and North America in the global balance. As a sector in which geography exerts huge influence, this transition will have major geopolitical implications and an unprecedented impact on the industrial policy of the main regions.

Asia is consuming more than can be met by the surplus produced by the Middle East, and Europe therefore will no longer be able to depend on this surplus as it has done in the past to make up for its own shortage of oil. It will have to look to Russia and compete with Asian importers for new supplies in Western Africa, northern Iraq, Central Asia and Western Siberia.

As a result, the EU needs a stable relationship with Russia that guarantees energy investments and imports, limiting with appropriate preventive strategies any national policies that may jeopardise supply.

In the chapter devoted to this challenge, which ends this year's Strategic Panorama, Antonio Blanc Altermir, professor of International Public Law and International Relations, recalls the conditions (self-sufficiency, diversification, interdependence and guaranteed supplies at affordable prices for sustained growth) needed to achieve this security. He shows the gap between the rhetoric and the reality of the EU until 2005 and the slow progress made in recent years: the Green Paper and the Energy Community Treaty of 2006, the Action Plans (2007-2009 and 2009-2014), the priorities established up to 2020 and, lastly, the progress made possible by the Lisbon Treaty.

To take advantage of it, "greater integration between energy policy and foreign policy" will be essential, warns the author. After pointing out the deep differences Russia and the EU need to overcome to achieve a genuine balanced strategic partnership and the underlying political reasons for the disruption to the supplies from Ukraine in 2006 and 2009, which drew attention to Europe's vulnerability with respect to Russia, Blanc believes that the EU must commit itself much more firmly to the so-called "South Corridor", to closer relations with the countries of transit and to diversifying sources of supply.

After studying the advantages and disadvantages of each of the alternative projects and the limits of cooperation with Russia, Blanc proposes integrating security of energy supply into the CFSP and the External Action Service and improving relations with the producer countries of Central Asia, the Caspian Sea, the Gulf, the Mediterranean and West Africa.

Crisis and security

Although the worst of the financial crisis seems to be over now in most of the world, as pointed out in the two previous editions international security con-

tinues to be largely conditioned by the effects of the crisis on growth, unemployment, the evil called sovereign debt, budgets, trade, immigration, external aid, democratisation, diplomacy and war, with its new cybernetic dimension in full expansion.

After shrinking by 2.2% in 2009, according to the World Bank the world economy grew by 3.9% in 2010 and trade, which plummeted by 11% in 2009, grew 16% last year. The paradox is that whereas the richest countries grew by just 2.8%, the so-called emerging economies grew by 7% (China 10%, India 9.5%, Latin America 5.7% and sub-Saharan Africa 4.7%).

The news therefore lies in the new world economic division—a division that is repeated at the regional level in Europe in the central economies, headed by Germany, and those of the periphery, among them Spain, which has been forced to undertake deep fiscal, financial, labour and pension reforms in the past year in order to return to growth and start reducing unemployment, which rose to over 20% in 2010.

At the beginning of 2011 a slight improvement may be glimpsed in the markets' perception of the future of the Spanish economy, which is inseparably bound to the EU's ability to continue progressing towards greater integration.

Starting from the link between economy and security pointed out by Adam Smith in The Wealth of Nations, Professor Fonfría explores the many, complex strands of the relationship between security, trade, growth, development, terrorism, defence and democracy in order to arrive at some very interesting conclusions:

- Globalisation, which has rescued millions of people from poverty, increases the vulnerability of many countries and makes it more contagious at times of crisis.
- There is a relationship between the number and intensity of conflicts, income from exports and prices of commodities, in that the fluctuations these prices have experienced in the past three years have increased the instability of many countries.
- The greater the impact of austerity measures on levels of social unrest the less consolidated democracy is in a country.
- How growth is distributed in each society is more relevant to security than growth itself.
- Development assistance, which is more necessary than ever for the weakest countries in times of hardship, has been progressively trimmed: from 0.54% of the gross national income of the donor countries in 1961 to 0.31% in 2008.
- Some studies point to a significant connection between economic trends and terrorist activity, and we could therefore expect to see a rise in terrorist acti-

vity in areas worst hit by the crisis and with fewer means of defending themselves. In the age of globalisation, this activity is increasingly less limited to the areas of origin.
- Income expansion policies to not lead to a reduction in terrorism, but situations of economic depression do.
- If the level of growth witnessed in recent years continues, with such significant differences between the developed and emerging countries, unless sudden changes are recorded in this trend—something which can never be ruled out—convergence will be reached.

The Chinese challenge

Will the new balance of power be more dangerous or unstable than the current one? Will the US lose its hegemonic position? Will the system be more cooperative or more conflictive? These questions, which pervade Fonfría's entire analysis, were answered by Foreign Affairs magazine in the last issue of 2010.

These are some of its main conclusions:

- Asia's return to the world stage as the main factor of change.
- The risk of the gap between the US and China widening as the divergence between their interests heightens.
- The difficulty of progressing towards a more integrated international system, as emerging powers, even if democratic, have increasingly different agendas.
- The difficulty of fostering cooperation to address the so-called global challenges.
- Strengthening of non-state actors, from NGOs to terrorist organisations, especially in the weakest states.
- Loss of the influence of the US in relation to other actors, state and non-state, unless the world's main power curbs its growing debt, which currently stands at more than 14 trillion dollars.
- The need for a substantial increase in agricultural production in Africa in order to prevent famine from striking again. Tropical Africa produces less than one-third of what is produced today in Asia or Latin America measured in tons per hectare. In order to reverse this situation, the countries in the region need more assistance. Of the 22 billion promised at the G-8 summit in Italy (L'Aquila), only 350 million have been granted two years on[12].
- The resurgence of all religions, including Christianity, even in Europe where secularisation has increased the most.
- Drops in the birth rate in half the world and surplus labour in only one region, sub-Saharan Africa.
- Recovery of the democratic impetus thanks to the technological revolution driven by the Internet.

[12] SACHS, Jeffrey. "To end the food crisis, the G-20 must keep a promise". FINANCIAL TIMES. February 19, 2011, p. 9.

- Growing dependence on better education to maintain and improve competitiveness.

In contrast to the army of prophets of doom who, as every few years, once again speak of the imminent end of US primacy, Joseph Nye reminds us of the dual economy, the demographic problem, the abysmal difference in income per capita and the frail legitimacy of the political system in China. "Chinese leaders will have to contend with the reactions of other countries as well as the constraints created by their own objectives of economic growth and the need for external markets and resources", warns Nye. "Too aggressive a Chinese military posture could produce a countervailing coalition among its neighbours that would weaken both its hard and soft power"[13].

In 2010 we observed the first specific expressions of this reaction in Beijing's inflexible monetary-policy stance; its disproportionate reaction to the award of the Nobel Prize to the dissident Liu Xiaobó and against Japan after a Chinese fishing boat collided with two Japanese patrol boats; its response to the sinking of the South Korean ship Cheonan in March; and the artillery exchanges between the two Koreas in November.

All this clouded China's coronation in July as the world's second biggest economy, having overtaken Japan; the election in October by the plenary of the Communist Party of Xi Jinping as likely successor to Hu Jintao; and the success of the Chinese president's visit to the US in mid-January of the present year.

Aware of the misgivings triggered in 2010, on 19 January, during his first state visit to the US, President Hu Jintao placed particular emphasis on China's commitment to peaceful and pragmatic international relations.

During the first ten months of 2010 the United States' trade deficit with China increased by a further 20% and could rise to more than 270 billion dollars in the past year, another historical record that reinforces Beijing's power as the world's leading creditor, its capacity for military modernisation and the resources it devotes—and has been devoting—to a foreign and security policy that is much more active on account of its reserves, which amount to some 3 trillion dollars.

And it exerted its renewed influence by turning a blind eye to the excesses of North Korea; reducing military cooperation with the US to a minimum in retaliation for America's sale of arms to Taiwan (6.7 billion dollars-worth of radars, helicopters and missiles) and for the Dalai Lama's visit to Washington; and by cutting exports of strategic minerals (the so-called rare earths) to Japan

[13] "The future of American Power". *FOREIGN AFFAIRS*, November/December 2010, p. 5.

and the West following the incident involving its fishing boat and the Japanese coastguards.

More worrying still to the Pentagon's leaders is China's response to the latest manoeuvres conducted by the US and South Korea—parallel manoeuvres carried out at the beginning of November in China's South Sea involving more than one hundred ships, submarines and aircraft, to which 200 officers from forty countries were invited—and the massive cyber-attack launched from Hong Kong a year ago on Google, which ended up agreeing to nearly all Beijing's terms in order to continue to operate in Chinese space.

In his latest book (Monsoon: the Indian Ocean and the Future of American Power), Robert Kaplan concludes that, just as with the Panama canal the US pursued dominion of the Caribbean in order to become the hegemonic power of the Western hemisphere, China aspires to dominate the South Sea of China in order to become the hegemonic power throughout most of the Eastern hemisphere[14].

Without its help it will be very difficult to bring about a peaceful transition in North Korea. In autumn Pyongyang recognised that it is building a light water nuclear plant and has a working uranium enrichment facility equipped with 2,000 operational centrifuges. If this is true, its nuclear programme is much more advanced than previously thought.

Experts believe that, weakened by the heart attack he suffered in 2008, North Korea's president Kim Yong-il has authorised the latest military aggressions in response to the manoeuvres of South Korea and the US in the area to quell any internal resistance to the apparent choice of his third son, the young Kim Jong Un, as his successor.

Whether or not he will succeed will largely depend on how long he has to make the transition. Kim Jong Un, who is aged 28 or 29, made his first public appearance at a meeting of the Workers' Party in October. He was made a four-star general, joined the Central Committee and elected vice-president of the Military Committee. Given the nature of the regime, it is unlikely that the Kim family will suffer the same fate as the Mubarak family in Egypt and the Ben Ali family in Tunisia, who were forced to step down from power at the beginning of 2011.

The Arab Revolution

Following the protests against the dictatorial regimes in North Africa and the Near East in which hundreds of people were killed and thousands wounded in

[14] An extensive summary of the book can be found in "The Geography of Chinese Power …" *FOREIGN* AFFAIRS. May/June 2010, p. 22-41.

Tunisia and Egypt alone, Moisés Naím has detected two principal causes: the world crisis and corruption.

"The crisis slowed down Egypt's growth, reducing the benefits that the population was beginning, very slowly, to obtain from these changes", he points out. "But more importantly widespread corruption, long tolerated by Mubarak, caused the economic reforms to be experienced by the people as yet another deceit of a government that pandered to the rich and ignored the poor".

"In all this", he concludes, "there is an important lesson for the Egypt of the future. Its economy has no hope of generating the jobs needed to employ its growing young population unless the changes that began to be introduced are deepened and widened (…) But to speak of reforms like those of Mubarak and, more still, carry them out are pills that his successors will have trouble swallowing. This tension between unpopular economic reforms and the people's impatience will shape the future of the great Arab country"[15]. This diagnosis may be applied, with reservations, to the rest of the Arab world and to other parts of the planet.

"Historians of revolutions are never sure as to when these great upheavals in human affairs begin. But the historians will not puzzle long over the Arab Revolution of 2011", points out Fouad Ajami, a professor of Arab Studies at the Johns Hopkins University School of Advanced International Studies and a senior fellow at the Hoover Institution[16].

When the young Tunisian street seller Mohamed Bouazizi set himself on fire in the city of Sidi Bouzid after the police confiscated his cart and slapped him, he lit the fuse of frustration and discontentment with the regime. It proved to be the spark which, with the help of old and new media, ignited the powder keg.

"The Arab dictators had taken their people out of politics, they had erected and fortified a large Arab prison, reduced men and women to mere spectators of their own destiny, and the simple man in that forlorn Tunisian town called his fellow Arabs back into the political world", adds Ajami.

The structural causes of the Revolution are an open secret with which any Arab is familiar: predatory regimes, huge wealth in the hands of a minority while millions live in misery, vain leaders organised into clans and increasingly far removed from reality, harsh censorship and propaganda machinery to silence criticism, systematic torture in filthy prisons and state terrorism.

The information has been available for years in the successive Arab Human Development Reports (AHDRs) which the RIE has been publishing in Spanish

[15] "Después de la luna de miel". *EL PAÍS*, 6 February 2011, p. 6.
[16] "Demise of the Dictators". *Newsweek*, 14 February 2011, p. 16-23.

and in the yearbooks of the leading human rights organisations such as Human Rights Watch and Amnesty International. The 2009 AHDR, the fifth in the series compiled by a prestigious group of researchers from the leading Arab countries, points to a region of 360 million inhabitants with an average age of 22 (the world average is 28), 60% living in urban areas (double the number half a century ago), scant or little growth since 1980, one out of five beneath the poverty line (2 dollars according to the UN) and economies incapable of meeting the need to create more than 50 million jobs in ten years.

Ajami and many other observers of the Arab world distinguish between the despotic tyrannies established in the 1960s and 1970s in Libya, Syria, Iraq, Egypt, Yemen, Algeria and Tunisia, and the equally tyrannical but more legitimate monarchies of Jordan, Saudi Arabia, Morocco and the Gulf, and point out, as a model of conduct of the former, Hafez Assad's scourge of the Syrian city of Hama in 1982 resulting in 20,000 deaths to crush a Sunni revolt against the Baathist dictatorship. From then onwards the more or less moderate authoritarianism of these republics gave way to a new, unlimited sultanate which, in recent years (unconceivable in Nasser and Sadat's day), attempted—successfully in the case of Syria—to become hereditary dynasties, as in North Korea.

For the first time in many years the new Arab Revolution is an internal affair which took the hegemonic superpower by surprise, no doubt because its actors have not found the necessary support to win back their reigns in any US or European government since the 1970s. Paradoxically, the fact that the mobilisation sprang up without the support of the US or of the traditional Islamic movements of the countries involved facilitated its unexpected success.

Many have criticised the hesitation of the White House and the EU during the first days of demonstrations and the firmness with which President Barack Obama, even undermining the authority of some members of his administration and turning deaf ears to allies as important as the Israeli and Saudi Arabian leaders, subsequently backed the change. A simple explanation is that ideologically, Obama saw in the demonstrators' demands a fairly faithful reflection of what he himself had defended in his historic address delivered in Turkey and Egypt in the first months of his term in office.

Another explanation could be the Presidential Study Directive received by Obama in August 2010: a classified 18-page report on flashpoints in the Arab world, especially Egypt, and the short- and medium-term risks if sweeping political changes were not made. Coordinated by the senior adviser for the Middle East, Dennis Ross, the report identified the keys to success and failure in previous democratic waves such as those of Latin America, Central and Eastern Europe and Southeast Asia, exploring in depth the case of Indonesia in 1998; recognised the effects of the new media; and proposed new albeit risky

alternatives to the situation of exhausted allies and uncertain changes which has brought the West's policy in the region to a standstill[17].

Throughout half a century local dictators presented themselves as the only alternative to chaos and Islamist radicalism, and the major powers backed them bearing in mind certain priorities (security of Israel, access to oil, control of strategic canals and straits, fight against Al Qaeda…) that did not include democracy.

The protests in the Arab countries, which within a matter of weeks forced the Tunisian and Egyptian presidents Ben Ali and Hosni Mubarak to step down, overshadowed other security problems at the Munich Conference in 2011, where the World Bank's president Robert Zoellick recognised that "rising unemployment and food prices were some of the issues that have led to 'the instability' in the Middle East"[18].

According to the UN Food and Agriculture Organization (FAO), food prices reached a new historic high in January with the seventh consecutive monthly increase, even rising above the figures recorded in June 2008 and triggering revolts in dozens of countries. The FAO Food Price Index—which analyses trends in the price of 55 food commodities—soared to 230.7 points in January, above the previous record of 224.1 points recorded in June 2008. Wheat rose by 110% between January 2010 and January 2011; corn by 87%; soy by 59%; and sugar by 22%.

The Arab regimes, harassed by their citizens, immediately lowered prices to ease the tension, but by then it was too late, as this time the socioeconomic malaise that underlay the protests, unlike in many earlier revolts triggered by similar causes, had become completely politicised.

The demonstrators began to demand political changes, constitutional reforms, trials for torturers, lifting of the state of emergency and free elections. The governments, having lost their monopoly on information, reacted late and badly. As if this were not enough, in the documents of the Department of State leaked by Wikileaks in autumn 2010 the Arabs saw the worst excesses of their tyrants confirmed and denounced by US diplomats.

Deep-rooted complicities of powers like France, the United Kingdom, Germany and Italy with the North African regimes and the spectre of the Iranian revolution of 1979 paralysed the main western foreign ministries for days and to an extent prevented a unanimous and forceful response in favour

[17] See Mark Landler's analysis, "Secret Report Ordered by Obama Identified potential Uprisings". *New York Times*, February 16, 2011.
[18] DEMPSEY, Judy. "Munich Conference Focuses on Middle East". *The New York Times*, 4 February 2011.

of change, which would have been desirable. By mid-February the transition had already begun in Tunisia with the removal from power of the main people responsible for the previous regime, whereas in Egypt on 11 February Mubarak was replaced by a Military Council headed by the defence minister, Mohamed Tantaui.

During their first days of government, while the country began to return to normal, the Egyptian military met the representatives of the demonstrators; announced free elections in September; dissolved the two houses of parliament; suspended the constitution of the Mubarak era; appointed an eight-member constitutional committee to reform the constitution in ten days; convened a referendum to vote on these reforms in two months' time; and guaranteed the continuity of all the international treaties signed by the previous regime—an important message designed to put Israel at ease.

The young people of the April 6 Movement who had launched the protests at the end of January welcomed these initial measures with satisfaction, but continued to press for the abolition of the emergency law as soon as possible, guarantees of freedom of expression, the release of political prisoners and the establishment of a national dialogue with the main civilian forces to agree on the roadmap to democracy.

The citizens' loss of fear and the final refusal of the army, pressed by the Obama administration, to use force against the demonstrators in order to maintain Mubarak in power, overcame the resistance of the Egyptian president, who insisted for two weeks on continuing in his post until September, when his mandate ended.

The future continues to be full of risks. At the time of writing this article the revolutionary fever was spreading to other Arab countries such as Algeria, Bahrain, Libya and Yemen, as well as to non-Arab countries with a decisive influence in the region, such as Iran. The use of force by law enforcement in all four cases shows that, if it becomes consolidated, the fourth wave of democracy will not be easy.

No transition is, and that of the Arab countries is no exception, but the economic and demographic changes of the past thirty years, the growing influence of civil society and the impact of the new media have created a common space for public opinion that is much more plural and freer than ever before in history.

Can countries like Morocco, Saudi Arabia and Jordan remain unaffected by the process? Despite their differences, they will find it more and more difficult the longer their monarchic regimes delay the economic and political changes their citizens are calling for, like the young people in the rest of the region.

Israel and some western intelligence services share the fear that, despite the changes, a non-Islamic democracy may not be possible. To support their arguments they quote the results of the free elections in Gaza in 2006 which were won by Hamas and those held in Egypt in 2005, in which the Muslim Brothers secured 88 seats; the fact that the Brothers are the only truly organised opposition in the country; and what has happened in Iran since the revolution of 1979. They overlook or prefer to ignore the end of Suharto's dictatorship in Indonesia in 1998; the gradual consolidation of democracy in Turkey; and the huge mobilisation against the Iranian regime following the elections in 2009.

The western democracies should reconsider the old strategy, pursued for decades in the Arab world, of preaching democracy and human rights and ignoring their systematic violations in exchange for the support of their governments.

Will the new regimes that emerge from this Arab Revolution make a rapprochement with Iran? Will the Iranian leaders at last loosen their grip in domestic policy? Will Israel finally help settle the conflict with the Palestinians by providing them with a feasible state? If the 30-year chilly peace with Egypt cools down any more, will Israel seek compensation by signing a peace agreement with Syria? Has Syria been immunised against the virus by its anti-Israeli policy, fear of the chaos of Iraq and its hefty repressive machinery? Is it inevitable, as many claim, that Al Qaeda will step up its actions in the region to undermine the success of the reforms and facilitate the most radical Islamists' access to power?

As Rashid Khalidi, professor of Modern Arab Studies at Columbia University, warns, the future of Egypt's transition will depend above all on whether the police state is dismantled as soon as possible, as appeared to be beginning in Tunisia after the removal from power of Ben Ali[19]. The rapid formation of broadly representative transition governments to negotiate the new game rules will facilitate the process. The longer the military continue to cling to power the more difficult it will be.

As occurred in Southern Europe, Latin America and Central and Eastern Europe, every Arab country that embarks on the process of reforms will follow a different path, but it would be wrong to oppose this process from the West for fear that these countries may fall under the control of Islamic radicals. The risk exists, but it is much more likely to become a reality the greater the internal and external resistance to the demands for justice and freedom voiced by millions of Arab citizens of all ages, classes and ideologies. In other words, the worst mistake that can be made in processes of this kind is to regard change as the enemy instead of attempting to influence this change efficiently by providing as much assistance as possible, but without the slightest hint of interference.

[19] Statements made to the programme "Democracy in the Arab world?" *EMPIRE*. Al Yazeera, 7 February 2011.

"For five decades the Middle East has been force-fed a political discourse based on grand ideologies", concluded Fareed Zakaria in an article published in TIME in mid-February "For the Iranian protesters, America was not just a country or even a superpower but the 'Great Satan'. What is happening in Egypt and Tunisia might be a return to a more normal politics, fuelled by the realities of the modern world, rooted in each country's conditions. In this sense, these might be the Middle East's first post-American revolutions"[20].

Aware of the strategic interests at stake for Spain and the rest of the western allies in what Zbigniew Brzezinski termed "the arc of crisis" more than thirty years ago, we cannot be too cautious, but to carry on shielding ourselves in the Islamist threat of Al Qaeda to prevent 360 million people from embracing democracy, a system that is more plural and respectful of citizens' dignity, will not help defend these interests any better—quite the opposite in fact. Nothing would do greater harm to the radical Islamist ideology than the consolidation of freer and more plural regimes in the Arab world.

This appears to be the opinion of the Spanish government. During a trip around Israel and the Palestinian territories, the Spanish minister of foreign affairs, Trinidad Jiménez, summed up in three ideas Spain's diplomatic stance towards the foreseeable and encouraging changes in the Arab world:

- Democracy is a stability factor;
- It is not to be feared;
- We cannot ask of other countries something other than we want for our own[21].

These were the same arguments with which her predecessors of the main political parties, the PP and the PSOE, have defended Spain's support for the EU's successive southward and eastward enlargements since the mid-1990s.

Democracy and security

The second Arab Liberation or Revolution, as Zakaria christened it on the cover of the aforementioned issue of TIME, almost completely eclipsed everything else on the international agenda for 2011, which had been dominated by the setbacks suffered throughout the previous twelve months (owing largely to the crisis) by the three "horsemen" of the post-Cold-War period: democracy in politics, a free market in the economy and collective security in defence.

"Authoritarians feel secure", concluded Alan Sorensen in his progress report 2011 for the Current History magazine, while "the global economy is only

[20] "Revolution and what it means for the Middle East". *TIME*, 14 February 2011, p. 24.
[21] Statements made in Jerusalem reported by EFE news agency. 8 February 2011.

slowly recovering from the 2008 financial crisis. Terrorist plots and Beijing's ambitions continue to stir anxiety"[22].

In Freedom House's latest Freedom in the World survey for 2010, only one country (Israel) featured on the list of free countries out of the 18 countries and three territories (Western Sahara, Gaza and the West Bank) of North Africa and the Middle East that were analysed. Three (Lebanon, Kuwait and Morocco) managed to qualify for the category of "partially free".

According to the report, 2010 was the fifth consecutive year in which global freedom suffered a decline, the longest period of consecutive setbacks in the nearly 40 years since the first report was published. Twenty-five countries suffered declines, whereas only 11 achieved some progress. Prominent among the former are Mexico, Ukraine, Ethiopia, Ivory Coast, Egypt, Kuwait, Rwanda and Sri Lanka. The second group include notably Colombia, Guinea, Kenya, Kirghizstan, Moldova, Nigeria, the Philippines and Tanzania.

"Another source of concern was the continued poor performance of the countries of the Middle East and North Africa", was the premonitory warning issued by Arch Puddington, in his overview essay. "The region […] deepened its multiyear decline from an already-low democratic baseline"[23]. The number of countries in the "free" category dropped from 89 to 87, but much more worrying is the number of electoral democracies, which fell to 115, the lowest since 1995.

Organised crime in Mexico and Guatemala, the effects of the economic crisis in Eastern Europe and the Baltic states, the escalation of repression in China before and after the award of the Nobel Peace Prize to the dissident Liu Xiaobó and the toughening of measures against immigrants in many countries, beginning with France and Italy, account for the deterioration in democracy over the past year, which is particularly worrying as it coincides, according to Freedom House, with a worrying "growing inability or unwillingness on the part of the world's democracies to meet the authoritarian challenge."

If the Arab Revolution is successful, a disruption of this trend would be the best news for security and peace in 2011, for as the German philosopher Immanuel Kant anticipated in the 18th century, states with representative institutions, democratic control, balances and the rule of law do not make war. An opposite doctrine has also gained ground: drawing from the The Prince and from the politics of Richelieu and handed down to the present through Morgenthau and Kissinger, both eminent scholars of 19th-century diplomacy, who are convin-

[22] "GLOBAL PROGRESS REPORT, 2011. Globalization and the Problem of Evil". *CURRENT HISTORY*. January 2011, p. 3.
[23] *FREEDOM IN THE WORLD 2011. The authoritarian challenge to democracy*. Freedom House. New York, p. 1. http://www.freedomhouse.org/images/File/fiw/FIW_2011_Booklet.pdf.

ced that peace is never the result of good will and is only achieved by a balance of forces.

As is almost always the case, the truth lies somewhere in between. This conclusion was reached years ago by the team of researchers of Professor Bruce Russett in Yale:

- democracies are less likely (a 1 in 8 chance) to use lethal violence against other democracies than against authoritarian regimes or than authoritarian regimes on each other;
- stable and sovereign democracies have never made war in the modern international system (by using the adjective "stable" the authors cover the exception of Germany from 1932 to 1945);
- peace between democracies is not only the result of the economic or geopolitical nature, which undoubtedly have their influence, but also of the democratic regime [(24)];

Based on these data nobody can be surprised that, together with North Korea, Iran was once again one of the main sources of international tension in 2010.

Iran and the cyber war

The Iranian regime continued to progress towards nuclearisation, despite the new international sanctions approved by the UN Security Council in June, several terrorist attacks on its scientists and cyber-attacks against its centrifuge plants.

As usual, Israel neither denies nor confirms its responsibility for the bombings against Masoud Ali Mohammadi in January and against Majad Shahriari and Abbasi Daban in November. Nor has it acknowledged responsibility for the worm Stuxnet, which infiltrated the computers of the Iranian nuclear programme and rendered useless a thousand or so centrifuges and caused failures in another five thousand, although Richard Clarke, former White House counterterrorism and cyberwarfare adviser, is convinced that Israel is one of the two countries involved in these attacks[(25)].

"Stuxnet is the start of a new era," says Stewart Baker, former general counsel of the US National Security Agency. "It's the first time we've actually seen a weapon created by a state to achieve a goal that you would otherwise have used multiple cruise missiles to achieve"[(26)].

[(24)] MANSFIELD, Edgard and SNYDER, Jack. "Democratization and War". *FOREIGN AFFAIRS*. Vol. 74. No. 3. May-June 1995, p. 88.
[(25)] "Target: IRAN…" *Newsweek*, 20 December 2010, p. 26-31.
[(26)] Ibid.

Seymour Hersh, one of the leading US investigative journalists since the Vietnam War, is not as sure as Clarke of the success of Stuxnet.

"Victims, most of whom were unharmed, were able to overcome the attacks, although it sometimes took hours or days to even notice them", he writes. "If Stuxnet was aimed specifically at Bushehr (the Iranian plant), it exhibited one of the weaknesses of cyber-attacks: they are difficult to target and also to contain. India and China were both hit harder than Iran, and the virus could easily have spread in a different direction, and hit Israel itself"[(27)].

It may be inferred from Hersh's research that for the time being what worries the Pentagon the most is protecting itself against possible attacks on infrastructure such as the electricity network and the theft of intellectual property. Cyber espionage and cyber "pillage" are a much more immediate threat than cyber war. As an emergency solution, John Arquilla, who teaches at the Naval Postgraduate School in Monterey, proposes encryption, but the secret services and law enforcement officials are reluctant because of fear that it would interfere with their ability to track down criminal groups and international terrorists.

Whilst Stuxnet "has delayed the Iranian centrifuge program at the Natanz plant in 2010 […] it did not stop it or even delay the continued buildup of LEU", conclude the researchers of the Institute for Science and International Security in their final report on the operation ([(28)]. It is an alternative to the military attacks on Iran's known nuclear facilities, a tactic many regard as ineffective or counterproductive.

These facts help understand why last year the outgoing director of the US National Intelligence Center, Admiral Dennis Blair, mentioned cyber-terrorism as the chief security threat—more even than the financial crisis—which had taken the place of international terrorism and the proliferation of weapons of mass destruction in 2009 as a priority threat.

In keeping with this diagnosis of the new threats, in mid-December the Pentagon presented its project for a new army corps of some 30,000 troops who, by the time they have completed their training, will be specialists in internet attacks. General Keith Alexander, who is in charge of the National Security Agency and the new Cyber-Command, as it is officially known, recognised that the idea sprang up during the Bush administration and was speeded up following the cyber-attacks of last autumn against some multinationals that ceased to cooperate with WikiLeaks, attacks preceded by spectacular interferences by China in Internet traffic.

[(27)] "The Online Threat". *The New Yorker*. 1 November 2010.
[(28)] The full report, written by David Albright, Paul Brannan amd Christina Walrond, is available at http://isis-online.org/uploads/isis-reports/documents/stuxnet_update_15Feb2011.pdf.

Although General Alexander insists that it will be a defence corps and denies that the Department of Defense has any intention of militarising the web, he is confident that it will be capable not only of guaranteeing freedom of action in cyberspace for the US and its allies but also of thwarting that of their adversaries if necessary. Given the priority prevention has in cyberspace, this defence needs to be dynamic in order to prove effective. So important is this field of security that it received as much as or more attention than the financial crisis and protest demonstrations in the Arab world at the Davos meeting in February.

The Cyber Command has three missions: to direct the daily protection of all defence networks and support military and counterterrorist missions in cyberspace; to manage the resources needed in a cyber-war, from the top of the chain of command, represented by the president and the defence secretary, down to the remotest units stationed in any part of the world; and to coordinate operations with the main institutions, both public and private, in and outside the government, in permanent liaison with the Fort Meade headquarters of the Defense Information Systems Agency[29].

[29] See "Defending a New Domain. The Pentagon Cyberstrategy", by William J. Lynn, US Defense Undersecretary, in *FOREIGN AFFAIRS*, September/October 2010, p. 97-108.

CHAPTER ONE

EVOLUTION OF THE ECONOMIC CRISIS AND ITS INFLUENCE ON SECURITY

Antonio Fonfría Mesa

ABSTRACT

The aim of this chapter is to analyse the main effects of the economic crisis that began in 2007 on security. Starting from the economic literature available on this relationship, we will attempt to ascertain the limitations the crisis is currently imposing on major international actors and how this impact may evolve in the near future. The study focuses on international trade, growth, development, budgetary policy and, especially, defence budgets. Special mention is given to Spain, where the crisis, although less intensively than in other countries, has sparked increasing social unrest.

Keywords: Economic crisis, security, defence, social imbalances

INTRODUCTION

The purpose of this article is to bring to attention some of the most significant connections between the economy and security and to analyse the effects of the economic crisis that began in 2007 on security-related aspects. This aim is obviously very wide ranging and impossible to cover in a few pages and we have therefore had to limit the factors examined, endeavouring to study those which are most extensively backed by the scant existing literature.

We found it useful to begin by examining how the economy has contributed to each of the elements studied and then go on to analyse how these problems affect the various economies, using up to date information and future projections whenever possible.

Before analysing the evolution of the economic crisis and its effects on security, it is necessary to point out a few considerations concerning the perspective from which the concept of security is discussed in this article. Many authors have developed a concept of security[1] which encompasses both military aspects and others relating to diplomacy, economic resources, international cooperation, disaster management and the consequences of globalisation. A country's security is therefore not independent of that of other countries or regions. This is one of the chief effects of globalisation, which has intensified relations of interdependence and mutual necessity between actors and countries.

Taking this point a little further, countries' security depends in part on the major multinationals and major agents who operate on the global financial markets, as with their decisions they are capable of altering state policies, strengthening or weakening territorial balances and intervening in aspects hitherto not envisaged, such as the prices of basic goods, which can upset the balances of countries and whole regions. In other words, agents unrelated to security issues in the past have now appeared on the scene.

The diverse risks that have emerged in this connection, particularly since the fall of the Berlin wall, make it necessary to view security from a multifocal perspective, accepting that sources of risk and possible threats that need addressing are many and varied. Basically, we are dealing with a many-sided reality that encompasses issues ranging from interstate conflicts to international terrorism in its diverse forms, cyber-attacks, and energy, environmental, migratory, political, religious and social factors, among others.

[1] See, for example, the review carried out by Garrido, V. (2007) "Introduction", in *Modelo Español de Seguridad y Defensa*, CESEDEN, Ministerio de Defensa de España.

This chapter will begin by tracing the evolution of the worldwide economic and financial crisis, going on to analyse its possible effects on international security before examining some aspects of the Spanish economy.

TIMELINE OF THE CRISIS: KEY ASPECTS

The long drawn out economic and financial crisis which has had us in its grip since 2007 is characterised by certain features previous crises have lacked. This is due chiefly to the current high degree of globalisation, which intensifies the effects of any economic chill, so that the possibilities of contagion multiply exponentially when it turns into a serious flu.

This is the chief explanation for the expansion of a crisis whose origin is almost what matters the least. After all, the problem lies in its spread—in how deeply it is affecting various countries and geographical areas—and in its duration. But it does not end here, as, owing to these characteristics and to the varying seriousness of the sufferers, the remedy generally varies from country to country. And added to this is the fact that some may be allergic to a greater or lesser extent to certain remedies or be better or worse prepared to assume the risks of certain types of medication.

But medical parallels aside, the timeline of the crisis can be taken to begin with some of the leading US banks' announcement of losses at the end of 2007. The credibility of certain financial assets, whose yields were linked to the evolution of mortgage payments on real assets whose value was sliding (subprime mortgages), caused an imbalance that became hazardous in the short term, as a substantial part of many countries' financial systems possessed these financial assets, resulting in a sizeable reduction in the balance-sheet value of many banks and financial institutions.

This situation led to the recognition from other countries, specifically from the United Kingdom, that the mortgage crisis would affect them, which led housing prices to slump by more than 20% in that country. In addition, some French banks suspended investment funds on the grounds that they were "contaminated" by securities of this kind.

At this point a race began to stem the devastating effects of the situation and countries adopted measures aimed at increasing credit on the markets, but mistrust among investors (both lenders and borrowers) exacerbated the situation. More banks announced hefty balance-sheet losses, placing them at serious risk of failure[2]. This situation was unacceptable to governments as it threatened to bring about a collapse of the financial system and greater contagion, becau-

[2] An important case is the investment bank Morgan Stanley, which announced 9-billion-dollar losses.

se the assets nobody wanted on account of their sliding value were scattered among the financial systems of practically all the countries. The crisis spread to Europe, and the European Central Bank found itself having to intervene more than ever before in the monetary market in order to maintain a stable situation in the European Union countries. Bailing out major financial institutions became a problem. The cost this involved, on top of those derived from the crisis, sparked criticism from many countries' economic and particularly social forces about the conduct of financial agents and about those whose excesses, stemming from insufficient market regulation, they were ultimately having to finance.

Nevertheless, the focus began to shift from the financial system to the real economy, pushing up unemployment in the United States, which, coupled with the substantial cost of bail-outs, began to cause the government deficit to get out of hand. This was only the beginning of the economic effects. The powerful energy demand of the emerging countries (particularly the BRICs) sparked hikes in the price of oil, which had soared to more than 146 dollars per barrel of Brent by the summer of 2008. The outlook was particularly gloomy for countries such as Spain, which depend on foreign sources for their energy, and led to another problem, rising external deficit.

The contagion continued and became more and more marked, with worrying signs on several fronts. The effects of rising energy costs, together with the drastic reduction in funds available for investment, placed industrial companies[3] of all sectors at a crossroads, as they were no longer capable of mustering the liquidity necessary to keep up their normal activity. On top of this, the effect of consumers' lack of confidence in the financial system and in labour market trends led them to adopt a precautious attitude to decisions on saving and consumption, bringing about a drastic fall in the latter, which led to a reduction in one of the largest GDP components and exacerbated the problems of depression and rising unemployment[4].

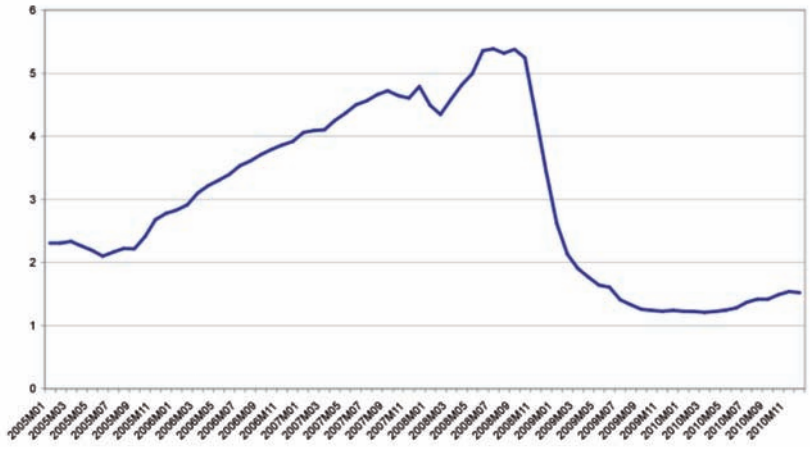
With this outlook, the G-20 met at the end of 2008 and agreed to establish greater cooperation in order to step up the regulation of the financial system and adopt measures to coordinate its movements on a world level. However, internal pressure brought most countries to the brink of protectionist temptations. Logically the issue of major market shortcomings was discussed not in just one but in most of them at the same time. What could be done? The solution seemed to involve the public sector seizing the reins of a market that had failed to regulate itself and lay at the crux of the problems. But this called for sound, strong public sectors capable of devising somewhat harsh regulations

[3] Particularly important is the case of sectors with the potential to drag down the industrial system as a whole, such as the automobile industry.
[4] An in-depth analysis of the international crisis and the crisis in Spain may be found in TORRERO, Antonio *La crisis financiera internacional y económica española*, Encuentro, 2008, 63.

in certain cases—something which, paradoxically, was undesirable a couple of years earlier.

Throughout 2009 policies aimed at stimulating demand struck the keynote. Keynesianism became fashionable again. In view of the markedly negative GDP growth rates and soaring unemployment figures, the solution appeared to lie in stimulating public spending, coupled with a monetary policy of reducing interest rates to encourage investment. The latter policy was so important that within little more than a year the Euribor was slashed from 5.3% to 1.2%--in other words, by 77% (Graph 1). However, the weakness of the euro and a certain lack of coordination within the EU continued to be a major breeding ground for the continued weakness of the community's economies. The intervention in Greece was thus an attempt at putting a brake on this image of European fragmentation, which has such a negative effect on the credibility of policies, and at alleviating pressure on the European currency.

Graph 1
Interbank market. 12-month EURIBOR rates (%)



SOURCE: Compiled by the author from INE data

However, the results do not appear very encouraging, especially in two aspects: the European markets remain under attack, particularly those which have the euro as their currency; and confidence in many countries' markets has yet to recover, causing the stock market indices to experience fluctuations that have little explanation other than the pursuit of short-term profits. While many countries have run up sizeable public debt whose cost is increasing over time, private debt even exceeds GDP in some cases; this is undermining the credibility of some financial systems, something which investors are now taking for granted.

Nevertheless, there is a fact that cannot be overlooked: whereas the EU is focused on licking public accounts into shape as a means of gaining confidence in the markets (keeping both government deficit and public debt in check) and bolstering the euro to enable growth, the United States is attempting to stimulate growth first and moderate the negative trend in public sector accounts afterwards. Therefore, as can be seen, the cost of these adjustments is not as high for the dollar as it is for the euro. And it is at this point that it is appropriate to mention some of the EU's prospects in relation to possible ways out of the crisis.

According to Krugman[5], we can "tough it out" and reassure the markets; restructure debt as a means of improving investor confidence; withdraw from the euro, which would possibly generate more costs than benefits; and finally, what he calls "revived Europeanism"—that is, create Eurobonds so that it is the EU that is responsible for financing countries in trouble, but with moderate costs. There is another option which can provide additional support to finding a way out the crisis: to aim unequivocally for maximum coordination of other policies, particularly fiscal, as has been done with monetary policy. As the economic cycle is similar for all the countries of the euro zone and so are the instruments, the only stumbling block is political. Even though the countries have progressively handed over powers in fiscal matters over the past 15 years, they have retained their sovereignty in this field.

With respect to growth, as graph 2 shows, the trend for the previous years had been for GDP to grow at a rate of between 3% and 4% annually. However, the economic crisis has caused it to shrink by more than 8 percentage points in less than two years. Nevertheless, during 2011-2012 growth is slowing down, although it appears to be holding its own. Perhaps one of the biggest doubts is the behaviour of the financial system of some countries, and their ability to keep up growth in sectors such as housing or the consumption of durable goods. In this respect, the differences between regions of the world indicate that the developing countries will grow by around 6% in 2011 and 2012, whereas the growth of the developing countries will tend to fall between 2.4% and 2.7%, according to the World Bank[6].

All in all, the crisis has substantially modified the economic outlook and is leading the US and European economies in particular to rethink their structures. Changes have taken place in aspects ranging from the forms and intensity of market regulation to access to resources (technological, financial, etc.), as well as in collaboration between countries as a means of minimising the cost of intervention and of stimulating medium-term growth.

[5] KRUGMAN, Paul, "¿Tiene salvación Europa?, El País (16.1.2011). Originally published as "Can Europe be saved?", New York Times (12.1.2011).
[6] WORLD BANK, *World Economic Outlook 2011*, Washington, 2010.

Graph 2.
Real GDP growth. Year-on-year rates

SOURCE: Compiled by the author from Eurostat data. The figures for 2011 and 2012 are estimates.

The aftermath of the crisis goes beyond the traditional indicators of the usual economic variables. In addition to its duration, we should also stress its depth. Patterns of consumption and investment, and the dynamics of international trade and investment have been upset and require a new type of engineering that allows agents to allay the uncertainty generated by the markets. In other words, the economic crisis is in itself one of the main security problems, as it has given rise to a high degree of political instability coupled with aspects such as greater social exclusion stemming from the rise in poverty[7] and unemployment rates. What is more, the financial risks have dented the international structure, as a result of which the balances of power are being affected and greater prominence is being accorded to the BRICs and to other countries involved in decision making within the G-20 and other forums where the distribution of power is negotiated[8], at a time when the situation is clearly prejudicial to the countries which have enjoyed greater influence in the past.

The problem is that some of them are countries whose institutional weakness, lack of democracy or human rights situation may generate serious security problems (or are already causing them), which may be a source of additional risks to international stability and security.

[7] According to the World Bank, 64 million people entered extreme poverty in 2010 owing to the economic and financial crisis. (www.bancomundial.org). Consulted on 19 January 2011.
[8] Such is the case of the International Monetary Fund, as stressed by STEINBERG, Federico "The global recession and its impact on international economic relations La recesión global y su impacto sobre las relaciones económicas internacionales", *Panorama Estratégico, 2009-2010*, Madrid, Ministerio de Defensa, 2010, 37-66.

HOW THE CRISIS AFFECTS SECURITY

A number of authors have brought to attention the relationship between the economy and security, but perhaps the starting point in modern times can be traced back to Adam Smith in his book *The Wealth of Nations*, when he suggests that deterrence is a key factor in ensuring economic growth in a liberalised trade system such that which he examines—which is similar to the one it is currently wished to achieve. In addition, security should be provided by the Sovereign (the State), thereby placing such matters in public hands[9]. Indeed, nowadays it is states that provide defence and security through various mechanisms (chiefly military, political, economic and diplomatic).

From this standpoint, the key question is through what mechanisms security affects growth. This question has been asked on many occasions in the framework of defence economics and an unequivocal answer has yet to be found, as the results can vary substantially from study to study depending on the countries and time frame chosen and the analytical instruments applied[10].

Nevertheless, there is less of a tradition of the opposite question in the field of economics. Indeed, ascertaining the causal relationship between economic trends and the security threats they pose is a complex task. There can be no doubt that such a relationship exists, as some authors have shown[11], but the mechanisms through which this relationship materialises are varied in nature and not always evident or direct. It is here that the effects of globalisation are felt more markedly, and it is therefore held that growing globalisation is affecting the risk of armed conflicts. The fundamental reason for this is economies' greater vulnerability to shocks, particularly from the financial markets and international trade in goods and services. But this is not the only channel, as the consequences of these shocks on other variables are equally marked and trigger a chain reaction of events ranging from the upsetting of the balance of power between and within countries to the reduction of budgetary and economic resources in general, such as productive investment; increased social costs; a fall in the demand for security- or defence-related assets; and a sharp drop in spending on R&D, to cite but a few examples.

The effects of these economic situations are translated to the behaviour of the economic agents and trigger reactions that can cause social imbalances of varying magnitude, some of which may lead to more serious conflicts both within and between states. Nonetheless, the existing cooperation between countries tends to temper the possibility of such conflicts. More still, as some

[9] On this aspect see FONFRÍA, Antonio "Sobre la naturaleza y alcance de la economía de la defensa", *Arbor*, 2011. (in press).
[10] As stressed by BOHEMER, Charles "Economic growth and violent international conflict", *Defence and Peace Economics*, vol. 21, no. 3, 2010, 249-268.
[11] See ELBADAWI, Ibrahim and HEGRE, Håvard, "Globalization, economic shocks, and internal armed conflict", *Defence and Peace Economics*, vol. 19, no. 1, 2008, 37-60.

authors have shown[12], there are major differences in the effects of economic shocks depending on the degree of freedom enjoyed in the countries in question, so that in democratic countries, owing to the fact that democracy is a system which in itself is designed to ensure the peaceful settlement of disputes, the effects of crises usually generate a lower level of high-intensity conflicts of the kind liable to develop into armed conflict.

Generally speaking, until only recently territorial issues were the main triggers of conflicts, but today it seems that they are being supplanted by economic aspects. The economy is thus a source of conflicts which, as McGuire states[13], are normally underlain by the following aspects:

- Shortage of resources linked to substantial increases in demand.
- The impact of behaviour on environmental degradation and health.
- Trade injustices caused by monopolies and monopsonies.
- Movements of people and capitals that affect the redistribution of income (such as migration).
- Effects of the international monetary system, the capital markets and risk transfer.

All in all, the numerous and often unexplored channels through which the economy can affect security make it necessary to select the most important with the most marked effects on the economies as a whole. These channels are examined in the following pages.

INTERNATIONAL TRADE AND SECURITY

One of the most obvious aspects of the depth of the process of economic internationalisation is the volume of trade conducted between countries. There are two perspectives from which international trade and security are linked, and they contradict each other. According to the first, greater international opening makes countries' economies more vulnerable to external problems, such as abrupt changes in the value of currencies, which can increase the risk of conflicts of different types: by upsetting the power balance, by exacerbating previously existing social strife, etc. The second perspective is based on the Smithian position that mutually beneficial relations between countries, forged by international trade, reinforce existing ties and reduce the risk of conflict by raising its costs in relation to its potential benefits[14].

[12] Particularly HEGRE, H. (2003) "Disentangling democracy and development as determinants of armed conflicts", paper given at the *International Convention of the International Studies Association*, Portlan.
[13] McGUIRE, Martin, "Economics of Defence in a Globalized World", in Hartley, K. and Sandler, T. (Eds.) *Handbook of Defence Economics*, vol. 2, 2007, 607-648.
[14] Some authors demonstrated the strength of this view empirically as long as 30 years ago, such as POLACHEK, Solomon W. "Conflict and trade", *Journal of Conflict Resolution*, vol.

Settling this question is a hard task which logically falls outside the scope of this article. Suffice it to point out that a substantial part of the effects of trade on countries' security and on the relations between them is linked to the terms in which the trade takes place—or to put it another way, to the relative prices of imports with respect to exports. A rapid deterioration in this relationship as a result of a crisis, coupled with the existence of a suitable breeding ground (marked social imbalances, major income gaps, social unrest tied to the labour market or corruption, among others), can thus trigger the motivation and opportunity for internal conflict. Furthermore, trade wars are likewise the seed of instability that trade can sow in international relations. The key question is which of the positions is more relevant: that which advocates trade as a generator of stability or that which underlines its role as a generator of conflicts?

A glance at world conflict statistics shows that during the three-year period from 2007 to 2009 conflicts remained practically unchanged in number and intensity, and the pattern of the past few years is very similar. This pattern shows that Africa and Asia are the regions where conflicts are both more frequent and more intense[15]. However, the countries which produce raw materials, located mainly in those two regions, have been particularly hard hit by the world crisis through trade, as the prices of raw materials—which account for a high percentage of their exports and, accordingly, their capacity to generate income—have slumped considerably, also leading to a rise in those countries' domestic prices with respect to more developed countries (see chart 1). In this situation the risks of conflict are higher, as the fall in income from exports is accompanied by a price increase, as a result of which real income shrinks and unemployment tends to rise. In countries with weak states, a high degree of social fragmentation and sizeable income gaps-- such as those of the two aforementioned regions—there is thus a tendency for existing conflicts to intensify and for new ones to emerge.

Chart 1
Raw material and consumer prices
(Rates of change as a % of US$)

	2008	2009	2010	2011
Price of non-fuel raw materials	7.5	-18.7	13.9	-0.5
Consumer price index				
- Advanced economies	3.4	0.1	1.5	1.4
- Emerging or developing economies	9.2	5.2	6.2	4.7

Source: Compiled by the author from IMF data.
Note: Figures for 2010 and 2011 are estimates.

24, no. 1, 1980, 55-78.

[15] In general, there are between 3 and 5 times more conflicts in Africa and Asia than in the rest of the regions of the world. A detailed analysis may be found in "Alerta (año). Informe sobre conflictos, derechos humanos y construcción de la paz", *Escola de Cultura de Pau,* Icaría, ed. several years.

The main reason why no new conflicts have arisen in connection with the negative trends in trade should be sought in the rapid recovery of raw material prices, as despite the fact that the figures for 2009 were considerably lower than those of the previous year, the trend for 2010 is showing a vigorous increase, although it is expected to come to a halt during 2011. Rising inflation is greater cause for concern in the emerging economies than in the advanced economies, as it undermines the competitiveness of domestic products vis-à-vis imports from the more developed countries.

GROWTH, DEVELOPMENT AND SECURITY OF SOCIETY

Economic growth is usually an important indicator of the success of a state over time. However, the effects of economic performance may not be quite as positive as indicated by the simple figure for GDP growth. We also need to take into account how this growth is distributed in society as a whole and the ability of the public sector to pursue policies aimed at improving the situation of the less privileged segments, for which different indicators are used, such as the Human Development Index (HDI) compiled by the United Nations Development Programme (UNDP). However, when serious economic crises strike, falling income requires socially unpopular decisions aimed at redistributing income to sectors that can alleviate the economic disaster.

In such situations governments usually concentrate on the part of the production chain with the least capacity for reaction or for lobbying, so that on many occasions it is the labour-intensive sectors which suffer the brunt of the consequences in the form of wage reductions, welfare cuts, etc. aimed at reducing production costs or public spending. The immediate effect of these policies is an increase in social unrest, although it is necessary to distinguish between different situations. In democratic countries, for example, the effects on security are generally smaller, so that the resulting disputes are low-intensity and settled through negotiation. The same is not true of countries with autocratic political systems or where freedoms are constrained. In these cases, the responses triggered by the effects of economic crises, translated into restrictive policies, can reach a high level of tension and disputes[16]. A third case is when the country is already in a conflict situation, and the effects of the crisis can lead to an even greater outbreak.

[16] Such is the case of Tunisia, which combines an autocracy lasting more than two decades with a high degree of deprivation of freedoms. On top of this, the economic factors derived from the crisis and the policies adopted towards it have led to major increases in prices and unemployment rates, to which society has reacted by toppling the president of the country. This is the starting point of a political revolution that will lead to a change of government. The situation was triggered by the self-immolation of a citizen on account of his financial situation, a reflection of that of much of society. Much the same is happening in Egypt, a country with similar economic and political roots, and is at great risk of spreading to other countries in the area.

The security of society is one of the goals of any state and one of its main challenges is to eradicate poverty and social exclusion by boosting income and creating jobs, while giving priority to education as an aspect which, in the long term, will ensure open systems and free societies. The financial and economic crisis is triggering two serious effects on the security of society. First, it is broadening the existing gaps in income and in consumption and investment capacity, leading to greater polarisation of societies. Second, this situation means that a growing portion of society is located in or near areas of exclusion, which is a breeding ground for conducts that endanger security owing to greater social unrest.

The diverse ways in which these tensions and disputes can manifest themselves range from opposition to certain economic policies to high-intensity conflicts in which problems can even be settled by the use of arms. Nonetheless, between the two extremes we find situations such as the intensification of the submerged economy in various areas and levels spanning the whole gamut of possibilities, from mere fraud in the payment of invoices (failure to pay taxes) to trading in arms, dugs or people as means of obtaining income in a clearly depressed economy[17].

Furthermore, numerous countries' need for international support in times of crisis means that development assistance and cooperation are being stepped up in order to stem the advance of potentially complex situations in terms of security. However, the trend over these past few years is not encouraging. The rich countries have trimmed their development assistance on account of their own budget cuts, as a result of which in 2008 the percentage of national income which countries earmark to official development assistance was lower than in recent decades[18].

IMBALANCES IN THE INTERNATIONAL POWER STRUCTURE

One of the most striking effects of the crisis is its ability to accentuate changes in the existing world balance of forces. The fact that the crisis is widespread does not mean that it has affected all countries equally. For example, growth in the European Union slumped from 3.2% in 2006 to -4.2% in 2009 and with prospects of no higher than 2% for the next two years. The United States re-

[17] Such is the case, over a number of years, of some economies that split off from the former Soviet Union. This situation occurs in Latin America in countries such as Colombia. In Africa the trend is now somewhat less marked with respect to trafficking in people, as illegal emigration has slowed down owing to the reduction in economic possibilities as a result of the crisis in the European countries. Nevertheless, new illegal markets are being sought stemming from the weakness of many countries and from failed states.

[18] According to the OECD, in 1961 official development assistance accounted for 0.54% of the gross domestic income of the countries that provided assistance, 0.34% in 1972, 0.32% in 1987 and 0.31% in 2008. This shows that the countries are making less of an effort in this respect, even though the actual figure is increasing. (Source: www.oecd.org, consulted on 21 January 2011).

corded negative growth rates of -2.6% in 2009 with an outlook of no more than 2.5% in 2011. Meanwhile, in 2006 China's GDP growth rate was more than 10% and in the worst year of crisis, 2009, it grew more than 8.5%, with clearly positive forecasts for the coming years, starting with a growth rate of 10.3% in 2010[19].

This economic trend reinforces some explanations that lie at the heart of the changes in hegemony witnessed throughout history. Constant, high growth in countries' productivity is usually one of the chief signs and is based on a substantial increase in the product, which implies the existence of convergence between countries. As long as China continues to grow at its current rate and the United States too, it is estimated that the process of GDP convergence between the two countries will be complete by between 2025 and 2030. It is difficult to overstate the international security implications of this fact.

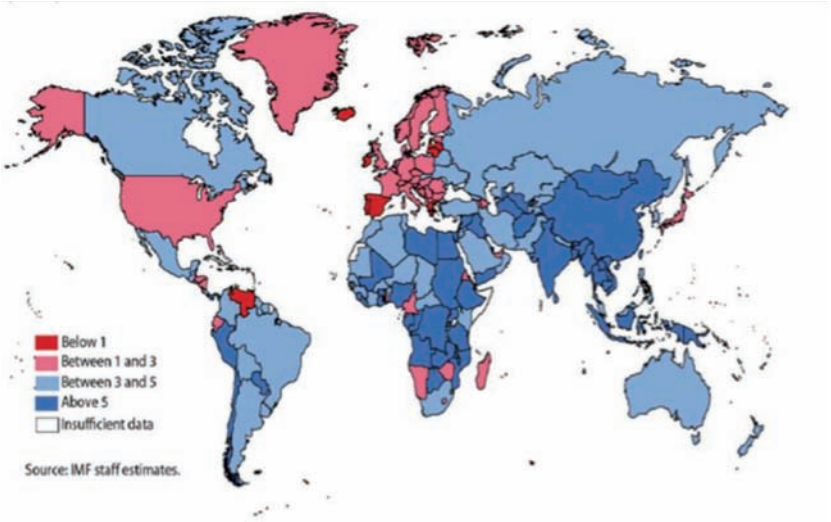
But in the current situation, and with a view to the future, perhaps it is more relevant to consider the effect of the crisis as a catalyst of the so-called *power transitions*—that is, how the different impact of the crisis enables powers other than the hegemonic power to grow. We may thus argue that high, sustained growth encourages conflicts between countries, and that those with such economic might become readier to use force as part of their foreign policy[20]. But this situation does not apply only to countries singly, as the argument might be equally valid for the BRICs as a whole, although the time periods longer.

From a regional perspective, differences in growth between countries belonging to different regions of the world are great and their dynamics support the arguments of convergence (with the richest areas), basically of southeast Asia, and go against the growth of the more developed areas, that is, Europe and the United States.

The growth of medium-sized regional powers is another factor worth considering as, for example, the countries of the Middle East, oil exporters and importers alike, look set to grow at a rate of more than 4% over the next few years. Given the conflict potential of this area, and if the argument of the relationship between sustained growth and conflict-proneness were to prove correct, this would be a major source of conflict also with a view to the future, as in this case the existence of previous quarrels over resources, territories and other issues makes it more prone to the eruption of new ones[21]. And the same would be true of Latin America, which requires growth rates of around 4% to overcome the crisis. Although in this case the risk of interstate conflicts seems

[19] According to the IMF *World Economic Outlook: Recovery, Risk and Rebalancing*, IMF, Washington, 2010, 225.
[20] This argument is expressed from a historical perspective by BOEHMER, Charles, "Economic growth and violent international conflict: 1875-1999", *Defence and Peace Economics*, vol. 21, no. 3, 2010, 249-268.
[21] Op. Cit. Boehmer (2010).

Map 1
Average real GDP growth during 2010-2011
Percentage



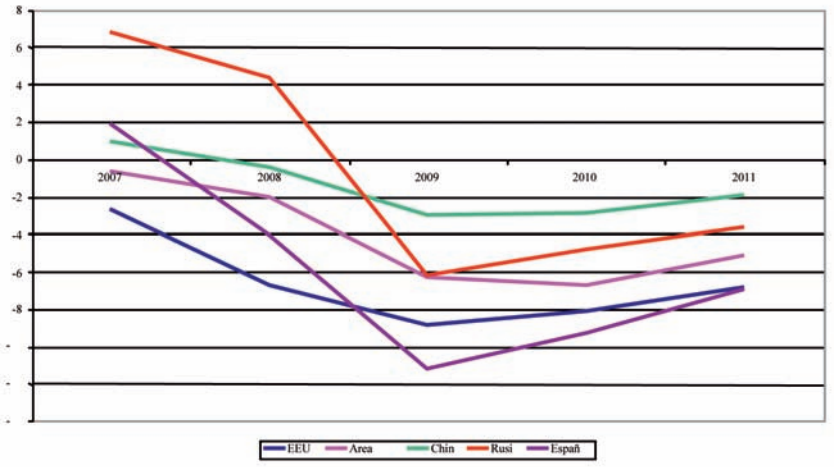
somewhat lower, declared internal conflicts and some latent ones may come to a head as a result of the crisis, particularly in connection with social exclusion and income gaps between different social classes.

BUDGET AND DEFENCE EXPENDITURE

The major budget reductions carried out by most countries is one of the most substantial effects of the crisis. Efforts to get public accounts into shape have entailed reorienting budgetary priorities, which have been basically steered towards keeping in check or reducing the wages of public sector employees, intermediate consumption, transfers of all kinds, public investment and subsidies. The forecasts published by the International Monetary Fund (IMF) for the reduction of fiscal deficit indicate that it will amount to about 6% of the world's GDP in 2010 and about 5% in 2011. Graph 3 provides details of a few countries.

This budget situation signifies a highly restrictive fiscal policy and an evident reduction in spending and investment programmes, which will limit growth possibilities in a large number of countries, particularly those whose currencies are under pressure, as occurs with the euro. This means, as we have seen, that growth is substantially more moderate in these countries.

Graph 3
Fiscal deficit as a percentage of GDP



Source: Compiled by the author from data published by the IMF Fiscal Monitor. *Fiscal exit: from strategy to implementation*, Washington, 2010, 153.

Budget cuts have major security implications, as they usually involve a sizeable reduction in spending on defence and internal security. This is true of some European countries such as the United Kingdom, which is trimming defence expenditure by 20% over 2010-2014, and Spain, which has slashed its budget by more than 15% between 2008 and 2011. As a whole, the EU countries have reduced both total defence expenditure and defence expenditure as a percentage of the budget[22]. Indeed, 35% of the 120 countries examined by the Stockholm International Peace Research Institute (SIPRI)[23] in its analysis of defence expenditure in the world have trimmed their spending.

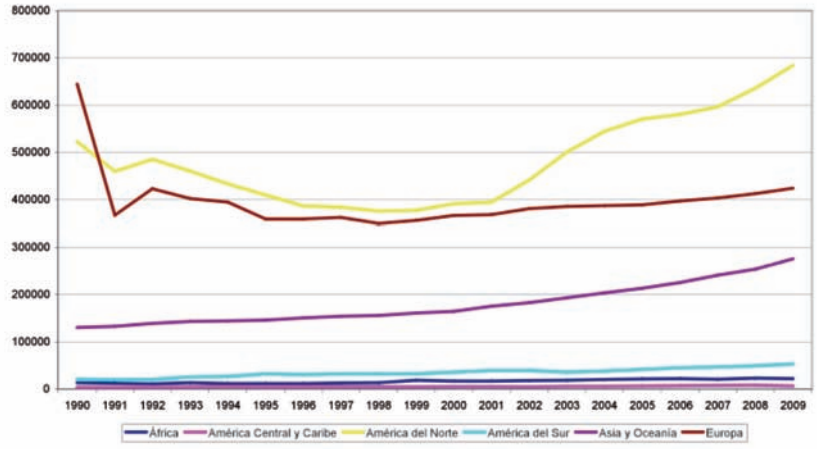
Nevertheless, these same figures show that the amount spent on defence in the world grew by 5.9% in 2009 with respect to 2008 to 1.531 billion dollars, indicating that the crisis had little impact in 2009. It is possible that a greater drop will be seen in subsequent years, as in the two cases described earlier, owing to the prolonged effects of the crisis and low growth rates in some areas of the world and the need to make adjustments in government deficits. In general, a substantial part of this increase is due to greater spending in the United States, which accounts for 43% of world defence expenditure.

[22] There is a major difference between the figures quoted by SIPRI and those provided by the European Defence Agency (EDA, both on budget trends in the European Union). According to the EDA, defence expenditure fell by 3.48% from 2008 to 2009. In order to be able to make broader international comparisons, the data provided by the SIPRI will be used in this article, as they are homogeneous for countries and regions of the world.
[23] PEERLO-FREEMAN, Sam., ISMAIL, Olawale., and SOLMIRANO, Carina "Military Expenditure", *SIPRI Yearbook*, 2010, 177-249.

An analysis by regions of the world allows a few major distinctions to be drawn (Graph 4). In countries whose economies are based significantly on natural resources and raw materials, the trend in international raw material prices has caused it to fall, as in the cases of Africa (-4%) and the Middle East (-12.5%). In the rest of the countries growth has been above 7% (North and South America, Asia and Oceania). The growth figure for Europe is lower (2.7%), owing chiefly to the perception of risks compared to other parts of the world, social rejection of large increases in defence spending and the international role the EU plays in security and defence[24].

One of the factors responsible for increased defence expenditure is related to the conflicts in which there is an international presence, particularly Iraq and Afghanistan. The high cost of maintaining troops deployed to these areas makes it necessary to restructure expenditure priorities and has even led to the cancellation of programmes of weapons systems.

Graph 4
Defence expenditure in the world in constant 2008 dollars



Source: SIPRI

In general, the economic factors that account for the demand for defence expenditure show, on the one hand, countries' considerable inertia regarding military expenditure as a result of long-term commitments that leave little leeway for restructuring priorities and, on the other, the importance of defence equipment prices in determining demand, so that a rise in the price of weapons systems reduces the budget's real spending capacity. However, income has relatively little bearing on defence expenditure, as can be seen when analysing the

[24] Petersberg tasks generally require less military equipment than operations conducted by the United States and have a bigger civilian component, which makes their budgetary impact smaller.

expenditure of low-income countries. Lastly, we also find that some countries' defence expenditure is offset by that of others (provided they belong to some kind of alliance), which implies that countries with fewer resources or which spend less on defence take advantage of those with increased spending—i.e. free-rider conduct.

During 2010 budget reduction furthermore led to the consideration of pulling out of Afghanistan—i.e. reducing the costs of the operation—and a similar withdrawal from Iraq. Security may therefore be affected, especially as the area in question has not been stabilised and is prone to periodic attacks.

EFFECTS ON THE DEFENCE INDUSTRY

Budget reduction has a major effect on countries' industries, particularly the sector that caters to security and defence needs. However, this has not been the case in recent years on an international level. The needs of countries' armed forces and other law enforcement bodies have been met by companies, whose sales have grown substantially. A year and a half into the crisis that began in 2008, the SIPRI's top 100 companies that sell arms recorded an increase of 39 billion dollars in their income to 385 billion.

There are several explanations for the world defence industry's apparent resilience to the crisis. The first is the high military expenditure of the country with the biggest demand, the United States. The second is the highly oligopolistic structure of the industry, which limits competition and is conducive to maintaining privileged channels with main customers, the armed forces. Third, the needs derived from international operations such as Afghanistan and Iraq keep the industry in good shape. And the last factor is the duration of defence programmes, which is usually several years, as a result of which reductions in the industry's output are delayed, as it can live off contracts signed several years earlier. Nevertheless, sales may slump when certain budget reductions become effective (particularly from 2010 in the case of Europe) or when countries modify the expenditure priorities of their defence budgets.

However, in the case of the United States, 2010 saw a 22% reduction in the number of security and defence contracts, a fact which draws attention to what may be occurring in other countries[25]. More still, the change in the strategic situation—today's threats are different to those faced only a few years ago—is conducive to changes in the type of products required by countries' armed forces. For example, demand has shifted from large, very costly aerial platforms to smaller and less expensive UAVs which furthermore do not risk human lives. In general, costly and long lasting programmes are tending to be replaced by shorter ones that are less expensive and in which technological obsolescen-

[25] Information obtained from www.usaspending.gov. Consulted on 24 January 2011.

ce is not a burden that needs to be addressed after only a few years, even before the programme has ended, and involves additional expenses.

It is necessary to point out certain aspects of the security risks stemming from the effects the economic crisis is having on countries' defence industry. First, operational capabilities can deteriorate owing to lower technological demand coupled with cost savings which, in turn, would hamper the ability to generate new technologies in the medium and long term. Second, the development of some dual technologies would be impaired by lack of research in the military field, which is one of the origins of many technologies applied to civilian uses. Third, the industrial network surrounding the major contractors would shrink, leading to reductions in income and employment, apart from the loss of technological spill-over effects. In such situations, countries whose economies grow significantly have the capacity to make investments in R&D, enabling new technologies to develop, which can place them at the forefront of security and defence capabilities in a relatively short period of time[26].

A particularly important aspect is the development of secure information and communication technologies. A substantial portion of security relates to the capacity to access information and the soundness of the systems for warding off possible cyber-attacks aimed at destabilising basic (in military terms, critical) infrastructure, gleaning information or carrying out industrial espionage. It is therefore important to maintain a high technological standard in this field, which is chiefly underpinned by the defence industry[27] .

Some figures point to a worrying trend in the European Union. According to the EDA, spending on equipment and R&D fell by 2.39% between 2008 and 2009, whereas technological research (a subcomponent of R&D) fell by 8% in the same period. The same is true of technological activities conducted in collaboration with other countries, although in this case the shrinkage is much greater, more than 22%.

The crisis is altering the structure of the international defence industry. It is accentuating and accelerating the mergers and acquisitions that have been taking place for years as a means of reducing costs and duplication and increasing size vis-à-vis competitors. This is not only true of companies belonging to the same country, but also of enterprises from different countries. In many cases there is a certain reluctance to allow foreign capital into the defence sector,

[26] Such may be the case of Brazil and China. The latter has been increasing its defence expenditure for several years to above 10% of GDP (to nearly 78 billion dollars in 2010), while Brazil accounts for nearly half of the expenditure of Latin America.
[27] Some countries have developed programmes aimed at bolstering the industry's security in the face of various threats. Such is the case of Australia and its Defence Industry Security Program (DISP).

for security reasons[28]. Nevertheless, particularly in the case of the European Union, these misgivings stem more from fears of foreign companies' ability to control national markets and force domestic producers out of the market.

Furthermore, the need to gain a foothold in other markets calls for a serious export strategy as a means of lessening dependence on the budgets of a single country. It also requires seeking market niches (particularly for small and medium-sized companies) in order to ensure a more diversified supply of products and services. In this connection diversifying between civilian and military production is an attempt to weather budget crises.

From the demand perspective, the situation of monopsony or situations that come close to it means that defence ministries possess a certain amount of negotiating power, which they use to their own advantage by reducing the margins offered to contractors, in line with the budget cuts—or even when such cuts have not taken place—in order to make more efficient use of their funds. This diminishes companies' profits[29], which, coupled with existing credit restrictions, leads to an additional shrinkage of investment.

ECONOMIC CRISIS AND TERRORISM

It is commonly thought that terrorism has an effect on countries' economies by reducing overall activity, diverting trade flows or reducing foreign investments. However, it is less common to consider the effects of economic crisis on terrorist activity and existing evidence is relatively scant.

Some studies point to a significant relationship between economic trends and terrorist activity; namely, that it increases during periods of recession[30], although this effect is delayed, meaning that there is a time lag between the shrinkage phase of the cycle and an increase in terrorist acts. A different result is obtained if we analyse the effect of economic growth on terrorism, which is practically non-existent. In other words, policies aimed at income expansion do not have the effect of reducing terrorism, whereas situations of economic depression do.

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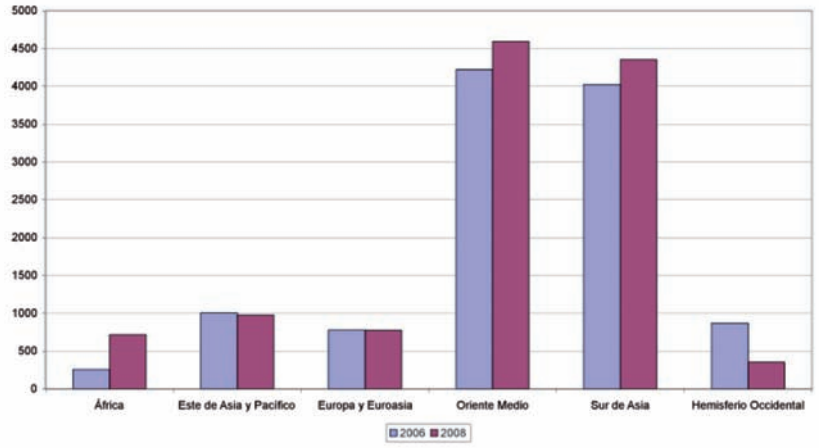
[28] Back in 1996 the United States conducted an analysis and limited the access of companies controlled by foreign capital to certain information, on the grounds of possible security problems. See UNITED STATES GENERAL ACCOUNTING OFFICE, *Defense Industrial Security: Weaknesses in U.S. Security Arrangements with Foreign-Owned Defense Contractors* (Chapter Report, 02/20/96, GAO/NSIAD-96-64).

[29] An analysis of factors that affect the profits of defence companies can be found in FONFRÍA, Antonio and CORREA-BURROWS, Paulina "Effects of military spending on the profitability of the Spanish defence contractors", *Defence and Peace Economics.* Vol. 21, no. 2, 2010. 177-192. The authors conclude that technological activities linked to defence contracts are a major factor in accounting for profitability.

[30] See ARAZ-TAKAY, Bahar, ARIN, Peren and OMAY, Tolga "The endogenous and non-linear relationship between terrorism and economic performance: Turkish evidence", *Defence and Peace Economics*, vol. 20, no. 1, 2009, 1-10.

Graph 5.
Number of terrorist attacks



Therefore, at a time like the present, we may expect to see a rise in terrorist activity. Graph 5 shows the disparity of trends in terrorist activity in different areas of the world: it has grown at a much greater rate in Africa than in other areas, whereas in the Middle East and Southern Asia, which are also highly conflictive, growth is more moderate. In absolute terms, the overall number of attacks grew from 11,153 in 2006 to 11,770 in 2008, with an increase of 5.5% in the risk of terrorism. Lack of freedoms is the other factor common to the countries of the regions where terrorist activity has increased the most. A combination of the two factors means a greater likelihood of suffering terrorist attacks, but this is not exclusive to the poorest countries[31].

THE CRISIS AND SECURITY IN SPAIN

The effects of the economic crisis in Spain are especially significant owing to two sets of factors. On the one hand, the Spanish labour market has been weakened by structural shortcomings that have plagued it for years and which need to be addressed. The high percentage of seasonal employment, the structure of recruitment incentives and the very sectorial structure that underpins much economic growth (construction and consumer services) have led to the most intense labour-market adjustment in the European Union. The second factor is related to the sectorial advantages found in the Spanish economy. The past three decades have witnessed the shaping of an economic structure inherited from the previous one in which the traditional sectors—i.e. those which are

[31] The question arises of whether the origin of terrorism is national or international–i.e. if crisis situations have more of an internal than an external effect, then international terrorism will decrease with respect to national terrorism. However, there is no strong evidence to back this.

less technological and medium- and low-skilled labour intensive—have been the main driving forces behind growth. This situation has now shifted towards sectors based more on economies of scale, in which human, physical and technological capital hold greater weight.

However, these changes cannot conceal the weakness of an overdeveloped construction sector with a very large volume of seasonal labour and the lack of drive of the more technology-intensive sectors which are, after all, those which make it possible to compete in a highly internationalised economy and to generate future capabilities. Basically, the Spanish economy is midway between a structure it needs to shed and the new one it needs to adopt. That is the worst time to be hit by a crisis. Nevertheless, the crisis may mark a turning point which, through the necessary adjustments, will equip it with a sounder and greater capacity for growth and job creation[32].

SOCIAL UNREST

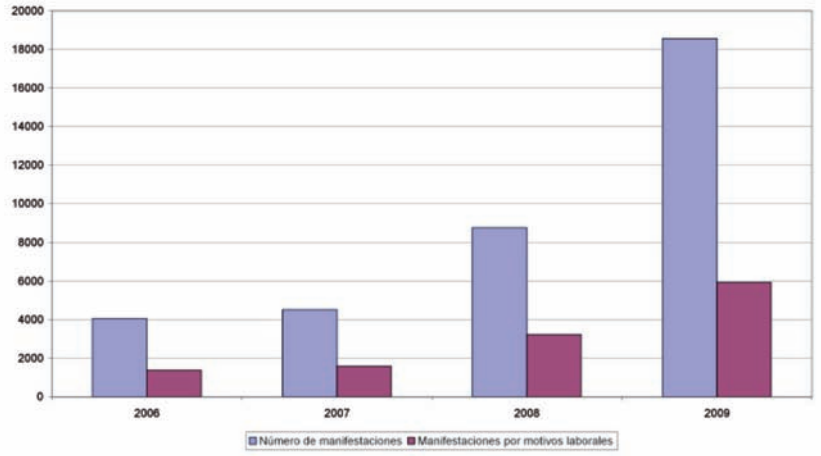
The problem lies in the fact that the adjustment costs derived from making the transition from one model to another are proving to be extremely high. It is these costs that are generating social tensions and disputes. It cannot be said that this situation is affecting security in the strict sense, but it is generating risks that may influence some security-related aspects. A clear example of the impact on social unrest is mobilisation, which can be measured through the number of demonstrations staged during a year. As may be seen in graph 6, there is a very marked increase from the years prior to the crisis to the last year for which information is available: more than three and a half times as many demonstrations. This situation indicates evident social unrest regarding various economic, social and political aspects.

If we also analyse the incidence of demonstrations stemming from economic reasons, this study must be limited to employment reasons for want of further information. It may be deduced from this that even though the relative weight or incidence of labour-related demonstrations with respect to the total figure has remained stable, accounting for about one-third of the total, the same cannot be said of their dynamics. Indeed, they increased in number by 329% from 2006 to 2009, clearly reflecting an effect of the economic crisis on labour disputes. Perhaps the highest expression of this unrest was the convening of a general strike in 2010.

As mentioned previously, social inequality is one of the most often discussed triggers of conflicts in developing countries, but it is also found in developed countries. Nevertheless, in the latter its effects tend to be cushioned by the

[32] A comparison between the results of the Eurobarometer 2010 for Spain and the EU average shows that Spaniards have a greater and more negative perception of the economic crisis than the EU average (72% compared to 66% of those polled).

Graph 6
Number of demonstrations reported



Source: Compiled by the author from data published by the Statistical Yearbook of the Ministry of the Interior. Several years.

existence of income-redistribution policies based on progressive tax systems. However, the economic crisis has clearly set back the process of income convergence in Spain and in a good many European countries. Indeed, according to the latest UNDP report[33], the Gini coefficient[34], an indicator which measures the degree of inequality in the distribution of a country's income, has gone from 0.32 in 2009 to 0.34 in 2010 in Spain[35].

Generally speaking, inequalities increase according to access to the labour market—i.e. the greater the difficulty of finding jobs, the lower the available income. This means that as the problem spreads across society it can have a negative effect on security. Indeed, inequalities tend to push up crime rate[36], as was clearly proven during the crisis of the 1980s and during the transition to democracy. But it is not only crime in the traditional sense that is relevant here, as economic offences generally tend to increase as a result of diminished possibilities of generating income. And so tax and financial offences and increased flows of capital to tax havens become more widespread. As reported by the Ministry of the Economy, the number of offending contributors and the average sum involved in each proceedings instituted rose until 2005[37]. More

[33] UNDP "Human development report. The real wealth of nations. Pathways to human development", New York, 2010.
[34] The Gini coefficient varies from 0, total equality of income distribution, to 1, maximum inequality. Sweden is the country with the best Gini coefficient, which stood at 0.23 in 2009.
[35] Some examples are France (from 0.28 to 0.32) and Italy (from 0.33 to 0,36).
[36] See, for the case of Spain, the paper by MUÑOZ DE BUSTILLO, Rafael, MARTÍN, Fernando and DE PEDRAZA, Pablo "Desigualdad y delincuencia: Una aplicación para España", *Papeles de Trabajo*, Instituto de Estudios Fiscales, no. 22, 68.
[37] OBSERVATORIO DEL DELITO FISCAL, *Agencia Tributaria and Ministerio de Justicia*, 2006.

worrying is the fact that in 2009 more than 40% of Spaniards justified tax fraud, according to the tax barometer of the Institute for Fiscal Studies (IEF, Instituto de Estudios Fiscales).

DEFENCE BUDGETS AND SECURITY

Spain is among the EU countries that have made the largest cuts in their defence expenditure in recent years. Defence expenditure as a percentage of GDP has gone from 0.77% in 2006 to little more than 0.6% in 2011. This signifies a reduction of about 15.7% between the year with the largest budget, 2008, and 2011, and in monetary terms amounts to some 1.34 billion euros (Graph 7). Nevertheless, budgets must fulfil certain basic objectives such as guaranteeing the security of troops and ensuring operability, providing adequate maintenance of weapons systems and meeting commitments to the allies and in respect of participation in overseas missions[38].

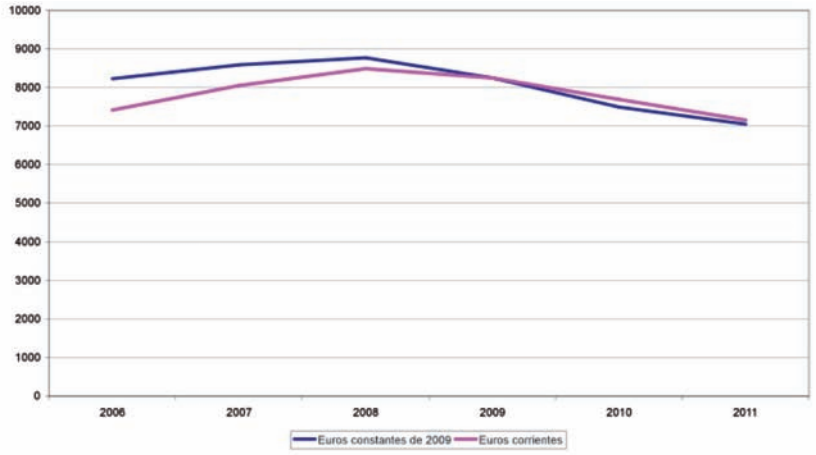
When funds have been substantially reduced, the problem lies in meeting these objectives with a certain order of priorities. However, this is extremely complex, as guaranteeing the security of troops entails acquiring new and better equipment from the defence industry (more extensively armoured vehicles, for example), which, although purchased in recent years, still needs to be upgraded, just as in order to guarantee the operability of the equipment in service, once again, it is necessary to enter into contracts with the industry. However, the volume of funds earmarked to such items (basically chapter 6 of the defence budget, on investments) underwent a very substantial reduction of more than 50% between 2008 and 2011.

The budget shows an equally large reduction in R&D expenditure. Over the past decade it peaked in 2007 at more than 202 million euros, which, if compared to the little more than 73 million allocated in 2011, signifies a cut of more than 63%. As is well known, R&D is one of the areas which suffers more intensely and more immediately the vicissitudes of economic crises in both public accounts and most of the accounts of private companies. Nonetheless, this is an error whose consequences are paid for in the medium and long term, as it widens the existing technological gap with the most advanced countries, prolongs the convergence process and reduces people's and institutions' know-how and capacity to accumulate knowledge. All this is detrimental to the capabilities that may be generated internally.

The budget of the Ministry of the Interior has been cut by 9.5% between 2008 and 2011, much less than that of Defence. Nevertheless, the forces have increased in number in recent years, indicating that security is a priority marked

[38] These are the criteria cited by the minister of defence when appearing before the Congressional Defence Committee on 16 November 2010. Logically these criteria need to be met in any case, both in times of economic austerity and less critical periods.

Graph 7
Defence expenditure (in billions of euros)



SOURCE: Compiled by the author from data supplied by the Budget Office, Ministry of Defence

both by the risks of national and international terrorism and by the fight against crime. In this respect, budget reductions also affect the recruitment of new personnel, and the number of public police and civil guard posts is diminishing.

MAIN CONCLUSIONS

The analysis shows how the effects of the economic and financial crisis have considerable influence on some aspects of security, both within countries and in the international system. Globalisation may be seen to be a common factor, both positive and negative, in these effects. One of the biggest differences observed is in countries' degree of development: the underdeveloped nations are weaker than the developed countries. The impact of the crisis in different areas has further reaching effects when social and economic imbalances are more marked, when there are existing conflicts or when a few countries wield substantial economic might for a long time, which can be conducive to a certain tendency towards conflicts.

Budget reductions, sliding demand for industrial goods and services, rising unemployment, higher trade prices and lower real income are some of the chief factors, together with those mentioned previously, that account for security problems.

Economic development calls for a high degree of stability and a measure of certainty as to the evolution of economic events. So far, since the crisis began,

none of these two requirements has been met. Coupled with this situation is the pressure exerted by governments on societies, making them bear the brunt of the costs needed to turn the situation around. This has given rise to a social response which in some cases has gone beyond mere complaint and has ended in major social and political conflicts. The situation has yet to quieten down and regrettably the effects of the crisis may be felt even more intensely in the future.

CHAPTER TWO

THE EUROPEAN SECURITY ARCHITECTURE: EVOLUTION, CURRENT SITUATION AND PROSPECTS

Francisco J. Ruiz González

ABSTRACT

The evolution of the European security architecture since the end of the Cold War has suffered from the lack of a global vision of the Euro-Atlantic region as a single security space that faces common security risks and threats and, as such, requires all the key actors, whether individual states or international organisations, to act with as much coordination as possible to tackle them. Instead, each security organisation has evolved independently, often in accordance with its own bureaucratic inertia, resulting in a system of "patches" focused on dealing with specific crisis as they arise, with major overlapping of competences and a lack of necessary coordination. Nevertheless, a window of opportunity has recently opened up, which could give rise to the definitive establishment of a free, democratic and indivisible Euro-Atlantic security community based on common principles and goals and free of dividing lines, conflicts, spheres of influence and areas with different security levels.

Key words: NATO, EU, OSCE, US, Russia.

INTRODUCTION

> *The great swathe of states stretching from North America across Europe through Russia has a crucial role to play in stabilising an increasingly fragmented and stressed international order. They can play this role, however, only if first they transform this geographic space into a genuinely inclusive and vibrant security community. Failing such a transformation, this vital contribution will be lost. Moreover, failing such a transformation, the Euro-Atlantic area will remain a potential victim of its own internal tensions and unresolved conflicts. And failing such a transformation, the Euro-Atlantic states and their organisations will settle for suboptimal and too often utterly inadequate responses to the twenty-first century's security challenges from the swelling threat of nuclear proliferation to the menace from cyber space; from the devastation of catastrophic terrorism to the ravages of drug flows and the threat of infectious diseases. Failing such a transformation, however, is exactly where we are*[1].

Many individual analyses have been conducted of the security policies of the key actors in the Euro-Atlantic region[2] –that is, the United States, the Russian Federation and the European Union (EU)[3]– and also of the international organisations to which these actors belong. Papers examining partnerships and cooperation between states or between a particular organisation and the rest are also relatively frequent. Less common, however, are systemic studies on the European security architecture as a whole, viewed as a single space which faces the same challenges and threats and therefore shares common interests, and whose action and response to the arc of instability that stretches beyond its geographical limits needs to be as coordinated as possible.

There is no need to go back very far in time to realise how simple it would have been to examine this question during the Cold War period: at the time the European security architecture was underpinned by two main actors, the US and the Soviet Union (USSR), each of which led a collective defence organisation against the rival bloc, the North Atlantic Treaty Organization (NATO) and the Warsaw Pact, which occasionally engaged in talks and, only from 1975, in the framework of the Conference on Security and Cooperation in Europe (CSCE). There were other exclusively economic organisations, such as the Council for Mutual Economic Assistance (COMECON) which brought together the

[1] Quoted from *Why Euro-Atlantic unity matters to world order*, available from the website http://carnegieendowment.org/files/EASI_StatementNov10_FINAL1.pdf, drafted by the so-called "Euro-Atlantic Security Initiative" of the Carnegie Endowment for International Peace, in which eminent people like Sam Nunn, Wolfgang Ischinger, Igor Ivanov and Robert Legvold take part.

[2] In this chapter "Euro-Atlantic region" refers to the geographical area that encompasses the 56 states that belong to the OSCE.

[3] In a conscious exercise of willpower not devoid of somewhat excessive optimism, this chapter discusses the EU as a single entity which assumes, in defence of the common interests of Member States, the role of global actor to which the new instruments enshrined in the Treaty of Lisbon are intended to contribute.

communist nations, the European Economic Community (EEC), and lastly a "dormant" defence organisation, the Western European Union (WEU), which originated from the Treaty of Brussels of 1948 but was limited as to its practical capabilities.

This bipolar system, which was relatively simple and stable, completely collapsed between the fall of the Berlin Wall on 9 November 1989 and the dissolution of the USSR on 8 December 1991[4]. In view of these events, the seemingly most logical solution would have been to dissolve NATO—as has occurred in the past with alliances when the enemy against which they were designed to defend had ceased to exist[5]—and make the CSCE the cornerstone of security relations in the area, based on the principles of the "Helsinki Final Act" of 1975. Among other reasons, because the CSCE brought together all the states in the region, facilitated immediate access to the new independent countries that were progressively springing up on the other side of the iron curtain, and had a security focus that included three "baskets" (the politico-military, economic and environmental, and human dimensions) which gave it a very broad scope of activity.

However, this was not the chosen route: the CSCE adopted the "Charter of Paris for a New Europe" in November 1990, thus embarking on the path towards its conversion into an organisation with particular emphasis on the human "basket"; NATO reinvented itself at the Rome summit of November 1991 by adopting a new strategic concept; the European Community became the "first pillar" of the new European Union (EU) with the signing of the "Treaty of Maastricht" in 1992 which established as a "second pillar" the Common Foreign and Security Policy (CSFP); and lastly, the Russian Federation attempted to establish a cooperative security model in the framework of the CIS, with the Collective Security Treaty (CST) as its armed branch. The period from 1990 to 1992 is therefore the earliest reference when studying the evolution of the European security architecture to the present day.

Despite the prevailing vision that, following the definitive victory of western values, we had come to the "end of history" in international relations, conflicts and instabilities of all kinds immediately emerged based on longstanding disputes, ethnic and religious clashes and border claims. Armed clashes took place in the Euro-Atlantic region in connection with the dismemberment of Yugoslavia and the USSR itself. The West's action in the Balkans validated the model adopted, as it was NATO's armed intervention that put an end to the

[4] On that day the presidents of Russia, Ukraine and Belarus founded the Commonwealth of Independent States (CIS) by signing the " Belovezhskaya Pusha Declaration". On the 21st it was joined by the rest of the republics except for the Baltic Republics and Georgia with the signing of the "Alma-Ata Declaration", putting an end to 74 years of history of the Soviet regime.

[5] WALTZ Stephen, "Why Alliances endure or collapse?" *Strategy and Force Planning*, Naval War College Press, Newport, RI, 2004, chapter 21.

wars in Bosnia (1995) and Kosovo (1999), which the EU and the OSCE had been powerless to stop. In the case of the former Soviet republics, it was the Russian Federation which took the initiative in view of the ineffectiveness of the CST, and during the period from 1992 to 1995 it succeeded in stemming most of the armed conflicts by means of compromise solutions that merely carried the problems into the future.

Such was the situation in 1999, which was to be an important year. Three former Warsaw Pact countries (Poland, the Czech Republic and Hungary) joined NATO in March; in April, in the throes of the Kosovo conflict, the Alliance adopted a new strategic concept to replace that of 1991; in June the Cologne European Council echoed the conclusions of the British-French summit of Saint-Malo[6], giving rise to the European Security and Defence Policy (ESDP) as part of the then second pillar of the EU; Vladimir Putin was appointed Russia's prime minister in August and hostilities were resumed in Chechnya in September; in November the OSCE staged the Istanbul summit which adopted the "Charter on European Security", and the concept of the "Platform for Cooperative Security" was formulated in order to strengthen coordination with other regional security organisations.

Even so, the 1990s, a period marked by strategic vagueness, ended as unexpectedly as the Cold War, as the attacks of 11 September 2001 had a similar impact to the fall of the wall 12 years earlier. The new strategic environment brought to attention the shortfalls in the current model of European security architecture as devised by the region's key actors in 1999, and efforts to address them and subsequent developments were not precisely successful: the replacement of NATO by "coalitions of the willing" as the preferred US instrument of international action; the crisis of the transatlantic link following the invasion of Iraq in 2003; a standstill in strategic cooperation between NATO and the EU/ESDP following the 2004 enlargements; Russia's open confrontation with the West during Putin's second mandate; and, as a result of the foregoing, the almost total insignificance of the OSCE owing to the divergent stances of its key members. All these negative trends came to a head with the eruption of the short-lasting Georgian war in August 2008.

Nevertheless, a window of opportunity has now opened which could give rise to the permanent establishment of a free, democratic and indivisible Euro-Atlantic community rooted in common principles and aims and without dividing lines, conflicts, spheres of influences and areas with different levels of security. The reasons are: the new Obama Administration in the US since February 2009, with its more multilateral vision of the world and "starting over from scratch" in relations with Russia; the entry into force of the EU's Treaty of Lis-

[6] It was stated in the joint declaration at the end of the summit that "…*the Union must have the capacity for autonomous action, backed up by credible military forces, the means to decide to use them, and a readiness to do so, in order to respond to international crises*".

bon that December, providing for new instruments of external action; NATO's Lisbon summit in November 2010 which adopted a new strategic concept to replace that of 1999; the OSCE's Astana summit in December 2010, the first to be held at head of state/government level since that of Istanbul; and President Medvedev's modernising plans in the Russian Federation, which contrast with the positions of strength of the Putin era that were designed to return it to its major-power status.

In short, the goal in this new era should be to re-focus attention on internal issues of European security—which has even been described as "unfinished business"[7]—as putting some order into our own region will make us better placed to face the many external challenges.

THE END OF THE COLD WAR

The strategic context is a complex system in which the interaction of actors and variables speeds up developments and makes them unpredictable. If there is one period in recent history that witnessed a radical change in the world strategic context it is precisely that of the collapse of the USSR and of the bipolar system that emerged after the Second World War and completely conditioned international relations for four decades. The effects of this collapse were intensified by two factors: the unexpectedness of the changes and the speed at which they occurred.

The CSCE and the 1990 "Charter of Paris for a New Europe"

Within the CSCE, a consequence of the end of the Cold War was the signing of the "Charter of Paris for a New Europe"[8] adopted on 21 November 1990. Its basic principles are democracy as the only possible system of government, the full adoption of a market economy and emphasis on the human dimension leading to the states parties' irrevocable commitment of to its objectives[9], with an explicit statement that these questions were no longer internal and exclusively national matters.

As for the politico-military "basket", the Charter contains important principles that define this new era: full adherence to the United Nations Charter and to

[7] LARRABEE F. Stephen, "European Security: unfinished business in Europe", *Issues* no. 33, European Union Institute for Security Studies, October 2010, http://www.iss.europa.eu/uploads/media/n33.pdf.
[8] Available at http://www.osce.org/documents/mcs/1990/11/4045_es.pdf.
[9] Expressed in the final document of the Moscow meeting of 1991 devoted expressly to the "human dimension" of the CSCE; available at http://www.osce.org/documents/odihr/1991/10/13995_en.pdf.

the Helsinki Decalogue of 1975[10], renunciation of the use of force against the independence and territorial integrity of the states parties, and development of mechanisms for settling conflicts by peaceful means.

Of the achievements already made in shared security it quotes the signature by 22 states of the CFE (Conventional Armed Forces in Europe) Treaty to reduce military arsenals, the establishment of confidence- and security-building measures (CBSM), the agreement on German reunification signed in Moscow on 12 September 1990, and the statement that both sides of the Atlantic should be united in their response to new security challenges on the basis of their common heritage and shared values.

According to the Charter, although the threat of conflict in Europe had diminished, these new challenges included activities such as outside pressure, coercion and subversion against the sovereignty and territorial integrity of states; criminal methods and tactics of terrorism; and drug trafficking. In order to address them, the CSCE undertook not only to seek effective ways of preventing, through political means, possible conflicts which may arise, but also to define appropriate mechanisms for their peaceful settlement in accordance with international law.

NATO and the Rome 1991 "Strategic Concept"

NATO adapted to the frenzied changes of 1989-1991 by means of a successful exercise in "self-reinvention", which would guarantee its own survival regardless of developments around it, so that by the time the Warsaw Pact and the USSR itself disintegrated no ally would seriously consider its suppression. The London summit of July 1990 outlined the Strategic Concept that went on to be adopted in Rome the following 8 November: reinforcing the Alliance's political dimension, without neglecting collective defence.

The main point of the Strategic Concept of 1991[11] (hereinafter SC 1991) was its identification of the new security environment: the Alliance no longer faced the threat of a traditional enemy (point 7), but risks, threats and uncertainty that were multifaceted and multidirectional, more difficult to predict and assess (point 8), and could trigger armed conflicts which could affect the security of the allies (point 9). Risks that are specifically mentioned (point 12) are the proliferation of weapons of mass destruction, disruption of the flow of vital resources and actions of terrorism and sabotage. To address them, NATO must

[10] Helsinki Decalogue: 1. Sovereign equality, respect for the rights inherent in sovereignty; 2. Refraining from the threat or use of force; 3. Inviolability of frontiers; 4. Territorial integrity of states; 5. Peaceful settlement of disputes; 6. Non-intervention in internal affairs; 7. Respect for human rights and fundamental freedoms, including the freedom of thought, conscience, religion or belief; 8. Equal rights and self-determination of peoples; 9. Cooperation among states; 10. Fulfilment in good faith of obligations under international law.
[11] Available at http://www.nato.int/cps/en/natolive/official_texts_23847.htm.

adopt a broader vision of security which encompasses, in addition to collective defence (point 30), political dialogue (point 28) and cooperation (point 29).

Another salient feature of the 1991 SC refers to the fundamental tasks of the Alliance, aimed ultimately at fulfilling NATO's essential purpose[12]. These are (point 20):

- To provide one of the foundations for a stable security environment in Europe, based on democracy and the peaceful resolution of disputes;
- To serve, as provided for in Article 4 of the North Atlantic Treaty, as a transatlantic forum for Allied consultations on any issues that affect their vital interests;
- To deter and defend against any threat of aggression against the territory of any NATO member state; and
- To preserve the strategic balance within Europe.

The EU, the Maastricht Treaty of 1992, and the "second pillar" of the CFSP

The process of building Europe has been carried out using a functional method of progressive integration, whereby the development of one competence leads to progress in the others[13]. In the case of the Common Foreign and Security Policy (CFSP), heir to the European Political Cooperation (EPC) begun in the 1970s, the successive phases of coordination-cooperation-integration have remained under the supervision of the intergovernmental process—that is, in the hands of the member states and not of community institutions such as the Commission or the European Parliament; this has logically limited its development compared, for example, to the economic dimension.

Once again, changes in the environment were the catalyst that spurred the then 12 members of the EEC to include some sort of foreign and security policy in the future Union. On 18 April 1990 France and Germany sent a letter to the 6-month Irish presidency requesting the holding an Inter-Governmental Conference (IGC) to address the CFSP. However, it became apparent at the Dublin special council of 28 April that year that it lacked a common opinion on what the scope and design of that CFSP should be, and it was therefore not until the Rome council in October that impetus was given to the IGC on political union that led to the Maastricht summit and the signing of the Treaty on European Union (TEU)[14] early in 1992.

[12] NaATO's essential purpose, set out in the Washington Treaty of 1949, is to safeguard the freedom and security of all its members by political and military means, in accordance with the United Nations Charter.
[13] ARTEAGA MARTÍN, Félix, *La Identidad Europea de Seguridad Europea*, Política Exterior Biblioteca Nueva, Madrid 1999, p. 22.
[14] Available at http://eur-lex.europa.eu/es/treaties/dat/11992M/htm/11992M.html.

Although the TEU stated that the CFSP would include "all questions related to the security of the Union, including the eventual framing of a common defence policy which might lead in time to a common defence" (article J4(1)), the rest of title V does not mention defence issues, except to exclude them expressly from the procedure for adopting "joint action" mentioned in article J3, or to "subcontract them" to the WEU—in hibernation since 1955 but revitalised by the "Declaration of Rome" of 1984 and the "Hague Platform" on European Security Interests of 1987[15]—which the EU asked to "elaborate and implement decisions and actions of the Union which have defence implications" (article J4(2)).

In addition, article J4 (4) confirmed that the EU policy "shall not prejudice the specific character of the security and defence policy of certain Member States, and shall respect the obligations of certain Member States under the North Atlantic Treaty and be compatible with common security and defence policy established within that framework", thereby establishing the subordination of the CFSP to NATO and its lack of willingness to constitute an exclusively European alternative.

Strengths and weaknesses of the European security architecture in 1992

First of all, in 1992 NATO continued to play de facto the central role in the system thanks to the adoption of the 1991 SC. The document stated that as a result of the Paris summit, the CSCE had established new institutions and provided "a contractual framework for consultation and cooperation that can play a constructive role, complementary to that of NATO and the process of European integration, in preserving peace" (point 4). A question that needs asking is where this complementarity lay, as by adding political dialogue and cooperation to its basic function of collective defence, what the Alliance did was take over competences that the CSCE already exercised in a much broader geographical framework.

If any doubts still remained about the central role NATO was assigning itself, the 1991 SC stated that the Alliance "is the essential forum for consultation among the Allies and the forum for agreement on policies bearing on the security and defence commitments of its members" (point 21). A clear consequence of the foregoing was the distortion of another goal enshrined in the text: that of a "united and free" Europe, as the non-NATO members of the CSCE were excluded from a key decision making area. And so, while the Allies acknowledged that the continuation of new political, economic and social divisions

[15] The "Declaration of Rome" aimed to work towards defining a European security identity and the gradual harmonisation of the defence policies of the WEU members, whereas the Hague Platform stated that the construction of an integrated Europe would remain incomplete until security and defence were included, as well as reaffirming the indivisibility of NATO security and expressing the determination to strengthen the European pillar of the Alliance.

throughout the continent could lead to future instability, they actually perpetuated a clear division between states.

The underlying reality is that NATO's raison d'être and continuity required the existence of a conventional military threat, which could only come from the USSR (and subsequently from Russia). Therefore, the 1991 SC states that "in the particular case of the Soviet Union […]its conventional forces are significantly larger than those of any other European State and its large nuclear arsenal comparable only with that of the United States. These capabilities have to be taken into account if stability and security in Europe are to be preserved" (point 10). A single area of security could hardly be established if the main traditional threat to NATO stemmed precisely from one of the key states in the region.

As for the EU's incipient CFSP, NATO's 1991 SC states that "the fact that the countries of the European Community are working towards the goal of political union, including the development of a European security identity, and the enhancement of the role of the WEU are important factors for European security […] the strengthening of the European pillar within the Alliance, will not only serve the interests of the European states but also reinforce the integrity and effectiveness of the Alliance as a whole" (point 2). This statement reflects both the aforementioned subsidiary role of the CFSP and the fact that at the time the WEU was perceived, simultaneously and contradictorily, as the EU's defence component (by the Union) and as NATO's European pillar (by the Alliance).

As could not be otherwise, the position of the US was a determining influence on the model to be adopted. The administration of George H. W. Bush was calculatedly ambiguous about the development of a European Security and Defence Identity (ESDI): whereas Europe's efforts to develop this identity were welcomed within NATO[16], the Americans warned their allies about attempting to create it by redefining or limiting NATO's role or subordinating the WEU to the European Council. As will be shown, this ambivalent stance has been a constant feature up until the present.

In short, it was decided that the institutions which underpinned the European security architecture would continue to be plural and interrelated rather than grouped together into a single superstructure, as had been considered the optimum solution initially[17]. The "Declaration on Peace and Cooperation" is-

[16] London Declaration on a Transformed North Atlantic Alliance, 6 July 1990, http://www.nato.int/cps/en/SID-754BB359-18AEBC09/natolive/official_texts_23693.htm.

[17] Secretary of State James Baker stated in December 1989, in his address "A new Europe, a new Atlanticism: architecture for a new Era", that the CSCE could become the most important forum for collaboration between East and West. In addition, the Soviet Union (and subsequently Russia) intended to make the CSCE the centre for coordination and decision making on security issues in the region (See *Russia, the OSCE, and European Security*,

sued after the NATO summit in Rome in 1991 thus stated that "The challenges we will face in this new Europe cannot be comprehensively addressed by one institution alone, but only in a framework of interlocking institutions tying together the countries of Europe and North America. Consequently, we are working toward a new European security architecture in which NATO, the CSCE, the European Community, the WEU and the Council of Europe complement each other".

The chief weakness of this model lies in the fact that in practice, from the early 1990s onwards, its intended complementarity amounted to a functional overlapping of all kinds, logically sparking friction within the system; and also that NATO's central role in "hard security" could only be acceptable to non-allies if there were prospects of joining the Alliance in the future—as was initially postponed by adopting limited forms of political cooperation such as the North Atlantic Cooperation Council (NACC), established on 20 December 1991.

THE DAWN OF THE 21ST CENTURY

The main crises faced by the European security architecture as it was designed at the end of the Cold War stemmed from the armed conflict triggered by the disintegration of Yugoslavia and the USSR.

In the case of Yugoslavia, in summer 1991 the ten-day war in Slovenia and the start of the war in Croatia drew attention to the CSCE's inability to prevent the conflict or manage the crisis, despite the activation of its preventive mechanisms. As for the EC, the EPC showed its limitations when Germany unilaterally recognised the independence of both nations in December 1991. The attempt made by the Dutch presidency of the EC and the German presidency of the WEU in September 1991 to send a military force to the area to protect the observers deployed there failed miserably, and it was not until July 1992 that the WEU offered its naval assets to support the UN-imposed embargo.

In the case of the USSR, clashes between peoples, ethnic groups and political and administrative bodies led irremediably to armed conflict. Although both the "Alma-Ata Declaration" of 1991 and the "Charter of the CIS" of 1993 enshrined the inviolability of frontiers, the transformation of the administrative divisions of the USSR into the international borders of the new states was not explicitly recognised; what is more, the inclusion of a reference to the "inalienable right to self-determination"[18] opened the door to secession processes. In this geographical area the action of NATO and the European Com-

by the EU-Russia Centre, at http://www.eu-russiacentre.org/wp-content/uploads/2008/10/Review_XII.pdf).

[18] BLANC ARTEMIR Antonio (2004), *Conflictos territoriales, interétnicos y nacionales en los estados surgidos de la antigua Unión Soviética*, Tirant lo Blanc, Valencia, 2004, p. 34.

munity in Transdniester (Moldavia), Abkhazia and South Ossetia (Georgia) and Nagorno-Karabakh (Azerbaijan) was merely symbolic, and the role of the CSCE was limited to an offer of mediation - which did not serve to avert any of the crises- and the deployment of small observer missions.

The worsening of the situation in Bosnia in 1995, with the massacre of civilians in Srebrenica in July and the bombing of Sarajevo market on 28 August, led NATO to initiate "Deliberate Force" on 30 August, a campaign of air strikes against Serbian targets which was extended to 20 September and forced the negotiation process that ended in the "Dayton accords" signed on 14 December that year. This validated the model that had been adopted, as only NATO (under US leadership) and the use of military assets were capable of putting a stop to the fighting after three years of fruitless attempts by the international community.

The conflicts in the post-Soviet area soon put paid to the model of cooperative security Russia had attempted to promote in the framework of the CIS, forcing it to adopt a strategy of regional primacy as its own national interests were at risk. It thus intervened to a greater or lesser extent in all the conflicts until compromise solutions were reached between the parties. It may be concluded that the Euro-Atlantic institutions (NATO, EU) largely neglected this area, leaving the supervision of the precarious peace achieved in 1995 in Russian hands.

The main adaptations made by each organisation as a result of these events were:

- NATO progressed towards the integration of the Eastern European countries[19] by creating Partnership for Peace (PfP), a US initiative approved at the Brussels summit of January 1994 whereby bilateral cooperation programmes were established with a large military component, in contrast to the limited political dialogue of the NACC.
- In 1996 the EU convened an IGC leading to the approval of a modification of the Maastricht Treaty at the Amsterdam European Council (June 1997). Finding a definition of the relationship between the EU and the WEU played a key role in the negotiations, and was settled by incorporating the so-called "Petersberg tasks" into the sphere of the CFSP[20].

[19] President Bill Clinton, who had paid attention mainly to the consequences of the economic crisis from the moment he took up his post in January 1993 to the end of the year, began to consider in 1994 that the question was no longer whether NATO would welcome new members, but "when and how".

[20] Art. J.7 (2) of the Treaty of Amsterdam. The "Petersberg" tasks were agreed at the WEU Council of Ministers in June 1992 and constituted the initial framework of the ESDP. They are humanitarian assistance, peacekeeping and crisis response tasks in which combat forces may take part, including peace enforcement operations.

- The CSCE was transformed into a regional security organisation in May 1993 under chapter VIII of the United Nations Charter and completed its institutionalisation by changing its name to OSCE in 1995. However, throughout the process it became increasingly centred on the human dimension, renounced playing a military role in crisis management and excluded from its competences the possibility of conducting peace enforcement operations.
- Beginning in December 1993, Russia renounced de facto membership of the Euro-Atlantic institutions and joined in the cooperation initiatives offered by NATO (the aforementioned PfP in June 1994, and the "Founding Act on Mutual Relations, Cooperation and Security between NATO and the Russian Federation" in May 1997) and the EU ("Partnership and Cooperation Agreement", which was signed in 1994 and came into force in 1997), in addition to taking part from January 1996 onwards in the force deployed by NATO in Bosnia-Herzegovina (IFOR).

Another important milestone was the definition of the formal framework for WEU-NATO relations in 1996, which was approved by the North Atlantic Council (NAC) in Berlin, where it was decided that the ESDI would be developed by the WEU, but within the Atlantic Alliance.

Such was the situation at the beginning of 1999, the second landmark year when deep changes were made to the main Euro-Atlantic security organisations.

NATO in 1999: Washington summit, new Strategic Concept and Kosovo campaign

In April 1999, during NATO's 50th anniversary summit in Washington, a new Strategic Concept was adopted[21] (hereafter 1999 SC) to replace that of 1991 in response to the deep political and security changes that had taken place since then, including the conflicts in the Balkans and NATO's firm commitment to put an end to the human suffering they caused (point 3).

After reiterating NATO's essential purpose, the 1999 SC varies the fundamental security tasks the organisation performs in order to achieve it (point 10):

- Security: to provide one of the indispensable foundations for a stable security environment in Europe, based on democracy and the peaceful settlement of disputes.
- Consultation: to serve, as provided for in Article 4 of the Washington Treaty, as a transatlantic forum for Allied consultations on any issues that affect their vital interests.

[21] Available at http://www.nato.int/cps/en/natolive/official_texts_27433.htm.

- Deterrence and defence: to deter and defend against any threat of aggression against any NATO member state as provided for in Article 5 of the Washington Treaty.

As can be seen, these three basic tasks are identical to the first three set out in the 1991 SC. The fourth, preserving the strategic balance, is subdivided into two tasks designed to enhance the security and stability of the Euro-Atlantic area:

- Crisis management: to stand ready, case-by-case and by consensus, in conformity with Article 7 of the Washington Treaty, to contribute to conflict prevention and to engage in crisis management, including crisis response operations (CRO).
- Partnership: to promote partnership, cooperation, and dialogue with other countries in the area, with the aim of increasing transparency, mutual confidence and joint action.

The document reiterates the multidirectional and unpredictable nature of security challenges and risks (point 20), and stresses the concern about the proliferation of weapons of mass destruction and their means of delivery. Remaining risks are grouped into the same sentence: "Alliance security interests can be affected by other risks of a wider nature, including acts of terrorism, sabotage and organised crime, and by the disruption of the flow of vital resources" (point 24). The events of September 2001 drew attention to the fact that NATO had failed to realise how much of a threat Islamist terrorism was, even though Osama Bin Laden had been declaring the jihad against the West since 1996.

At this point it is necessary to underline the significance of the operations performed in Kosovo from 24 March to 9 June 1999. Despite the absence of a UN Security Council Resolution (which Russia was likely to veto), NATO carried out a campaign of strikes on the Federal Republic of Yugoslavia which had major consequences for the future of the Alliance. NATO's grounds for violating the sovereignty of a nation-state represented a new, post-Westphalian model of international relations that was a far cry from the rigidity of the UN mechanisms established during the Cold War: the conflict was a threat to regional security and caused a major humanitarian crisis; Yugoslavia was violating the law on armed conflicts; it was necessary to protect OSCE observers deployed on the ground; and, above all, the multinational nature of the action and NATO's own credibility provided the legitimacy denied it by the Security Council[22].

[22] Dr Jane G. DALTON, Lecture on "International Law and resort to use of force". Naval War College 2005.

The EU in 1999: the birth of the European Security and Defence Policy (ESDP)

The ESDP sprang from an initiative of the French and British governments at their Saint Malo summit in 1998 and was ratified by the Cologne European Council in June 1999[23] with the aim of achieving an EU with "the capacity for autonomous action, backed up by credible military forces, the means to decide to use them, and a readiness to do so, in order to respond to international crises". The principles of the ESDP include allowing non-EU NATO members and neutral and other states to take part in the Union's crisis management operations, and the duty to ensure cooperation and mutual transparency in relations with NATO, the cornerstone of the Allies' collective defence.

Another important feature of the final declaration of the summit was the definition of the structures needed to plan and conduct operations, including the Political and Security Committee, the Military Committee, the Military Staff and other resources such as the Satellite Centre and the Institute for Security Studies, both of which were transferred from the WEU. It also established that EU operations could be conducted using NATO assets or independently.

With Javier Solana as high representative for CFSP/secretary general of the Council (HR/SG), in December 1999 the Helsinki summit took place,[24] which laid down the capabilities the EU needed in order to perform its ESDP tasks: by 2003 the Member States should be capable of deploying a military force of up to 50,000-60,000 troops capable of performing the full range of Petersberg tasks within a maximum of 60 days and sustaining it for at least a year.

It may be said that the EU's inability to act effectively during the Bosnian war was the salutary lesson of the British-French initiative of Saint-Malo; furthermore, the military capabilities outlined at Helsinki met the needs of a peace enforcement and subsequently peacekeeping operation similar to the one performed by NATO in Kosovo. Therefore the EU, traditionally identified as an institution that prioritises the use of instruments of "soft power", gave priority to establishing the military capabilities it required, albeit clarifying that the related civilian capabilities would also be necessary for crisis management.

[23] Presidency conclusions following the Council of 3 and 4 June 1999, available at http://www.europarl.europa.eu/summits/kol2_en.htm#an3..
[24] Presidency conclusions following the Council of 10 and 11 December 1999, available at http://www.europarl.europa.eu/summits/hel1_en.htm#b.

The OSCE in 1999: Istanbul summit and the "European Security Charter"

In November 1999 the third member of the trio, the OSCE, held in Istanbul what would be its last summit[25] at head of state/government level until 2010. At this summit the important "Charter for European Security" was approved, the idea of creating a "Platform for Cooperative Security" was formulated and a new version of the CFE Treaty was agreed on[26].

The Charter identifies the common challenges faced by the states parties, which include the threat of intrastate and interstate conflict, international terrorism, violent extremism, organised crime and drug trafficking, the proliferation of small calibre weapons, economic crises and environmental problems, and the instability of areas bordering on OSCE territory.

The OSCE was therefore reaffirmed as the primary organisation for the peaceful settlement of disputes within its region as a key element for early warning, conflict prevention, crisis management and post-conflict rehabilitation. All states parties have the same right to security and are free to choose or change their security arrangements, including treaties and alliances, and to declare their neutrality. The security of a state cannot be reinforced at the expense of others, as within the OSCE no state, groups of states or organisation may be pre-eminently responsible for maintaining peace and stability (in clear allusion to NATO) or may consider part of the OSCE its sphere of influence (in clear allusion to the Russian Federation).

Stating that today's risks and challenges cannot be addressed by a single actor, the OSCE proposes the "Platform for Cooperative Security" as a means of strengthening collaboration with other organisations and of pursuing political and operational coherence on the basis of common values, both in response to specific crises and in order to formulate responses to the new risks and challenges. The OSCE could play a key integrating role in this process as a flexible framework for coordination in which the different organisations could make the most of the strengths of each one, without aiming to establish a hierarchy or permanent division of labour between them all.

Finally, the adaptation of the CFE Treaty was aimed at reflecting the changes which had taken place on the European scene since its signing in 1989 as a result of the accession of new states parties. Following the dissolution of the Warsaw Pact and of the USSR itself, the number of forces assigned to the latter in the flank zone came to be shared among six independent states, leaving Rus-

[25] In addition to the then 55 OSCE member states, representatives of the EU, the Mediterranean partners (Algeria, Egypt, Jordan, Morocco and Tunisia), cooperation partners (Japan and South Korea), the UN and various regional and subregional initiatives took part, which gives an idea of the organisation's potential to address global threats to world security.
[26] Document available at: http://www.ieee.es/Galerias/fichero/RecursosInteres/Internacional/OSCE_Documento_de_Estambul_1999.pdf.

sia with very little leeway to station forces in the North Caucasus and address serious crises such as the Chechen wars[27].

Strengths and weaknesses of the European security architecture in 2000

Whereas in 1991 NATO succeeded in maintaining its central position in the European security architecture, in 1999 an eastward-enlarged Alliance, with the approval of the new 1999 SC and the successful completion of the Kosovo campaign (following the deployment of the KFOR in June) under its belt, enjoyed even greater legitimacy than at the end of the Cold War, as it had proved twice in the Balkans that when developments in regional crises required military intervention, only NATO was in a position to provide it effectively.

However, the Atlantic Alliance's intervention in the Balkans was clouded by a number of factors that would affect its future. Aside from the fact that it came close to shattering the cohesion between Allies—the prolonged air strikes drove countries such as Greece to a limit situation—the model of a "war run by committees" (as it was dubbed on account of the need to reach unanimous decisions in the framework of the North Atlantic Council), coupled with the fact that the US carried out 80% of the combat actions (owing to the European allies' shortage of military capabilities) caused the US's interest in it to decrease exponentially.

Furthermore, the 1999 SC stated that "a new Europe of greater integration is emerging, and a Euro-Atlantic security structure is evolving in which NATO plays a central part" (point 3). As part of this structure, in addition to an almost routine mention of the essential role played by the OSCE (point 16), it includes a description of the Alliance's vision of the EU's CFDP and the progressive development of a common defence under the Amsterdam TEU which, according to the 1999 SC, "would be compatible with the common security and defence policy established within the framework of the Washington Treaty" (point 17).

But the most striking statement is found in the same paragraph: "The European Union has taken important decisions and given a further impetus to its efforts to strengthen its security and defence dimension. This process will have implications for the entire Alliance, and all European Allies should be involved in it, building on arrangements developed by NATO and the WEU". This reference to the central role of the WEU, precisely at a time when the birth of the ESDP returned this organisation to a "dormant" state, proved to be a burden in NATO-EU relations over the following decade.

Once again, the US stance was of key importance. At Saint-Malo the Clinton administration regarded Britain's change of position as a possible redefinition of the transatlantic link. A few days later the secretary of state Madeleine Al-

[27] EU-Russia Centre, Ibid., p. 33.

bright established the limits of the redefinition (the so-called theory of the three "Ds"): no decoupling of allied capabilities, no duplication of efforts, and no discrimination of (non-EU) NATO members in the decision-making process.

Furthermore, the OSCE summit in Istanbul coincided with a crisis in relations between the West and Russia over the Kosovo conflict[28] and the resumption of the Chechen war. The plenary thus witnessed America's President Clinton point an accusing finger at his old friend Yeltsin and blame him for the violence of the Russian troops in the Caucasus, causing a harassed Yeltsin to leave the room[29]. As a result, what was one of the most important OSCE summits in terms of the number of agreements and their significance paradoxically marked the beginning of its decline.

Lastly, with respect to the situation of the Russian Federation in the period, in 1996 Yevgeny Primakov was appointed minister of foreign affairs. He promoted a "multi-vector policy" aimed at making Russia a major power which, together with others like China and India, could counter the influence of the US in order to shape a truly multipolar world. Although the so-called "Primakov Doctrine" had few practical repercussions given the country's critical internal situation, it did mark a turning point in what had hitherto been Russia's collaborative attitude towards the West.

THE POST-11 SEPTEMBER 2001 ENVIRONMENT

One area of potential collaboration in the Euro-Atlantic region at the end of the 1990s was the fight against Islamic fundamentalism and international terrorism. When the second Chechen war broke out, Putin, then prime minister, attempted to enlist the collaboration of the US against al-Qaeda and the Taliban owing to the Chechens' connections with Bin Laden's organisation and the fact that Afghanistan was the only nation that maintained diplomatic relations with the rebels[30]. This offer was ignored by Clinton, at that point still president, who was frustrated by Russia's stance towards Kosovo and increasingly viewed the Federation as a nostalgic, dysfunctional and weak power at whose expense the US should seek to achieve the maximum gains possible[31].

[28] On 11 June 1999, two days after the NATO campaign of air strikes ended, some 200 Russian SFOR troops withdrew from Bosnia-Herzegovina and took up positions at the airport of Kosovo's capital, Pristina, much to the West's surprise. The Russian contingent ended up joining KFOR, the NATO operation authorised expressly by UN Security Council Resolution 1244.

[29] BABINGTON Charles, «Clinton Spars with Yeltsin on Chechnya, President Denounces Killing of Civilians», *Washington Post*, November 17, 1999. http://www.highbeam.com/doc/1P2-618196.html.

[30] SIMES Dmitri K., "Losing Russia: the costs of renewed confrontation", *Foreign Affairs*, Nov/Dec 2007, p. 42.

[31] SIMES Dimitri K., Ibid., p. 43.

Furthermore, during the 2000 presidential election campaign, the candidate George W. Bush declared that traditional alliances were the central focus of his country's involvement in the world, as an essential multiplier of its international activity. That year the future national security advisor, Condoleezza Rice, wrote in Foreign Affairs that NATO was the alliance that was most important to America[32]. However, even before the 11 September attacks, the subsequent Bush administration was accused of lack of coordination and lack of commitment to these formal allies.

Accordingly, in 2001 the HR/SG Javier Solana underlined the problems that were arising between the EU and the US, considering the Bush administration's first decisions (such as impairments to free trade and failure to ratify the Kyoto Protocol) to be the reason for these divergent positions, although he added that the differences were more rhetorical than real. Along the same lines, during his visit to Warsaw in June 2001 President Bush stated that "when Europe and America are divided, history tends to tragedy. When Europe and America are partners, no trouble or tyranny can stand against us"[33]. At that point tragedy was closer than anyone could imagine.

NATO's reaction to 11 September and the shattering of the transatlantic link

Following the attacks of 11 September 2001 the world hurriedly joined in the US's efforts to combat international terrorism. NATO was at the forefront, and on 12 September, for the first time in its history, it invoked article 5 of the Washington Treaty. On 4 October the NAC adopted eight measures in support of the campaign against terrorism, including the deployment of permanent naval groups to the eastern Mediterranean; enhanced intelligence sharing; increased protection of installations; filling the "gaps" left by the assets used in counterterrorism operations; deployment of five Airborne Early Warning aircraft to patrol US airspace; and providing the US and other allies with access to ports and airfields on NATO territory to conduct counterterrorism operations.

Was this contribution enough to justify the existence of NATO? Probably not, as the means of according it real significance would have been to have it conduct "Operation Enduring Freedom" (OEF) in Afghanistan, which began on 7 October 2001, like a NATO operation for the purpose of collective defence. It would be simplistic, however, to say that this decision was related exclusively to the unilateralism of the US. A sound reason was the evident disparity in the

[32] CAMPBELL Kurt, "The end of alliances? Not so fast", *The Washington Quarterly*, spring, 2004, p. 158.
[33] *Seguridad y Defensa de la UE: retos y oportunidades*, Monografía 125, Instituto Español de Estudios Estratégicos, 2005, p 62.

defence effort between the US and its European allies,[34] which gave rise to the so-called "capabilities gap"[35].

It might be argued that however large the technological gap between allies in 2001, much larger was the gap between the US and the members of the ad-hoc coalitions formed to lead the so-called "Global War on Terror" (GWOT), which included countries with zero military capabilities such as Tonga and Costa Rica. But it is necessary to bear in mind the political flexibility provided by coalitions of this kind, in which the US did not need to convince the other NATO countries to reach a unanimous decision.

In September 2002 the American "National Security Strategy" (NSS) was published. It mentions NATO as many as 14 times, particularly at the start of chapter VIII ("Develop agendas for cooperative action with the other main centers of global power"), in which the US establishes the "homework" it needs to do in order to be a useful instrument in the post-11-September environment, including:

- Expand NATO's membership to those democratic nations willing and able to share the burden of defending and advancing common interests;
- Ensure that the military forces of NATO nations have appropriate combat contributions to make in coalition warfare;
- Take advantage of the technological opportunities and economies of scale in defence spending to transform NATO military forces; and
- Maintain the ability to work and fight together as allies even while taking the necessary steps to transform and modernise forces[36].

On the basis of the above criteria, that September the defence secretary Donald Rumsfeld proposed a design for an allied rapid reaction force. The establishment of the NATO Response Force (NRF) was announced two months later at the NATO summit in Prague in November, together with other military transformation initiatives (such as the Capabilities Commitment and a review of the

[34] In 1990 the average defence expenditure for NATO countries was 4.1% of GDP, whereas the US average was 5.7% and that of Europe 3.2%. By 2001 these percentages had fallen to 2.7% in the US and 1.19% in Europe; in the US this amounted to almost the same overall figure (from 317 bn to 313 bn) but in Europe it represented a reduction from 186 billion to 158 billion, despite the addition of three new member states following the enlargement of 1999. Figures in US dollars. Information available from the NATO website www.nato.org.

[35] This gap included insufficient strategic transport assets; inadequate air-to-air refuelling; a lack of precision-strike, all-weather-offensive fighter capability and precision-guided munitions; insufficient reconnaissance and intelligence capabilities; inadequate deployable command and control; inadequate capacity to suppress enemy air defence; and shortfalls in secure, interoperable communications. Article "Closing the capabilities gap", *NATO Review*, autumn 2002.

[36] *The National Security Strategy of the United States of America*, September 2002, p. 25.

military command structure[37]). All these changes, together with the adoption of the "Military concept for defence against terrorism" were steps in the right direction aimed at readapting the Alliance (again), but were limited in scope owing to the rift in the transatlantic link during the run-up to the invasion of Iraq in 2003.

What is more, in October 2002 Rumsfeld issued the memorandum "Guidelines to be considered when committing US forces", which stated that "…The command structure should be clear, not complex -- not a collective command structure where a committee makes decisions. If the U.S. needs or prefers a coalition […] we should have a clear understanding with coalition partners that they will do whatever might be needed to achieve the agreed goals. Generally, the mission will determine the coalition; the coalition should not determine the mission". This meant that the US's new strategy would be based more on temporary arrangements with a heterogeneous group of countries than on multilateral actions requiring common and reciprocal obligations—i.e. on the NATO model.

The crisis among allies reached a peak during the escalation of tension prior to the invasion of Iraq[38], developing into open confrontation within the Security Council between those who supported the use of force against Saddam Hussein (such as the US, the United Kingdom and Spain) and those who wanted to give the inspections more time (such as France and Germany); the invasion finally began on 20 March 2003, without a new Resolution to reinforce no. 1441 of 20 November 2002.

European security strategy: the EU as a global actor

A salient event in the evolution of the ESDP from 1999 is the Feira summit (19 and 20 June 2000), which endorsed the establishment of the "Committee for Civil Aspects of Crisis Management" and set targets for the capabilities of the European gendarmerie,[39] as well as adopting the European Security

[37] The NRF is a highly ready and technologically advanced force. It should have a total of 25,000 troops and be capable of starting deployment five days after the decision to employ it, and of sustaining itself in operations lasting up to 30 days, or longer if resupplied. The new command structure was optimised for the use of the NRF, and the PCC is an attempt to close the capabilities gap between the two sides of the Atlantic.

[38] MANN, James Mann, *Rise of the Vulcans*, chapter 21 "Towards the war in Iraq", p. 355: "*On February 17 [2003] […] Vice President Cheney met French Ambassador Jean-Louis David Levitte in his residence and confronted him. "Is France an ally or a foe?", he asked. Levitte insisted France was still an ally. Cheney demurred. "We have many reasons to conclude that you are not really a friend or an ally".*

[39] The Member States undertook to provide, by 2003, up to 5,000 police officers for international missions in conflict prevention and crisis management operations and to designate and deploy as many as 1,000 police officers within 30 days.

Strategy[40] (hereafter 2003 ESS), which was disclosed in Brussels on 12 December 2003.

The 2003 ESS served the purpose of harmonising countries' criteria following the crisis sparked by the invasion of Iraq, as well as providing, to an extent, a counterpoint to the US 2002 NSS, as whereas the latter spoke of carrying out "preventive military actions" before threats materialise, the former formulated the concept of "preventive engagement" using all elements of power, with recourse to military force as the last option.

The document lists the five chief threats to European security: terrorism, the proliferation of weapons of mass destruction, regional conflicts, state failure and organised crime. It also establishes the EU's three strategic objectives—to address threats, build security in the neighbourhood and achieve an international order based on effective multilateralism—and lists the four strategic implications for Europe: to be more active, more capable, more coherent and more cooperative.

Despite the limitations inherent in the consensus that gave rise to it, the 2003 ESS provided some strategic elements that shed very interesting light on the EU's conduct in security matters and guided it along its path. In practice, it has been the basic reference for nearly all the initiatives aimed at broadening and deepening the ESDP, including the autonomous international missions that began in 2003.

Strengths and weaknesses of the European security architecture in 2004

A hindrance to the establishment of formal cooperation mechanisms between the EU and NATO was the lack of explicit recognition of the contribution made by each one to reinforcing collective security. The joint "NATO-EU Declaration on ESDP policy" of December 2002 was designed to overcome this obstacle and was based on the principles of: seeking effective partnership; equality and respect for decision-making autonomy; respect for the principles of the UN Charter; and the coherent and transparent development of military capabilities.

On the basis of the last point, the "NATO-EU Capability Group" was set up in 2003 to pursue synergy and complementarity in programmes in order to reinforce each other mutually. This amounts to significant progress, as the 21 nations that belong to both organisations must meet the different and sometimes contradictory requirements of both, with the ever limited defence budgets.

[40] *A secure Europe in a better world. European Security Strategy*, December 2003, available at http://www.ieee.es/Galerias/fichero/RecursosInteres/Internacional/Estrategia_Europea_de_Seguridad_2003.pdf.

The main instrument for NATO-EU cooperation has been the "Berlin Plus" arrangements, which did not enter into force until 17 March 2003 owing to the eternal quarrels between Greece and Turkey. These agreements laid the foundations for cooperation in crisis management and allow NATO assets to be used in EU-led operations in which the Alliance as a whole is not engaged.

With this new framework in place, on 31 March 2003 the EU launched its first military operation, "EUFOR Concordia", to take over from NATO's "Allied Harmony" operation in the FYROM. This operation, which ended on 31 December 2003, was followed by the transfer of the NATO operation in Bosnia and Herzegovina (SFOR, Stabilization Force) to the EU (EUFOR Althea), which began on 2 December 2004 and is still in progress.

In April 2003 France, Germany, Belgium and Luxembourg proposed setting up a headquarters in Tervuren (Belgium), which would provide the EU with the capability to plan and lead operations without NATO assets, challenging the "Berlin Plus" status quo. The proposal did not get off the ground, but it set alarm bells ringing in the US and Turkey and caused Rumsfeld to make a sarcastic comment to the effect that the transatlantic link could never be replaced by the "chocolate'" defence, and secretary of state Collin Powell to remark that what "we need are more capabilities, not more headquarters".

Shortly afterwards, to the surprise of many, the EU decided to launch its first independent military operation. Operation "Artemis" in the Democratic Republic of the Congo began on 12 June 2003, only 13 days after the passing of Security Council Resolution 1484 which authorised it. Until then the US administration had taken for granted that the EU would only act when NATO had abstained from doing so, never on its own initiative.

Lastly, around this time Putin was embarking on his first presidential term in Russia. In the post-Soviet environment, the Collective Security Treaty Organisation (CSTO, replacing the CST) was established in 2002 and brought together the nations closest to the Kremlin[41]. In the Euro-Atlantic environment, support was given to the US in Afghanistan[42], cooperation with NATO was intensified following the creation of the "NATO-Russia Council" (NRC) in 2002[43], and 2003 saw the establishment of the "Common Areas"[44] with

[41] Russia, Belarus, Armenia, Kazakhstan, Kirghizstan and Tajikistan.
[42] Russia allowed US aircraft to fly over its territory, supported the establishment of US bases in the central Asian countries and facilitated contacts with the Northern Alliance, a force supplied and trained by Moscow and immediately available to attack the Taliban.
[43] In the NRC the members of the Alliance and the Federation work as equal partners in areas of common interest; it provides a mechanism for consultations, pursuit of consensus, cooperation and the adoption of joint decisions and actions across a broad spectrum of security matters in the Euro-Atlantic region.
[44] These spaces are Economic; Freedom, Security and Justice; External Security; and Research and Education.

the EU. However, no progress was made in settling the "frozen conflicts" in the region, despite the negotiation efforts made in the framework of the OSCE.

The "troubled years": European security architecture from 2004 to 2008

The 2004 enlargements of the EU and NATO hindered political-strategic relations between them, almost to the point of grinding them to a halt. Specifically, Cyprus's accession to the EU in 2004 did away with "Berlin Plus" on account of the country's conflict with Turkey and the fact that it does not belong to NATO's "PfP" programme. This means that Cyprus should stay away from any meeting where ESDP operations conducted with Alliance assets and capabilities are discussed—something which the EU is not prepared to allow.

Therefore, each organisation followed its own independent course of development. NATO focused its efforts on the ISAF (International Security Assistance Force) in Afghanistan, whose mandate it took over in 2003. At the time US attention was centred on post-war Iraq, and in a sense assigning ISAF to NATO was a manner of giving it a prominent role in a secondary scenario. But the deterioration in the security situation following the resurgence of the Taliban insurgency in 2006 has caused occasional frictions between Allies over an alleged lack of commitment and the restrictions imposed on national contingents (the so-called "caveats") in performing their activities.

For its part, the EU continued to develop the ESDP, coining the concept of "battle groups" in February 2004[45] and establishing the European Defence Agency (EDA) that July. Twenty-four ESDP missions have been conducted since 2003: seven military, 14 civilian and three civilian-military. It should be stressed that, following the aforementioned operations in the Balkans, the five remaining military operations were run from the headquarters which members make available to the EU or from the existing centre of operations in the General Secretariat of the Council, without recourse to NATO assets.

However, nor was the political environment in which the ESDP was developed the most appropriate, owing above all to the failure to ratify the Constitutional Treaty following the French and Dutch "no" in 2005. The ESDP, which is intended to be an instrument at the service of the EU's external interests, was developed in practice as an independent "pillar" on account of the lack of a higher level of strategic guidance. For example, it is difficult to define on the basis of what strategic interests five missions have been implemented in the Democratic Republic of the Congo and not in other countries with similar security needs.

Even so, the area in which the European security architecture suffered the most deterioration was in overall relations between the Russian Federation and the

[45] Each "Battle Group" was to consist of between 1,600 and 2,200 troops deployable within 15 days in a hostile environment and capable of sustaining operations for 30 days, or for up to 120 with rotations.

West. During Putin's first presidential term Russia made an effort to integrate the CIS countries by strengthening economic and cultural ties. However, this strategy was shattered by the "colour revolutions" (rose in Georgia in 2003, orange in Ukraine in 2004 and velvet in Kirghizstan in 2005), which Russia considered to have been encouraged and backed by the West.

The impact these revolutions caused in Russia, particularly that of Ukraine[46], resulted in increasingly more frequent recourse to instruments of "hard power", such as maintaining military detachments in neighbouring countries[47], offering residents of other states Russian passports[48], blocking trade[49], threatening to repatriate foreign workers[50], and pricing energy supplies differently on the basis of political criteria, and even cutting them off.

Furthermore, when the major NATO and EU enlargements took place in 2004, the new Eastern European members brought with them their historic resentments and the perception of Russia as a real threat to their territorial integrity and sovereignty, which has greatly hampered these organisations' relations with the Federation.

All these negative trends reached a climax in 2008; Kosovo's unilateral declaration of independence in February, apart from causing a rift between NATO and EU members over whether to recognise it, opened the Pandora's box of the frozen conflicts, as the secessionist regions considered that the international community could not deny them the same recognition, and the countries involved found themselves facing the danger of losing territories over which they had not exercised their authority de facto since the 1990s.

At the NATO summit in Bucharest (April 2008) President Bush insisted on granting both Ukraine and Georgia a membership action plan—the initiative was postponed owing to head-on opposition from Germany[51] and France—

[46] Gleb Pavlovsky, a Russian political scientist and presidential advisor described the "orange revolution" as "a very useful catastrophe for Russia; we learnt a lot". POPESCU Nicu & WILSON Andrew, *The limits of enlargement-lite: European and Russian power in the troubled neighbourhood*, European Council on Foreign Relations, June 2009, p. 29.

[47] For example, the 15,000 troops of the Black Sea fleet stationed in Crimea (Ukraine), the 3,600 in the secessionist provinces of Georgia (before the war of 2008), and the 850 stationed in Belarus.

[48] It is reckoned that Russian passports are held by some 180,000 people in Georgia, 160,000 in Azerbaijan, 116,000 in Armenia, between 80,000 and 100,000 in Moldavia and as many as 540,000 in Ukraine as a whole, with a large concentration in Crimea.

[49] Imports into Russia of Georgian (2005) and Moldavian wine (2005-2007) were banned, as well as vegetables and meat from these two countries and Ukraine.

[50] POPESCU Nicu & WILSON Andrew, Ibid., p.45.

[51] The reasons given by Angela Merkel range from the fact that the initiative is not fully backed by the respective populations, especially in Ukraine, to the important security problems of both countries which make them unfit to belong to the Alliance.

and on continuing with plans to install the ballistic missile shield in Eastern Europe. Both issues were extremely serious to Russia.

In June Russia's new president, Dmitry Medvedev, began his international agenda in the West with a visit to Germany, where he mentioned the possibility of a new regional security pact addressing the key issues over which Europe is divided, on the basis of the UN Charter.

Finally, on the night of 7 August Georgia launched a massive artillery bombardment of Tsinkivali and the Russian troops stationed there, causing many causalities and forcing the population to flee to North Ossetia. Russia counterattacked by expelling the Georgians from South Ossetia within five days, occupying as much as 20% of Georgian territory and destroying the military capabilities the US had helped build in exchange for Georgian president Mikhail Saakashvili's support for the GWOT and the deployment of his troops in Iraq.

It is easily inferred that if there was any organisation that particularly suffered the consequences of this situation it was the OSCE, in a process that plunged it into almost total insignificance. The most controversial aspect was the action of the human "dimension", especially of some organisations such as the Office for Democratic Institutions and Human Rights[52], which, as an autonomous institution, has been openly accused by Russia of interfering in the internal affairs of the countries when supervising electoral processes such as those that gave rise to the "colour revolutions" in Georgia and Ukraine.

To cite another example, the objections expressed by 26 nations to the ratification of the modified CFE treaty of 1999, especially the categorical "no" of the US, was one of the key points of contention with Putin's Russia[53]. As a result of the foregoing, from 2002 to 2010 the OSCE proved incapable of adopting a political declaration following the annual councils of foreign ministers.

[52] The ODIHR was located in Warsaw when it was established in the 1990s. This is not an insignificant fact, given the revisionist attitude of Poland (which seems to be attempting to settle all kinds of historic debts with Russia, from its privileged status as NATO and EU member), and its strong ties with the US, so much so that Poland has been defending US interests in Europe, often against the interests of the EU as a whole.

[53] Russia considered that non-ratification of the modified CFE treaty is unjustified, as it has met all the commitments acquired in 1999. However, the US asserts that one of the principles of the CFE Treaty is that sovereign states may decide under what conditions foreign military forces may be stationed in their territories–something that Russia does not respect in the cases of Moldavia and Georgia.

THE END OF THE POST-COLD-WAR PERIOD?

The Georgian crisis in August 2008 marked the realisation that risks and threats to Euro-Atlantic security not only came from distant areas such as sub-Saharan Africa or southern Asia but also from within. This salutary lesson served to put relations between key actors back on track and remedy the shortfalls of a security architecture in which each organisation has evolved independently, giving shape to a clearly dysfunctional system.

Chance had it that, coinciding with the Georgian war, the six-month presidency of the European Council fell to the French president Nicolas Sarkozy. In response to international efforts, Sarkozy met Medvedev in Moscow on 12 August and persuaded him to agree to the six-point ceasefire plan[54] that was ratified that night by Saakashvili, overwhelmed by Russia's response to his attack of the 7th.

On the 26th of the month Russia recognised the independence of Abkhazia and South Ossetia (in response to what occurred with Kosovo in February) and in September the EU deployed a civilian monitoring mission (EUMM Georgia) of more than 200 observers. The EU's diplomatic success was notable, all the more so considering that Russia barred OSCE observers from South Ossetia following the war, vetoed the prolongation of its mission on 1 January 2009 and did the same with the UN mission in Abkhazia in June 2009 on the grounds that they were no longer relevant to the status of both regions as independent states.

Whereas the EU engaged in diplomatic activity on the ground, the US issued non-conciliatory declarations from a distance. President Bush described Russia's intervention of 11 August as "unacceptable and disproportionate", while vice-president Cheney stated that Russian actions "will not go unpunished". The other US contribution was to transfer the Georgian troops stationed in Iraq to Tbilisi to protect it against a possible Russian advance. Nevertheless, the administration was on its last legs before the presidential elections of November 2008.

The US positioned influenced NATO, which suspended the activity of the NRC, but the understanding between France and Russia again became apparent at the "World Policy Conference" at Evian in October 2008, where Medvedev took up his June proposal for a new pan-European security treaty. It different from the proposal made at Berlin in that it broadened the geographical scope from European to Euro-Atlantic, accepting that Washington should not be excluded from the process, and invited all the "key Euro-Atlantic organisations" to take

[54] The six points included: 1. Do not resort to force. 2. Definitively cease hostilities. 3. Give free access to humanitarian aid. 4. Georgian military forces must withdraw to their usual barracks. 5. Russian military forces must withdraw to the lines occupied before the start of hostilities. Until an international mechanism is put in place, Russian peacekeeping troops will implement the security measures. 6. Open international discussions over security and stability modalities in Abkhazia and South Ossetia.

part in a future conference on the subject, whereas the Berlin version stated that nations should take part individually in order to avoid the formation of blocs.

Barack H. Obama's victory in the elections of 4 November 2008 marked a major turning point, as one of his first measures as president was to "reset" in relations with Russia, apart from coinciding with a period of significant changes in the regional security organisations:

At the European Council of 11 December 2008 the EU approved the report on the implementation of the 2003 ESS entitled "Providing security in a changing world"[55], in which new security risks are included such as cyber-attacks, energy insecurity and climate change. It also stated that "the EU and NATO must deepen their strategic partnership for better cooperation in crisis management".

On 4 April 2009, after the Strasburg-Kehl summit[56], NATO issued the "Declaration on Alliance Security" which states that "NATO recognizes the importance of a stronger and more capable European defence and welcomes the European Union's efforts to strengthen its capabilities and its capacity to address common security challenges. Non-EU Allies make a significant contribution to these efforts in which their fullest involvement possible is important, as agreed. We are determined to ensure that the NATO-EU relationship is a truly functioning strategic partnership […] Our efforts should be mutually reinforcing and complementary".

On 13 May 2009 the Kremlin disclosed the Russian Federation's "National Security Strategy to 2020", which stated that NATO was responsible for the instability of the Euro-.Atlantic security architecture, that further expansion of the Alliance to Russia's borders was unacceptable, and that the possibilities of collaboration would be considerably reduced by the intended deployment of the US ballistic missile shield in Eastern Europe.

The EU's Treaty of Lisbon

The new Lisbon TEU, which entered into force on 1 December 2009, made important changes to the former "second pillar" by equipping the EU with innovative instruments both for its external action and specifically in the ESDP, which came to be called the "Common Security and Defence Policy" (CSDP). It reaffirmed the goal of developing "The common security and defence policy", which "shall include the progressive framing of a common Union defence

[55] Available at: http://www.ieee.es/Galerias/fichero/RecursosInteres/Internacional/Estrategia_Europea_de_Seguridad_Informe_2008.pdf.
[56] Available at: http://www.nato.int/cps/en/natolive/news_52837.htm?mode=pressrelease.

policy. This will lead to a common defence, when the European Council, acting unanimously, so decides". (Art. 42.2).

The Treaty contains a clause on mutual assistance, which establishes that "If a Member State is the victim of armed aggression on its territory, the other Member States shall have towards it an obligation of aid and assistance by all the means in their power, in accordance with Article 51 of the United Nations Charter". (Art. 42.7). This clause, which in theory is more binding than article 5 of the NATO Treaty of Washington, is equivalent to Article V of the WEU's modified Treaty of Brussels which renders the continuity of this organisation meaningless and establishes the cessation of its activities.

However, the same article includes an explicit reference to NATO, designed to please the more Atlantist Member States: "The policy of the Union […] shall respect the obligations of certain Member States, which see their common defence realised in the North Atlantic Treaty Organisation (NATO), under the North Atlantic Treaty and be compatible with the common security and defence policy established within that framework".

In order to allow those states whose military capabilities fulfil higher criteria and which have made more binding commitments in this area to carry out the most demanding missions, the mechanism of "Permanent Structured Cooperation" (PSC, regulated in articles 42 and 46 and in an annexed protocol) is established. The purpose of PSC is to intensify the development of defence capabilities through national contributions and, if necessary, participation in multinational forces in the main European programmes.

Finally, we should stress the replacement of the SG/HR with a new figure, who in addition to the HR for CFSP is also vice-president of the Commission, chairs the Council of Foreign Ministers and heads the new European External Action Service (EEAS), into whose structure the crisis management bodies are to be integrated—which will lend the EU's external action much greater coherence and will provide the CSDP with the strategic guidance it basically lacked during its first decade of development.

NATO's Lisbon summit and the new strategic concept

At its annual summit, held in the Portuguese capital on 19 and 20 November 2010, the Atlantic Alliance adopted a new strategic concept (hereafter 2010 SC) to replace the 1999 SC[57].

[57] On this subject see LABORIE IGLESIAS Mario, "Resultados de las Cumbre de Lisboa", *Documento de análisis 15/2010*, Instituto Español de Estudios Estratégicos, available at http://www.ieee.es/Galerias/fichero/docs_analisis/2010/DIEEEA15-2010CumbresLisboa.pdf.

As for NATO's core tasks, the 2010 SC lists three: collective defence, crisis management and cooperative security. It should be recalled that the 1999 SC mentioned five: security, consultations, deterrence and defence, crisis management and partnership. We may conclude that the "cooperative security" of the 2010 SC encompasses the "security" and "partnership" tasks laid down in the 1999 version, that "collective defence" replaces "deterrence and defence", and "crisis management" remains unchanged.

Therefore, only consultations have ceased to be a fundamental NATO task. However, given that the new document expressly mentions article 4 of the Washington Treaty and states that "NATO remains the unique and essential transatlantic forum for consultations on all matters that affect the territorial integrity, political independence and security of its members," there is no change in this aspect either.

The security risks and threats it lists are: proliferation of ballistic missiles, nuclear weapons, other weapons of mass destruction and their means of delivery; terrorism; instability or conflict beyond NATO borders; cyber-attacks; attacks on communication routes; certain technology-related trends such as electronic warfare and technologies that limit access to space; and other environmental and resource constraints.

Finally, the 2010 SC adopts a comprehensive approach to crisis management operations. In order to put this into practice this effectively, NATO undertakes to build "an appropriate but modest civilian crisis management capability" in order to interface more effectively with civilian partners and other organisations involved in settling a particular crisis. It thus appears to have ruled out the possibility, entertained during the drafting of the 2010 SC, that NATO might draw on civilian capabilities of the EU in what would be a "Berlin Plus in reverse" arrangement.

The OSCE's Astana summit

In an effort to overcome its endemic crisis, on 1 and 2 December 2010 the OSCE staged its summit in Kazakhstan, the first former Soviet republic to hold the presidency of the organisation. It was also the first summit to take place at head of state/government-level since that of Istanbul in 1999 and adopted a joint declaration of the 56 member states—something which had not occurred since 2002. This undeniable success of the Kazak presidency has rekindled, at least in part, the so-called "spirit of Helsinki".

The "Astana Commemorative Declaration: Towards a Security Community" sums up the basic guidelines for OSCE action in the immediate future, in its pursuit of a free, democratic and indivisible Euro-Atlantic and Eurasian secu-

rity community stretching from Vancouver to Vladivostok, rooted in common principles and objectives, with the triple security approach envisaged by the organisation since its beginnings. All of this under the legal umbrella of the UN Charter and the principle OSCE documents.

A salient feature is the statement that the security of each participating state is inseparably linked to that of the rest, that they are all entitled to choose their treaties and alliances, and that no member of OSCE can be pre-eminently responsible for maintaining peace and security or consider part of the OSCE its sphere of influence. As the OSCE is the regional security organisation with the most global approach and the largest number of members, it continues to provide a unique forum, especially for the establishment effective confidence- and security-building measures (CSBM).

The declaration also recognises that threats and challenges remain, such as terrorism, organised crime, illegal immigration, proliferation of weapons of mass destruction, cyber-threats and illicit trafficking, which make it necessary to overcome the current lack of trust; in particular, efforts must be stepped up to settle the "frozen conflicts" that still exist in the area in a peaceful and negotiated manner, preventing the eruption of new crises and undertaking not to use force or threaten to use it against other states.

Finally, the declaration welcomes initiatives such as the Russian proposal for a new pan-European security treaty in the framework of the OSCE's "Corfu Process", aimed at leading to a Euro-Atlantic and Eurasian region that is united and free of dividing lines, conflicts, spheres of influences and areas with different levels of security.

CONCLUSIONS AND PROSPECTS

The evolution of the European security architecture since the end of the Cold War has lacked a global vision of the Euro-Atlantic region as a single security space that faces common security risks and threats against which all the key actors, be they states or international organisations, must act in the most coordinated manner possible.

Instead, each organisation has evolved independently, often carried along by its own bureaucratic inertia, resulting in a system of "patches" designed to deal with specific crisis as they arise, with considerable overlapping of responsibilities and a lack of necessary coordination (See annex, graph I). The results have ranged from inappropriate use of the available resources (in the case of NATO and the EU) to an open confrontation that aroused fears of a return to a policy of blocs (in the case of NATO and the organisations led by the Russian Federation).

In order to make adjustments to the system, the first actor that needs to develop its full potential is the EU. Following the entry into force of the Lisbon Treaty, it is now within the power of a united Europe to assume its role of global actor, its responsibility for maintaining international peace and security, and to join forces with the US and Russia in promoting stability in the so-called "global Balkans"[58]. Otherwise Europe will be doomed to play an insignificant role in the new world context and will be incapable of offering added value to its natural strategic allies. The current US administration seems to be openly in favour of strengthening European capabilities[59].

For its part, throughout the Cold War NATO was the heart of the Euro-Atlantic security architecture, as the system could not survive without it. During the 90s, the Alliance became an arm, as although the system could survive without it, it was very useful nonetheless (as it proved in the Balkans). Following 11 September, the United States' loss of interest in NATO[60] has led to a phase of geographical and functional dispersal, sparking serious tension about the very nature of the organisation[61]. On occasions this has spurred it to behave in an uncontrolled, metastatic manner within the system, impeding the development of other organs (such as the ESDP) that in principle are better fitted to address the new security challenges as they provide a broader range of instruments.

It is paradoxical that the relations between two organisations that share 21 out of their 28 (in NATO) or 27 (in the EU) members have been marked by coordination difficulties and even friction of all kinds[62]. Indeed, this led The Economist to state that "the two bodies are like Siamese twins awkwardly joined together. They are many organs--soldiers, equipment and military planners--but

[58] "*The new Global Balkans—the arc of crisis ranging from the Persian Gulf to Xinjiang—will become less explosive if the resources of the three most successful regions of the world […] are harnessed in a joint response to the security threat posed by turmoil in that large region*". BRZEZINSKI, Zbigniew, *The Choice: Global Domination or Global Leadership*, Basic Books, 2005, p. 226.

[59] At the NATO summit in Strasbourg-Kehl in 2009, Barack Obama stated that a solid European defence is positive for the US: "We would like to see Europe have much more robust defence capabilities. […] And the more capable they are defensively, the more we can act in concert on the shared challenges that we face.".

[60] "*[…] the Atlantic alliance appears poised for demise. Its founder and primary patron, the United States, is losing interest in the alliance, resulting in a military pact that is hollowing out and of diminishing geopolitical relevance […]…Europe's security order is thus in the process of becoming much more European and much less Atlantic*". KUPCHAN Charles A., "The Rise of Europe, America's Changing Internationalism and the End of US Primacy". *Political Science Quarterly*, volume 18, no. 2 (June 2003), pp. 183-197.

[61] ORTIZ Antonio, "Depende: la OTAN", *Foreign Policy en español*, October-November 2010, http://www.fp-es.org/depende-la-otan.

[62] Probably the most pitiful example is Afghanistan, where the NATO military operation (ISAF) coincides with the EU's civilian mission to train the Afghan police (EUPOL Afghanistan). Conceptually speaking, the work of the latter should be performed in the framework of the NATO "Provincial Reconstruction Teams", but problems of integration have been manifold owing to the shortage of formal instruments of collaboration on the ground, even among personnel from the same country but reporting to different organisations.

their separate heads do not get on". (See annex, map I). Indeed, formal good intentions aside, there are alarming signs that NATO continues to lack a clear vision of how to articulate its strategic relationship with the EU.

For example, in declarations of 2 September 2009, secretary general Rasmussen stated that "there is enormous potential for cooperation between NATO and the EU. If we could actually coordinate the military power and transatlantic engagement of NATO, with the civilian and financial resources of the EU, think of how much positive change we could achieve". That the EU should continue to be assigned a merely economic and civilian crisis management role after implementing seven military missions, setting up 18 battle groups, adopting the military capabilities "Headline Goal 2010" and strengthening the EDA in order to contribute to its development is surprising at the least.

Whatever the case, it is evident that, despite President Obama's "multilateralism", the US continues to be guided by the proverbial pragmatism that leads it to ignore, if not openly despise, that which does not serve its national interests. This was seen in the 2010 SC, where US interest focused on the missile shield (in order to share the economic burden) and on reinforcing the ISAF in Afghanistan[63], and also at the US-EU summit held in Lisbon to coincide with the NATO summit, which was notable for its short duration (some three hours) and lack of substance[64].

Under these circumstances, what does the future hold in store for the transatlantic link? Carrying out an exercise in prospective thinking, we discuss some of the possible scenarios below:

- The US washes its hands of Europe's security and the EU fully develops the CSDP, including the capabilities needed for the common defence envisaged by Lisbon, as guarantor of the mutual assistance clause. This is a possible future and it would signify the end of NATO, but it is unlikely, as it entails a maximum level of agreement between EU members, and also undesirable, as the transatlantic link is the greatest guarantee of world security.
- The US encourages the development of the CSDP and the EU fully implements it, but without establishing a common defence. This would make NATO the "armed branch" of a bilateral strategic partnership between the US and the EU which, maintaining the Alliance's multiple achievements, allows a global security approach to be adopted. This solution is possible and desirable and would provide the best response to the current international environment, but it is unlikely given the level of political ambition required.

[63] NATO operation for which President Obama announced a new strategy on 2 December 2009, but at West Point military academy instead of at the Brussels NAC with the other allies.
[64] TOVAR RUIZ Juan, *La recomposición de las relaciones trasatlánticas: Obama y la UE en la cumbre de Lisboa*, Análisis del Real Instituto Elcano (ARI) 177/2010, 21 December 2010.

- The US maintains its limited interest in NATO as one of several security policy instruments, and following the adoption of the 2010 SC the development and importance of a reinforced CSDP is recognised. This appears to be the trend even in the most Atlantist environments and, although not perfect, it can lead to a more equalitarian and effective cooperation between NATO and the EU. While not the most desirable solution, it seems to be the most likely one and is at least an improvement on the current status quo.

Furthermore, looking eastwards we should not ignore (as was done in the past) the role that Russia and the regional organisations it heads should play in the European security architecture. It is precisely the Federation which has drawn the most attention to the dysfunctions of the current system, and the proposal for a new pan-European security treaty has materialised into a first draft, which was disclosed by the Kremlin on 29 November 2009[65].

The proposal for a treaty includes the basic principles that security should be indivisible and equal for all countries (Art. 1); that decisions adopted by nations in the framework of the alliances, coalitions or organisations to which they belong should not significantly affect the security of the rest (Art. 2); that in the event of an armed attack on one of the parties, the others should consider it an attack against themselves and provide the necessary assistance (Art. 7); that the party which has been attacked or threatened may convene an extraordinary conference to decide on collective measures (Art. 8); and that the treaty will be open for signature not only by states but also by multinational organisations (the EU, OSCE, NATO, CIS and the CSTO (Collective Security Treaty Organisation) are mentioned, recognising their important role in the system (Art. 10).

Even though the Russian proposal needs to be developed and to be more specific, by no means should it be ignored[66]. Unfortunately, this was the initial reaction of the NATO secretary general, who stated after the meeting of the NRC on 4 December 2009 that he sees no need for a new treaty and that the existing organisations provide sufficient guarantees of the security of the Euro-Atlantic area.

For the time being, the Russian proposal is being discussed in OSCE as part of the so-called "Corfu process" begun in June 2009. Precisely, with respect to the OSCE, Medvedev is merely continuing Russia's diplomatic efforts to consolidate it, stating that "the OSCE could, it would seem, embody European civilization's newfound unity, but it is prevented from doing so, prevented from becoming a full-fledged general regional organization". Even if it is not going to become the single security superstructure spoken of at the end of the

[65] Available at: http://eng.kremlin.ru/text/docs/2009/11/223072.shtml.
[66] TRENIN, Dimitri, *From a "Treaty to Replace All Treaties" to addressing Europe's Core Security Issues*, Carnegie Endowment for International Peace, December 2009.

Cold War, the OSCE still has a fundamental role to play for two reasons: it is the Euro-Atlantic security institution with the widest geographic scope and its mandate allows it to address a broad range of issues.

With respect to the US, its "reset" in its relations with Russia is oriented more to enlisting its cooperation in vital questions such as the reduction in nuclear arsenals, the Iranian nuclear programme and operations in Afghanistan than starting conceptual talks on how to articulate the Euro-Atlantic security architecture. Besides, provided that Russia gets the US to respect its vital interests, with concessions such as the modification of the missile shield or the suspension sine die of NATO enlargement to the post-Soviet area, it is possible that Medvedev will not insist too much that the Americans take his project seriously. The same is not true of the symbiotic EU-Russia relations in which each party depends on the other to a much higher degree[67].

In general, the chief incentive for cooperation between actors in security matters is having to address a common threat or threats, such as the case of the NATO allies during the Cold War. At the present time, when there is no conventional threat which could develop into a large-scale aggression against the countries of the Euro-Atlantic region, what risks and threats could lead to the establishment of an indivisible security space in the OSCE area? The answer is simple, as the past development of each organisation shows a progressive convergence of security models and the definition of an almost identical catalogue of threats including terrorism, transnational crime, the proliferation of weapons of mass destruction and their means of delivery, regional conflicts, cyber-attacks, energy insecurity and climate change.

However, the goal of transforming this geographical areas into the "genuinely inclusive and vibrant security community" quoted at the beginning of the chapter should not be based solely on a temporary coincidence of interests or on a pragmatic calculation of the short-term benefits that cooperation could provide, but on a real coincidence of values and principles, as only this would ensure its survival and efficacy.

It is therefore important to "anchor" Russia to a Europe of which it has been, is, and will continue to be, an indispensable part, allaying the temptation to establish an isolated pole of power as a counterpoint to the West. But it is also important to do so with the US, to ensure its natural allies really have something to offer it, so that if the Americans, once again in History, need a strategic partner who shares their vision of the world they can only find it in Europe—and not, for example, in the People's Republic of China in the framework of

[67] For a detailed study of this relationship, see RUIZ GONZÁLEZ Francisco, "European Union-Russia relations" in *The ESDP after the entry into force of the Lisbon Treaty*, Cuaderno de Estrategia 145, IEEE, 2010, http://www.ieee.es/publicaciones/cuadernos-estrategia/cuadernos/cuaderno_145.html.

an intended G-2, or in occasional allies in its war on terrorism such as Pakistan and Saudi Arabia.

We will end with a reminder that in his so often mentioned address in Berlin in June 2008, Russia's President Medvedev expounded a new concept to replace the (according to him) obsolete concept of "Atlantism", and which he defined as the "common Euro-Atlantic civilisation", according to which Russia and the US are the two wings of the common European civilisation. Idealism aside, it is easy to understand the significance of this concept: with the colonisation of Siberia and the American West, the aforementioned "wings" were spread as far as a common frontier on the other side of the world, looking out over a Pacific Ocean towards which the geopolitical centre of the world has been shifting irremediably since the end of the Cold War. It should therefore be of utmost interest to the EU to ensure it becomes the body that supports both wings before they take flight of their own accord towards other strategic areas of greater interest.

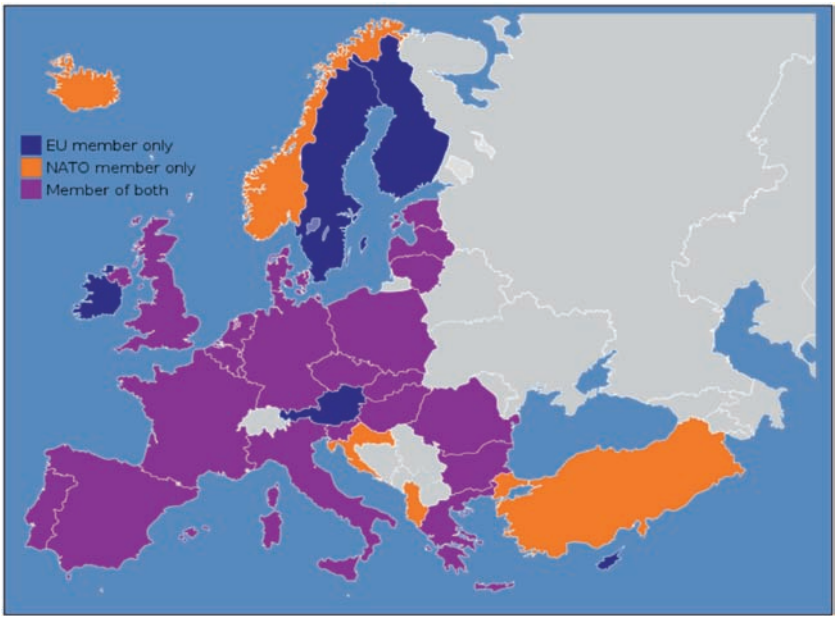
ANNEX

Graph I:

The Euro-Atlantic security architecture today:

Map I:

Overlapping of NATO and EU Member States:



CHAPTER THREE

FRAGILE STATES: A TWENTY-FIRST-CENTURY BATTLE FRONT?

Cristina Manzano Porteros

ABSTRACT

So far in the twenty-first century, the challenges posed by the so-called fragile states are becoming increasingly present among the security priorities of the western countries. In addition to sources of conflict, they are home to terrorist activities, all kinds of illicit trafficking and organised crime; mass migrations come from them; and many are extremely vulnerable to climate change. Different national and multinational security strategies already include combating institutional fragility among their objectives. But despite some advances, a clear and long-term political will is still lacking.

Keywords: Fragile states, conflict, development, security strategies

INTRODUCTION

On 11 July 2010, while the whole of Spain was merrily celebrating the red team's FIFA World Cup win in South Africa, Uganda suffered a double terrorist attack. More than 70 people died. They had gathered precisely to watch the cup final in two crowded places in Kampala and were victims of the extremist Al Shabab group, Al Qaeda's Somali branch. The terrorists were exacting *punishment* for the presence of Ugandan troops in the African Union mission which protects Somalia's weak interim government.

Somalia is the perfect example of a failed state. In 2010, for the third year running, it topped the ranking compiled by *Foreign Policy* magazine and the Fund for Peace. Its territory and its seas are home to Islamist terrorists; traffickers who deal in drugs, arms and people; warlords, guerrillas and pirates of all kinds. The rule of law is totally non-existent and human life ceased to have any value some time ago. And none of the international efforts appears to have succeeded in providing it with the minimum measure of institutional stability.

But throughout 2010 Spain had other *encounters* with failed states, or with some of their consequences. Indeed, the year got off to a start with two aid workers kidnapped in Mauritania. During their captivity they travelled through several countries whose institutions were precarious at the least and passed through the hands not only of Al Qaeda in the Islamic Maghreb but also of mercenaries and intermediaries who trade in people in the same way as in any valuable merchandise.

Haiti also attracted the attention of the Spanish government and public opinion following the terrible earthquake that ravaged the country, as Spain was both third largest bilateral donor and at the time held the rotating presidency of the European Union. As well as the urgency of the humanitarian disaster, the challenge it posed to the international community—and is still on the table a year on—was to (re)build a state which had never functioned.

These are just a few examples. Over the past decade it has come to attention that institutional fragility has dire consequences not only for the citizens of the states in question—who are subjected to extreme poverty, insecurity or corruption, among other factors—but also for the rest of the planet. Conflicts, which are a cause or result of this fragility, are not limited to national territory but *infect* their neighbours. Similarly, institutional weakness or, worse still, the total absence of a basic level of institutional functioning are conducive to a broad variety of illicit activities ranging from international terrorism to trafficking in arms, drugs and people, or the development of extremist movements of all kinds which operate in a world without frontiers.

It is therefore not surprising that fragile states are among today's international political priorities. Other issues such as climate change and energy security may attract greater attention from the media, but combating institutional fragility and its consequences is already a component of many national and multilateral security and defence strategies and likewise draws considerable attention from experts and scholars specialised in security issues.

This chapter takes a look at the threats fragile states pose to world security and some of the latest proposals for effectively addressing them.

FRAGILE, FAILING, FAILED: IN PURSUIT OF A DEFINITION

Fragile states have existed practically since the establishment of the Westphalian concept of state. But it was not until after the Second World War that consideration was first given to the need to foster development in some of the new countries that had arisen from decolonisation, on account of the overwhelming deficiencies some of them displayed. Therefore, for many years fragile states were cause for concern almost exclusively from a humanitarian viewpoint. Major shortfalls were already apparent in governance and institutional functioning and opportunities for their citizens were scant, with high levels of poverty and corruption—a major moral problem for international politics but hardly strategic.

The end of the Cold War marked the end of Soviet and US aid for a good many heinous regimes that had hitherto served to bolster support for the respective blocs. Some experts attribute this geopolitical change to the beginning of the proliferation of failed states during the 1990s. It was then, with the eruption of the crises in Somalia and the Balkans, that Gerald Helman and Steven Ratner coined the first elaborate definition of the concept of failed state in *Foreign Policy* magazine:

> *… a disturbing new phenomenon is emerging: the failed nation-state, utterly incapable of sustaining itself as a member of the international community. Civil strife, government breakdown, and economic privation and creating more and more modern* debellatios, *the term used in describing the destroyed German state after World War II. As those states descend into violence and anarchy—imperilling their own citizens and threatening their neighbours through refugee flows, political instability and random warfare—it is becoming clear that something must be done. The massive abuses of human rights—including that most basic or rights, the right to life—are distressing enough, but the need to help those states is made more critical by the evidence that their problems tend*

> *to spread. Although alleviating the developing world's suffering has long been a major task, saving failed states will prove a new—and in many ways different—challenge*[(1)].

The 11 September attacks marked an about-turn in the attention hitherto paid to these states. The realisation that the terrorists' training camp and haven had been located in Afghanistan, and that they had operated from there with total impunity called for a totally new approach. Thereafter it became common to hear US and world political leaders talk of this rediscovered growing threat. To choose just one of the many declarations made to this effect, the then United Nations secretary general, Kofi Annan, stated:

> *If States are fragile, the peoples of the world will not enjoy the security, development and justice that are their right. Therefore, one of the great challenges of the new millennium is to ensure that all states are strong enough to meet the many challenges they face*[(2)].

Shortly afterwards the World Bank (WB) set in motion a programme to adapt its aid policies to places where poverty and underdevelopment were exacerbated by instability or conflict. LICUS (*Low-Income Countries Under Stress*) was the term used from 2005 to 2007. In 2008 the bank directly adopted the term fragile states. And in 2005 *Foreign Policy* magazine and the Fund for Peace published their first *Annual Failed States Index* which sought to classify countries on the verge of collapse.

Apart from fragile and failed, many terms have been used to designate states of this kind: weak, at risk, precarious, vulnerable, fragmenting, fractured, failing, collapsed, disintegrating… The fact that a general definition has not been adopted reflects the complexity of the phenomenon. But as a rule they all attempt to describe some significant type of failure or dysfunction of the state and its inability to perform its basic tasks, that is, to provide its citizens with physical security, legitimate political institutions, solid economic management and social services. Their fragility stems both from a real lack of capacity (as in the case of many new actors such as East Timor and Kosovo) and from a lack of willingness to perform such basic functions (Zimbabwe is one of the clearest examples)[(3)]. In order to examine more closely the concepts and realities that underlie fragile states, we have chosen two of the many efforts to understand, de-

[(1)] HELMAN, Gerald and RATNER, Steven, "Saving failed states", *Foreign Policy*, Winter 1992-1993. Available at http://www.foreignpolicy.com/articles/2010/06/21/saving_failed_states.

[(2)] ANNAN, Kofi, *In Larger Freedom: Towards Development, Security and Human Rights for All,* 2005. Available at http://www.un.org/largerfreedom/contents.htm

[(3)] PATRICK, Stewart, "Weak States and Global Threats: Facts or Fiction?", *The Washington Quarterly*, Spring 2006, 27-53.

fine or classify them: that of the World Bank and *Foreign Policy*'s Failed States Index.

Fragile states, conflict and development

Two ideas are repeated in any analysis of fragile states: development and conflict. Nearly 600 million people live in states affected by fragility and conflict. Their average poverty rate is 54% compared to 22% for the low-income countries as a whole, and they are home to one-third of the world population who live in dire poverty (on less than a dollar a day)[4]. The World Bank itself recognises the huge progress made in recent years and the added difficulties experienced by countries that start out below average—particularly in sub-Saharan Africa and fragile states—but the economic and financial crisis brought it to a grinding halt. According to its calculations, in 2010, a further 64 million people would enter dire poverty, on top of the 50 million in 2009. It is still well beyond the reach of most of them to achieve the Millennium Development Goals by 2015[5].

Not all the states involved in some type of conflict are fragile (India and the problem of Kashmir, for example) but a good many fragile states are, or have recently been, engaged in some type of conflict. Nearly all the indicators of institutional weakness are also indicators of conflict. The result is a vicious circle of low economic growth—with resources being allocated to maintaining disputes instead of contributing to development—destruction of infrastructure and avoidance of any type of investment needed to begin recovery.

By and large, conflicts are tending to be increasingly shorter and more intense, with a huge negative impact on countries' growth—a fall of as much as 12% of GDP per year of conflict[6]. It is reckoned that the global annual cost of the conflicts in progress amounts to some 100 billion dollars. Other calculations that take into account the economic effect of failed states on their neighbours put this figure at 270 billion dollars, more than three times the overall amount earmarked to development assistance[7]. These figures are

[4] For all the references to the World Bank, see the section entitled "Fragile and Conflict-Affected countries" on the World Bank website. http://go.worldbank.org/BNFOS8V3S0.
[5] *Global Monitoring Report 2010*, Washington, World Bank, 2010. Available at http://siteresources.worldbank.org/INTGLOMONREP2010/Resources/6911301-1271698910928/GMR2010WEB.pdf.
[6] *Global Monitoring Report 2007*, Washington, World Bank, 2007. Available at http://siteresources.worldbank.org/INTGLOMONREP2007/Resources/3413191-1176390231604/1264-FINAL-LO-RES.pdf.
[7] HEWITT, Joseph J., WILKENFELD, Jonathan and GURR, Ted Robert, *Peace and Conflict 2010. Executive Summary*, Center for International Development and Conflict Management, University of Maryland, 2010. Available at http://www.cidcm.umd.edu/pc/executive_summary/exec_sum_2010.pdf.

particularly significant now that the western world is in the grip of a serious financial crisis and many states are rethinking their budgets and cooperation policies.

Recovery and reconstruction require a lot of time and resources and there is furthermore a high risk of relapse: 40% of countries in post-conflict situations relapse before 10 years have passed. The Ivory Coast is one of the most recent examples: just when it appeared to have achieved a certain amount of stability, the threat of civil war is looming again as a result of the revolts triggered by the December 2010 elections. Of the 20 conflicts that have ended in the past decade, two-thirds have been reactivated at some point. Indeed, although a fall in the number of conflicts had been reported during this period in the world in general and in low-income countries in particular, the most recent data show a rise in the volume of global conflicts[8].

For some years the World Bank has been attaching great importance to institutional weakness and how it impedes development, to the point of including it as one of its six strategic themes. On launching its LICUS programme in 2005 it introduced two novelties in the conception of the international aid it manages: the appropriateness of adapting aid policies to the needs of the recipient country—and not only to the requisites of the donors—and the fact that such policies achieved results in underdeveloped but stable countries but did not work in cases of instability and conflict. The inclusion of conflict prevention programmes has become a common assessment tool used by the WB when granting aid. Furthermore, it has already announced that the *World Development Report* for 2011 will focus precisely on the themes of conflict and fragility. According to the Bank, and without going into technical considerations,

> *Fragile states is the term used for countries facing particularly severe development challenges: weak institutional capacity, poor governance, and political instability. Often these countries experience ongoing violence as the residue of past severe conflict.*

The WB acts in consonance with the OECD *Principles for good international engagement in fragile states* (which we deal with later) and analyses each case individually before granting aid, but it has a general classification which helps group together the different challenges faced by the possible recipients: post-conflict countries; countries re-engaging after a long period of inactivity; deterioration; and prolonged *impasse*. For financial year 2011, the World Bank identifies the following fragile states (table 1):

[8] (Ibid.)

(Table 1)

Country	Peace-building mis-sions	Peace-keeping missions (2)	Country	Peace-building missions (1)	Peace-keeping missions (2)
*IDA eligible**					
Afghanistan (PC)	x	x	DRC (PC)	x	x
Angola (PC)			Sao Tome and Principe		
Burundi (PC)	x		Sierra Leone	x	
Chad	x	x	Somalia (NCIR)	x	x
Comoros, Islands	x	x	Sudan (NCIR)		x
Congo, Rep. (PC)			Tajikistan	x	
Ivory Coast (PC)	x	x	East Timor (PC)		x
Eritrea (PC)			Togo (RE)		
Guinea	x		Yemen		
Guinea-Bissau	x		Territories		
Haiti (RE)		x	West Bank and Gaza	x	
Solomon Islands	x		Western Sahara		x
Kosovo		x	Blend		
Kiribati			Bosnia - Herze-govina		x
Liberia (PC)	x	x	Georgia	x	x
Myanmar (NCIR)			Zimbabwe (NCIR)		
Nepal	x		IBRD (middle-income countries)		
Central African Republic (RE)	x	x	Iraq	x	

* International Development Association, the WB agency that provides support to the poorest countries in the world. The acronyms stand for: PC - Post Conflict; RE – Re-engaging; NCIR – Not currently IDA recipient

1/Presence of a mission of the UN or a regional peace-building organisation in the past three years.

2/Presence of a mission of the UN or a regional peacekeeping organisation in the past three years.

Source: World Bank

It is clear that without the support of international aid many countries would not be able to find a way out of the crisis and overcome their fragility. The *Global Monitoring Report 2007* points out three aspects based on the lessons learned: the importance of minimising the risk of relapsing into conflict—for which it is necessary to support electoral efforts, aid directed at promoting growth and employment, and reinforcing security; the need to review the practices of donors so that they are able to support reforms in volatile environments or in states with scant capabilities; and the requirement of improving coordination between all international peacekeeping organisations, such as the various United Nations agencies and other regional authorities.

The Foreign Policy Failed States Index

Many institutions have developed tools which, from different approaches—development, conflict, governance—attempt to shed light on the nature and conduct of weak states. One of the best known efforts is the Failed States Index compiled since 2005 by the Fund for Peace and *Foreign Policy* magazine[9]. Perhaps the combination of a specialised research centre and a highly influential publication in the field of international relations is the reason why this ranking enjoys a significant impact in the media[10].

It draws on thousands of sources of public information (as many as 90,000 for the 2010 index). It analyses as many as 177 countries, although attention is focused on the first 60, and a list is compiled in order of worst—the most failed state—to best, on the basis of the following twelve indicators: demographic pressures, refugees and displaced people, group grievance, human flight, uneven development, economic decline, delegitimisation of the state, public services, human rights, security apparatus, factionalised elites and external intervention.

Its stated purpose is to offer a picture of the new world disorder in the twenty-first century, provide a tool allowing instability to be monitored constantly each year and attempt to anticipate where the next crises will arise. The first Index calculated that some 2 billion people lived in insecure countries with varying degrees of vulnerability to widespread civil war.

As in all rankings of this kind, simplification is necessary. Many countries have reacted irately to seeing themselves in positions unfavourable to their in-

[9] For all the references in *Foreign Policy* magazine we quote from the Spanish edition. The Failed States Index was published in nos. 10, 15, 28, 34 and 40. It can also be found at www.fp-es.org. It should be borne in mind that the Index for a particular year uses the previous year's data, and therefore does not reflect the most significant crises of the previous months.
[10] Other important references are the Brooking Institution's Index of State Weakness; Carleton University's Country Indicators for Foreign Policy Fragile States Index; Goldstone and Marshall's State Fragility Index; and the Peace and Conflict Instability Ledger compiled by the Center for International Development and Conflict Management of Maryland University.

ternational image; in this respect the index has become an annual event which some diplomatic corps and information services use as a propagandistic tool to their own advantage or to the disadvantage of others. Although a twelve-month period is not long enough to show very significant changes in the governance of a state, over the years the Index has reflected the major impact of global phenomena such as the food crisis of 2007 and the global financial crisis, as well as other more local events such as hurricane Katrina and the Georgian war.

The Index has likewise shown certain trends. The first is the stubborn presence of a short list of African countries in the top positions. Somalia, Chad, Sudan, Zimbabwe and the Democratic Republic of the Congo constantly compete among themselves to qualify as members of the *dream team* of failed states. Seven countries of sub-Saharan Africa have always been among the top ten; over the past six years a total of fifteen countries have shared the dubious honour of occupying the first ten places. As the authors point out, one has the impression that state failure is a chronic condition. In the latest edition Somalia, Sudan and the Democratic Republic of the Congo scored highest marks in several indicators. Somalia, for example, heads the ranking in number of refugees and displaced people, economic decline, security forces—with the armed presence, and in permanent dispute, of government and African Union peace forces, Islamist militiamen and local bosses—and factionalised elites.

Iraq and Afghanistan have progressively exchanged positions as US combat troops have withdrawn. Whereas the former ranked fourth in the earlier editions of the Index, it has dropped to seventh position in the latest (although not a radical fall, it might nonetheless reflect a trend). In contrast Afghanistan has *risen* from 11th place in 2005 to 6th in 2010.

Significant *leaps* are recorded from time to time. Pakistan, for example, started out in 34th place. The earthquake of October 2005 and its terrible consequences catapulted it to ninth place, from which it has hardly budged since them. The assassination of Benazhir Bhuto, the role of the all-powerful army, the weakness of a government whose real power is being sapped day by day and the fact that extremists and Islamic terrorists roam freely in a country which is furthermore a nuclear power are more than sufficient grounds for keeping Pakistan up among the *top ten*.

Georgia, which was not among the top 60 in the first edition, made gradual appearances in successive years—which already reflected a negative trend—and jumped up 23 positions as a result of the war with Russia in 2008. Iran, for its part, has also been *creeping* up the rankings year after year (from 52nd place in 2005 to 32nd in 2010) and showing greater signs of fragility, owing largely to its battered economy. However, what counts the most in its external image is its race to procure nuclear weapons.

Israel's debut in the group of the top 60 over its management of the occupied territories sparked a major media scandal. Its inability to integrate the Arab minority, its huge economic disparities and the growing sectarianism of its leaders were the factors that had—and still have—the biggest impact on this classification.

Risk of failure is not always synonymous with worse consequences in the event that such failure occurs. Ability to infect neighbours or influence global stability is not directly linked to a particular position in the rankings. Zimbabwe, for example (4th in 2010) fares worse than Iraq (7th), but the geopolitical consequences of failure of the Iraqi state would be much more serious. By the same token, Pakistan (10th) is much more worrying than Guinea (9th), and North Korea (19th) greater cause for concern than the Ivory Coast (12th).

The index also shows a few cases of improvement. Sierra Leone and Liberia have been progressively recovering in recent years and have gone from featuring among the highest scoring ten to not even being among the top twenty. Colombia is a case of success (it has dropped from 14th to 46th place). And the Dominican Republic, which once vied with Haiti for the title of *worst case* in the Caribbean, is not even on the list of worrying countries today.

(Table 2: Failed States Index 2010, *Foreign Policy***)**

Country	No.	Country	No.	Country	No.
Somalia	1	Uganda	21	Rwanda	40
Chad	2	Guinea-Bissau	22	Cambodia	40
Sudan	3	Burundi	23	Solomon Islands	43
Zimbabwe	4	Bangladesh	24	Equatorial Guinea	44
D. R. Congo	5	Sri Lanka	25	Kirghizstan	45
Afghanistan	6	Nepal	26	Colombia	46
Iraq	7	Cameroon	26	Togo	47
Central African R.	8	Malawi	28	Syria	48
Guinea	9	Sierra Leone	28	Egypt	49
Pakistan	10	Eritrea	30	Bhutan	50
Haiti	11	R. Congo	31	Philippines	51
Ivory Coast	12	Iran	32	Comoros Islands	52
Kenya	13	Liberia	33	Bolivia	53
Nigeria	14	Lebanon	34	Israel/ Gaza Strip	54
Yemen	15	Burkina Faso	35	Azerbaijan	55
Myanmar	16	Uzbekistan	36	Zambia	56
Ethiopia	17	Georgia	37	Papua New Guinea	56
East Timor	18	Tajikistan	38	Moldavia	58

Country	No.	Country	No.	Country	No.
North Korea	19	Mauritania	39	Angola	59
Níger	19	Laos	40	Bosnia-Herzegovina	60

CROSS-CUTTING SECURITY CHALLENGES

The addition of fragile states to the list of security strategy priorities originates from two assumptions which have gained increasing acceptance in the past decade:

- The traditional concept of security needs to be broadened to encompass transnational threats from non-state actors, such as terrorist groups and organised crime;
- Many of these threats originate from the institutional fragility and weak governance of some developing countries.

However, it also seems clear that not all situations of fragility involve the same local, regional or global security risk. The fact that certain countries possess nuclear weapons is a much more palpable threat than the collapse of certain regimes. A quick glance shows that the most dangerous states are not necessarily those in worst condition but those which are relatively functional and politically organised but display serious shortfalls in the exercise of some of their basic responsibilities. International terrorism, pandemics, cyber-terrorism, organised crime, proliferation of weapons of mass destruction, trafficking in people, arms and drugs, and mass migration often have their origin or springboard in weak states. Let us briefly examine just a few of them.

International terrorism

Although by no means a new phenomenon, the attacks of 11 September 2001 in the United States, followed by those in Bali, Madrid and London, brought about a radical change in the perception and concerns of public opinion and world political leaders. The abrupt appearance on the scene of Islamist terrorism added a determining factor in Samuel Huntington's *clash of civilisations*. The fact that Al Qaeda used the hospitality of Sudan and Afghanistan to build training and indoctrination camps and hire new recruits and took advantage of lax border controls to smuggle and procure weapons opened the world's eyes—somewhat late—to a shocking reality. Everything seemed to back the wWidespread consensus about the close link between poverty, weak governance and international terrorism in weak states.

But there is no such linear or homogenous relationship. To start off with, not all weak states are plagued by terrorism or harbour transnational terrorist organisations. What is more, such organisations need a minimally functioning environment in order to be able to operate. A report by the Combating Terrorism Center at West Point[11], based on documents seized from Al Qaeda, revealed the difficulties Bin Laden and his men came across when attempting to use Somalia as a base for their operations, the same difficulties encountered by the international peace missions in the 1990s: disastrous infrastructure, too much violence and crime, and a lack of basic services. Al Qaeda itself has evolved from total dependence on its base to a proliferation of local cells that act and operate from both poor and rich countries. Rootlessness and the radicalisation of young people seeking an identity in the more developed countries fuel global terrorism nowadays.

To many observers Jihadist terrorism will continue to be the biggest source of conflict and destabilisation over the coming decade. However, it is not easy to identify a long-term trend. This may be inferred from a report published in 2010 by the Maryland University Center for International Development and Conflict Management[12], which draws on the main database of both national and international terrorist acts—as many as 77,000 all over the world—perpetrated between 1970 and 2007. It concludes that there is no definite trend, but rather peaks and troughs throughout the period. The highest level of activity in absolute terms was recorded in 1992, only to fall significantly until 2001, when it began to increase again, reaching a maximum in 2006. By areas, Western Europe suffered the most attacks in the 1970s, Latin America in the 1980s and the Middle East from 2003.

The conflicts in the West Bank and the Gaza Strip and, above all, that of Iraq account for the increase witnessed in recent years. But the type of terrorism resulting from the Iraq war is very different to that of the last part of the twentieth century. Both suicide bombings and most other attacks use fairly unsophisticated explosives and weapons. The impact of the attacks in New York and their media coverage spread the idea of complex networks and equipment behind every terrorist attack, but this image is not consonant with the trickle of attacks we have witnessed since then. What is clear is the huge destabilising effect they have in these especially fragile territories, as is increasingly apparent in Pakistan.

Proliferation of weapons of mass destruction/arms trafficking

Another of the major fears surrounding the existence of fragile states is their inability or unwillingness to keep check on technology and stocks of nuclear, biological or chemical weapons, to the extent that the strategies of both the United States and the European Union consider them "potentially" the greatest threat to their security. The worst case scenario would be, in the event of co-

[11] Quoted in "índice de Estados fallidos", *Foreign Policy Edición española*, no. 34, August-September 2009, p. 76.
[12] Op. cit.

llapse, if the nuclear capability of certain countries, such as Pakistan or North Korea, fell into unscrupulous hands. This fear was fuelled by the disclosure of the illicit activities of Abdul Qadeer Khan: for more than two decades one of the founders of Pakistan's nuclear programme had sold technology and know-how—including the means to produce fissile material and manufacture nuclear weapons—to partners as unreliable as Libya, Iran and North Korea[13]. Precisely Iran, North Korea and Pakistan itself are the focus of current attention in this connection (all three cases will be examined in greater detail in due course).

There are some positive cases, such as Ukraine, Belarus and Kazakhstan, which, following the disintegration of the Soviet Union, decided to hand over their nuclear arsenals to Moscow and then joined the Nuclear Non-Proliferation Treaty.

Another source of concern is the increase in world trade—licit and illicit—in conventional weapons, in which a good many fragile, failed or post-conflict states play an important role as countries of origin, transit or destination. According to the *Small Arms Survey 2007*[14], the volume of small arms known to circulate in the world stood at 875 million: 650 million in private hands and the rest in the possession of security forces. Five years earlier, the figure was no more than 640 in total. In its trade transparency barometer, Switzerland, the United Kingdom, Germany, the Netherlands and Serbia are listed as the most transparent in transfers of arms and ammunition, and—guess what!—Iran and North Korea as the least transparent. Trafficking connected with the former Soviet arsenals, which are finding their way to the black market thanks to the action of corrupt civil servants and military, has featured in post-Cold-War literature and cinema for some time now. The Swiss organisation's annual reports have also traced the impact of small arms in countries in violent or post-conflict situations such as the DRC, Rwanda, Sierra Leone, Sudan and the former Yugoslavia, showing how they exacerbate conflicts. Ease of access to weapons is conducive to the eruption—or resurgence—of civil wars and the establishment of a culture of violence and impunity. It also undermines' states capacity to attempt to establish public order and the rule of law, as the prerogative of the use of force is constantly questioned and threatened.

Organised crime

Fragile states often provide a perfect launching pad for organisations engaging in a broad variety of illicit activities, from trafficking in drugs, arms, counterfeits and people to laundering the proceeds of these activities.

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[13] NAÍM, Moisés, *Ilícito. Cómo traficantes, contrabandistas y piratas están cambiando el mundo*, Ramdom House Mondadori, Barcelona, 2006, 59-88.
[14] Graduate Institute of International Studies in Geneva. *Small Arms Survey 2007.Guns and the City,* Cambridge University Press, 2007.

The rise in organised crime has gone hand in hand with the development of globalisation. Breakthroughs in communication technologies and transport, and the elimination of trade barriers and deregulation of financial services—lack of supervision of which lies at the origin of the current economic and financial crisis—gave rise to hitherto unknown opportunities for global illicit activities. Probably one of the greatest efforts to study and understand this phenomenon and its implications has been made by Moisés Naím, former editor of the American edition of *Foreign Policy* and one of the most renowned observers of globalisation[15].

It seems evident that an environment from which the rule of law is glaringly absent, or near-absent, where border control is lax and where regulatory systems are weak is much more conducive to organised crime than a strong state. However, nor is such an environment sufficient in itself. The main goal of illicit activities is to obtain profits and for this, as in the other cases mentioned, the criminals need minimally functioning infrastructure, telecommunications and financial services.

For example, drug production and trafficking is closely linked to fragile states: 90% of the heroine produced in the world comes from Afghanistan and arrives in Europe via the Central Asian countries. Heroine exports finance about 15% of the activities of the Taliban insurgency. Myanmar ranks second in the production of opium and methamphetamines. Likewise, most of the trafficking in humans—as many as 800,000 women and children every year, the twenty-first century version of slavery—originates from weak states. But other offences such as money laundering are focused above all in tax havens—small wealthy enclaves or middle-income countries—for the simple reason that a modern banking system is an essential requisite. The OECD calculates that money laundering currently accounts for between 800 billion and 2 trillion dollars, around 3% of the world's gross domestic product.

Piracy

Less than ten years ago international efforts and Indonesia's determination succeeded in securing the most dangerous shipping routes, those which passed through the Strait of Malacca and that of Singapore. But since then a new threat has arisen, with more spectacular captures and a radical increase in ransom money: Somali pirates. Somalia, the failed state par excellence, has a long coastline and a lawless shore located along a fundamental international shipping route, that which connects the ports of Europe, the Middle East and Asia. Attacks in Somali waters and the surrounding area went from accounting for 16% of the world total in 2007 to more than half in 2009. The profusion of these activities and their growing impact on world shipping has given rise to

[15] NAÍM. (op. cit).

the concept of *failed sea*, coined by the Spanish lecturer Fernando Fernández Fadón[16].

Unlike their Caribbean ancestors, twenty-first-century pirates are equipped with advanced GPS and well supplied with weapons. But like the former, they have a single objective: booty. This can take the form of all kinds of objects—crews' equipment, electronic devices, clothing and even the ship itself—and juicy ransoms to free their hostages: 867 were captured off Somalia in 2009 alone.

The risk the pirates run is minimal. According to Lloyd's Market Association, the insurance company's research department, of the 650 Somali pirates captured in 2008, 460 have already been freed. In Africa, only Kenya and Seychelles have agreed to try the alleged criminals. And capturing them in Somalia itself is viewed as out of the question, as the connivance of the authorities is taken for granted. It is furthermore reckoned that even the lowliest pirate can earn some 20,000 dollars a year compared to the country's average income of less than 1,000 dollars. What is more, it is extremely costly for the shipping companies which own the more than 20,000 vessels that cross the Gulf of Aden annually to avoid piracy. Any alternative route adds two to three extra weeks to the crossing, and most companies therefore prefer to pay higher insurance premiums and hope and pray that nothing goes wrong[17]. But this phenomenon is not exclusive to Somalia. Countries such as Nigeria, Bangladesh, Indonesia and the Philippines continue to suffer pirate attacks in their waters.

In order to stem these attacks off the Somali coast, in November 2008 the European Union decided to launch its first naval peace force, more commonly known as Operation Atalanta, as part of the Common Security and Defence Policy (CSDP). With an initial duration of one year, its mandate has been extended twice, up to December 2012. Spain is the second largest contributor after France, providing 370 out of a total of 1,980 military distributed among a frigate, a patrol ship and an Orion air force detachment deployed to Djibouti[18].

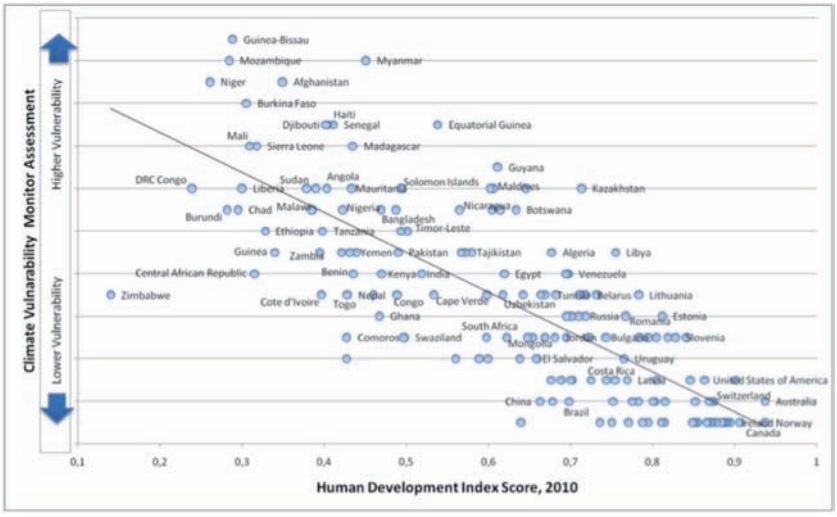
Climate change

Climate change is increasingly a destabilising factor, especially in the weakest states[19]. Of the 350,000 deaths that are a direct consequence of climate

[16] FERNÁNDEZ FADÓN, Fernando. *Piratería en Somalia: "mares fallidos" y consideraciones de la historia marítima*. Documento de Trabajo No. 10/2009, Real Instituto Elcano.
[17] See COGGINS, Bridget, "Guarida Pirata", in *Foreign Policy Edición española*, no. 40, August-September 2010, 62-63.
[18] http://www.consilium.europa.eu/showPage.aspx?id=1518&lang=es. At the time of writing this article, Spain had taken command of the mission for a four-month period for the second time since it was launched.
[19] For a broader review of the consequences of climate change and its links to security, see CASTRO DÍEZ, Yolanda, "Climate change and its security implications", *Strategic Panorama 2009/2010*, Instituto Español de Estudios Estratégicos, Madrid, 2010.

change-related phenomena every year, 99% take place in developing countries. According to the *Climate Vulnerability Monitor 2010*, it is evident that vulnerability to global warming is inversely linked to position in the Human Development Index compiled yearly by the UNDP: the lower a country ranks in human development the greater its vulnerability to climate change[20] (see graph 1).

Graph 1



Source: Human Development Index, UNDP

It does not come as a surprise that many of the "leaders" of the institutional fragility rankings are in the upper part of this table; nor is it surprising that poverty, governance and gender inequality, the factors that define fragility in general, are also those which most influence a state's vulnerability. Actually it is not that global warming affects poor countries more. The south coast of the United States is as vulnerable to climate effects as some countries of Southeast Asia; however, the wealthy ones are more and better prepared to address their consequences (except for the harsh exception of Katrina).

In security terms, the risks climate change poses to weak states are widely recognised. The European Union High Representative defined it as a "threat multiplier"[21]. The Darfur crisis has been christened as the first major conflict triggered by global warming. An unusual drought exacerbated the scramble

[20] DARA and Climate Vulnerable Forum, *Climate Vulnerability Monitor 2010. The State of the Climate Crisis*, DARA, Madrid, 2010.
[21] See "Climate change and international security ", Paper from the High Representative and the European Commission to the European Council, S113/08, 14 March 2008. http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/reports/99387.pdf .

for resources in a place rife with conflicts of various kinds and with a government that ceased to perform its function of protecting part of the population to support another. During the 2008 elections in Pakistan, one of the main issues was the steep rise in the price of grain as a result of the flooding. In a state subjected to great internal pressures of all kinds, a food shortage is a considerable added risk factor.

The struggle for water owing precisely to its scarcity or to changes in its current distribution is recognised as one of the biggest challenges of the coming decades and is particularly acute in some vulnerable regions: the Himalayas and surrounding area, the whole of the Middle East, North Africa and Southeast Asia, among others. Climate change and its consequences and the greater tensions they can spark in failing states have already been included in the security strategies of the United States, the European Union and NATO. But many voices are calling for the need to progress from rhetoric to action and for this dimension to be added to conflict prevention.

A FEW POLITICAL SOLUTIONS

There is a broad consensus on the challenge fragile states pose to international stability and security, yet there is still no "road map" for addressing fragility in a structured and systematic manner. This is a reflection of the complexity of each case and how the issue ranks among the international community's priorities at a given moment.

In 2007 the OECD presented a set of principles to guide the engagement of international actors when aiding countries with problems of weak governance and conflicts. The 10 principles are[22]:

- Take context as the starting point. Understand the specific context of each country and develop a strategy according to its capacity, political will and legitimacy.
- Do no harm. International decisions must be evaluated for their impact on domestic reform, poverty and insecurity to avoid harming or worsening processes under way.
- Focus on state-building as the central objective. Particularly in two main areas: supporting democratic governance, human rights, civil society engagement and peacebuilding; and strengthening the capability of states to fulfil their core functions that are essential in order to reduce poverty.
- Prioritise prevention. Strengthening indigenous capabilities, especially those of women, to prevent and resolve conflicts; supporting the peacebuilding capabilities of regional organisations and undertaking joint missions.

[22] Principles for good international engagement in fragile states and situations, 2007 http://www.oecd.org/dataoecd/61/45/38368714.pdf.

- Recognise the links between political, security and development objectives. A "whole of government" approach is needed, aiming for policy coherence where possible, while preserving the independence, neutrality and impartiality of humanitarian aid.
- Promote non-discrimination as a basis for inclusive and stable societies. Measures to promote the voice and participation of women, young people, minorities and other excluded groups should be included in state-building strategies from the outset.
- Align with local priorities in different ways in different contexts. Identify functioning systems within existing local institutions and work to strengthen these.
- Agree on practical coordination mechanisms between international actors. Work together on analysis, joint assessments, shared strategies and coordination of political engagement.
- Act fast … but stay engaged long enough to give success a chance. Assistance must be flexible enough to take advantage of windows of opportunity and respond to changing conditions on the ground. Capacity development in core institutions will normally require an engagement of at least 10 years.
- Avoid pockets of exclusion. Address the problem of "aid orphans", states where there are no significant political barriers to engagement, but few international actors are engaged and aid volumes are low. This also applies to neglected geographical regions within a country, as well as neglected sectors and groups within societies.

These principles are shared by a good many of the actors, whether political or development, engaged in analysing or defining strategies for fragile states. We might add a few more relevant considerations[23].

When discussing the context, this must be considered in its broadest sense. *Neighbours* are extremely important in situations of fragility. State failure is often the result of powerful regional dynamics. Neighbours can be an active part of the conflict itself—if they embark on war—but they more often take part indirectly by supporting armed groups, as with Uganda and Rwanda in the case of the Congo. On many occasions they provide a refuge, or even a headquarters, for rebels and insurgents, impairing, hindering or openly blocking the work of the international forces, as occurs with the Taliban in Pakistan.

[23] "Fragile Sates: Searching for Effective Approaches and the Right Mix of Instruments", Presentation by Nick Grono, Vice-President of the International Crisis Group to the Danish Ministry of Foreign Affairs, January 2007, at http://www.crisisgroup.org/en/publication-type/speeches/2007/grono-fragile-states-searching-for-effective-approaches-and-the-right-mix-of-instruments.aspx and "Tackling State Fragility: The New World of Peacebuilding", Keynote by Donald Steinberd, Deputy President of the International Crisis Group, to the Commonwealth Parliamentary Association Conference on Peacebuilding, February 2010, at http://www.crisisgroup.org/en/publication-type/speeches/2010/tackling-state-fragility-the-new-world-of-peacebuilding.aspx.

The consolidation of democracy and the rule of law have proved to be more important and effective than merely holding elections. Elections are often taken as the ultimate aim of the assistance that is provided, and it is forgotten that the transition period is the most delicate stage in situations of weakness, precisely because the institutional machinery is not yet fully geared. Although electoral processes usually have a high profile and major repercussions in the donor countries that contribute to peacemaking tasks, they can give rise to added destabilising factors such as declarations of corruption or electoral fraud, or failure by any of the parties to accept the results. It is essential to strengthen civil society and re-establish a culture of justice—as opposed to one of impunity—in order to facilitate reconciliation.

Stemming the silent plague of corruption is also an essential task when addressing the construction of a state. Endemic corruption is a basic fragility factor in numerous states. It undermines and even destroys citizens' confidence in their institutions and leaders and eats up a large amount of the resources earmarked to improving people's quality of life. But seeking solutions to the problem involves tackling both recipients and practices that are conducive to it. In this connection, the Extractive Industries Transparency Initiative (EITI) introduces several novel features, as it requests both governments and corporations to periodically publish the details of their revenues and payments in order to carry out a strict audit. International financial institutions and groups from civil society play an important role in the process.

Finally, it should not be forgotten that the first item on the list of priorities when intervening in a fragile state is often to restore security, without which it is not possible to lay the foundations for economic recovery, the reconstruction of society and governance.

FRAGILE STATES IN SECURITY STRATEGIES

At this stage in the game nobody disputes the need to combat state fragility and its consequences. Since its establishment, the UN has been the chief guardian of international peace in conflict and post-conflict situations. It is also the most internationally legitimate actor in such situations. Demand for its missions—both peacekeeping and peacebuilding—is growing, as shown by the fact that more than 124,000 effectives from 115 different countries were deployed all over the world in 2010 compared to some 20,000 only a decade ago. It can surprise nobody that most are stationed in fragile states.

From attempting to guarantee an environment conducive to elections (Sudan, Ivory Coast, Afghanistan, Burundi and Haiti) to contributing to strengthening institutions (such as the reform of the judicial system or police training) sta-

bility and economic recovery (Liberia, East Timor), reinforcing security and providing emergency relief (as in the case of Haiti after the earthquake) or supporting the disarmament and social rehabilitation of former combatants and the return of displaced people and refugees, missions cover a broad range of mandates and functions. Collaboration with other international and regional organisations such as the African Union and the European Union has been increased in recent years. However, rising demand and the increasing complexities of the situations have brought to attention the lack of resources. An added problem is the disparity of opinions within the Security Council and of other significant actors on the political strategy of the missions. After all, the decisions of the UN are but the decisions of its members. This is one of the main issues that should be addressed by the ever pending reform of the United Nations.

As for NATO, the new Strategic Concept adopted in November 2010 explicitly mentions the threat posed by "instability or conflict beyond NATO borders" and states that the Alliance will engage, where possible, to prevent and manage crises, stabilise post-conflict situations and support reconstruction. It draws on the lessons learned, especially in Afghanistan and the Balkans, to advocate a comprehensive political, civilian and military approach. As is only to be expected, the security strategies of the United States and the European Union are similarly worded.

United States

Fragile or failed states were incorporated into the United States National Security Strategy in 2002, following the huge impact of the attacks of 11 September. It recognised that "America is now threatened less by conquering states than we are by failing ones". This vision has been ratified by President Barack Obama in his own strategy, presented in May 2010, which mentioned failed states in the second paragraph of his letter of introduction and is sprinkled with references throughout[24]. Even when still a candidate, during his campaign, Obama had promised to "roll back the tide of hopelessness that gives rise to hate".

The fact that states "at risk" have moved up the list of American defence and security priorities is a reflection of an about-turn in strategic thought: confrontation is giving way to cooperation; and security is no longer exclusively the responsibility of the army but also involves diplomats, development experts, intelligence services and the legal and judicial apparatus. This amounts to more comprehensive and flexible vision—resilient is the fashionable word, taken from the natural sciences—of what has traditionally been *hard power*. This type of power worked well under a coherent state system, but not so much in lawless, ungoverned areas such as those dominated by the Taliban in Afghani-

[24] US National Security Strategy, Washington, May 2010, in http://www.whitehouse.gov/sites/default/files/rss_viewer/national_security_strategy.pdf.

stan, the warlords in Somalia and the insurgents in Iraq, where long-range missiles are ineffective against devices that can explode anywhere, on anyone. There is widespread conviction that prevention and investing in building strong societies based on respect for human rights, the rule of law and democracy is much more effective and less costly than dealing with their collapse.

The United States ratifies its desire for world leadership but admits that many of the current threats are beyond the capabilities of a single country, even one as powerful as itself. "No single nation can or should shoulder the burden for managing or resolving the world's armed conflicts". This is the lesson learned from two wars, Iraq and Afghanistan, which have swallowed up huge sums of money, caused too many deaths and undermined the American public's confidence in its own role of world police and saviour. It is therefore necessary to bolster the international system headed by the UN and NATO and relations with its partners—especially Europe—but also to involve new actors such as China, Russia and Brazil, among others.

The clearest explanation of the new US strategy towards failed states was provided by Defence Secretary Robert Gates in an article in *Foreign Affairs* magazine[25].

> *In the decades to come, the most lethal threats to the United States' safety and security—a city poisoned or reduced to rubble by a terrorist attack—are likely to emanate from states that cannot adequately govern themselves or secure their own territory. Dealing with such fractured or failing states is, in many ways, the main security challenge of our time.*

In Gates' view, the manner of tackling them is by "helping other countries to defend themselves" or—what amounts to the same—build or help build governance and security from within. Not that this is something new; rather, it has shifted to the forefront. He also recognises that in order to do so it is necessary to change the way decisions are made within the US government itself and calls for greater coordination between all the authorities involved, both civilian and military, and above all for total collaboration and coordination between the Departments of State and Defense, as well as greater agility and more long-term commitment. Diplomats and civilian power are gaining ground day by day as the conductors of a multifunctional orchestra whose members play instruments of development and capacity- and institution-building[26].

There has clearly been a change of discourse from George W. Bush's Freedom Agenda and the war on terror to the Obama administration's emphasis

[25] GATES, Robert, "Helping Others Defend Themselves", Foreign Affairs, May/June 2010, in http://www.foreignaffairs.com/articles/66224/robert-m-gates/helping-others-defend-themselves.
[26] CLINTON, Hillary Rodham, "Leading Through Civilian Power. Redefining American Diplomacy and Development", *Foreign Affairs*, vol. 89, no. 6, November/December 2010, 13-24.

on development and good governance. But despite the rhetoric, the fact is that the resources needed to make the change in practice continue to be poured into maintaining two wars. So far some progress has been made in strengthening civilian capabilities in some operations (Afghanistan) and in collaborating with other partners, as in the case of Haiti, where the US works alongside the Brazilians who constitute the core of the UN peace forces.

The European Union

The European Security and Defence Policy (ESDP), established in 1999, has been the framework for defining the EU's role as an international security actor. One of the events that prompted its implementation was the glaringly obvious inability of the Member States to provide a fast and effective response to the Balkan war, a conflict with a host of ramifications that took place in the heart of Europe. Following the entry into force of the Lisbon Treaty, the Common Security and Defence Policy (CSDP) will be an integral part of the Common Foreign and Security Policy and, as such, the direct responsibility of the High Representative, who is in charge of developing all these aspects.

Significant progress has been made towards a common policy over these more than ten years. On the one hand, the adoption of the European Security Strategy (ESS) in 2003 and its updating in 2008 marked the first step towards a shared strategic culture. The document defines the main threats Europe faces (international terrorism, proliferation of weapons of mass destruction, regional conflicts and energy security, among others) and asserts that "state failure affects our security through crime, illegal immigration and, most recently, piracy"[27][28]. In addition, various civilian and a few military missions (observation, peacekeeping, stabilisation, etc.) have been started up in the Balkans, various countries of sub-Saharan Africa, the Caucasus and the Indian Ocean. More than 20 missions have been deployed over this period. The ability to mobilise military assets for overseas missions seemed unthinkable only a few years ago.

The ESS recognises that stabilisation is a task that requires time and commitment and points out that the EU's contribution to world security should be based on a set of instruments, including political, diplomatic, development, humanitarian, economic and trade cooperation and civilian and military crisis

[27] A secure Europe in a better world. European Security Strategy, Brussels, 12 December 2003 http://www.consilium.europa.eu/uedocs/cmsUpload/031208ESSIIES.pdf
Report on the implementation of the European Security Strategy. Providing security in a changing world, Brussels, 11/12/2008, S407/08
http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressdata/ES/reports/104637.pdf.

[28] This can be inferred so far from the Spanish security strategy, which explicitly mentions the dangers of instability in the Maghreb, the Sahel and sub-Saharan Africa.

management. It refers expressly to reducing poverty and inequality, promoting good governance and human rights, development assistance and tackling the roots of conflicts and insecurity, prevention and early warning as part of these instruments. It likewise calls for renewing the multilateral order, with the United Nations at the helm, and collaborating closely with the United States and NATO in order to achieve objectives that are beyond the capabilities of a single actor. In a sense, it aims to set out the doctrine of the *soft power* that is attributed to Europe, compared to strategies based purely on military force.

But once again, reality prevails over rhetoric. Often neither political will nor real commitment to the crises that give rise to the missions are clear. The criteria that underpin the decision to act in some cases and not to do so in others are by no means obvious. Shortage of resources prevents a minimum of objectives from being reached. Some often cited examples are the insufficient staffing of EUPOL, the police mission in Afghanistan, and a delay in delivering military assets, such as helicopters, in the Chad mission, as well as the delay in starting up the Kosovo mission. The actions contradict the strategy.

According to Richard Youngs, the fact that Europe is incapable of contributing effectively to addressing the new international challenges is but further proof of its decline. The cuts being made to national defence budgets, exacerbated by the general economic crisis, the contradictions between the aims of certain missions and certain policy decisions, the growing opposition of public opinion to international deployments—heightened by the *failure* of Afghanistan—the fact that some political actors have begun to think that helping restore stability in distant places is beyond the EU's capabilities, together with a strategic vision that is still fairly focused on traditional threats, prevent the Union from being considered a genuinely global actor[29].

FIVE PLACES TO KEEP AN EYE ON IN 2011

This essay does not aim to predict when or to what extent failed states will fail in 2011, or what the worst crises with global security implications will be. There are countries that have been on the brink of collapse for years but manage to cling to a certain amount of stability within their chaos; others, on the contrary, explode when least expected. At the time of writing, Tunisia is the most recent example of the latter. Although the internal situation was far from perfect and frustration was taking root, particularly among young people, very few people would have anticipated the turn the revolts have taken. Zine El Abidine Ben Ali's flight has ushered in a period of uncertainty, though also of hope, in this country in the Maghreb region. However, Tunisia might have been an autocratic and corrupt state, but it could not be considered fragile; for example, it

[29] YOUNGS, Richard, *Europe's decline and fall. The struggle against global irrelevance*, Profile Books, London, 2010.

ranks 118th in the *Foreign Policy* Index. The same happens with Libya, in the 112th position. Similarly, although the malaise was evident in some sectors of Egyptian society, there was no indication that Hosni Mubarak would be ousted from government by his own citizens at the beginning of 2011.

Whatever the case, we suggest that special attention be paid to five parts of the world, distributed evenly across the globe, whose situation could be particularly delicate in 2011 and whose greater instability would have major consequences for regional and global security. They do not include Afghanistan, which is discussed in another chapter of this book.

Africa, election year

Various countries will be holding elections in Africa over the course of 2011. In chronological order, these are: South Sudan, Central African Republic, Niger, Uganda, Nigeria, Zimbabwe, Egypt (to be confirmed), Liberia and the Democratic Republic of the Congo. What is generally part of normal democratic life in western environments is an added threat in many fragile states on account of outbreaks that can take place during the campaign and also the uncertainty and possible rejection of the election results. The most regrettable and recent example is the Ivory Coast: in the December elections the president ignored his opponent's victory—which was recognised by the international community—bringing the country to the verge of a new civil war. Of all the elections mentioned above, we shall now examine three which could have a significant impact on security: Sudan, Nigeria and the Democratic Republic of the Congo (DRC)[30].

The referendum on the independence of South Sudan which took place in January could kindle the flame of fresh episodes of violence in a particularly vulnerable area, even though all the actors appeared to be clear what the result would be: an overwhelming majority in favour of the separation of Khartoum. Competition for revenues from petroleum—which is extracted in the south but treated in the north—failure to decide on the demarcation of borders and negotiations on the Abyei Area are some of the first issues the new country should address. Other matters that need to be dealt with are the many displaced people who began to arrive in the south even before voting started and the rivalry between the dominant Dinka ethnic group and the rest.

The elections held in Nigeria in April are even more important owing to the country's size—more than 154 million inhabitants—influence and rich energy resources. Ever since a civil government was re-established in 1999, Nigeria's democratic system has proved incapable of becoming consolidated. Experts

[30] BARRIOS, Cristina and BELLO, Oladiran, "Momentos decisivos en África", *Desafíos para la política exterior europea en 2011. Después de la crisis*, FRIDE, Madrid, 2010, 93-101.

reckon that at least five consecutive changes of power are needed for democracy to take root firmly.

For much of 2010 the country experienced a power vacuum owing to the *disappearance*, for medical reasons, of President Umaru Yar'Adua, who finally died in May. The total lack of activity during those months rekindled violence among Christian and Muslim communities of the central belt, prompted the rebels of Niger Delta to action and revealed huge social gaps. This was further exacerbated by the effect of the global financial crisis and a national financial crisis that shed light on the squandering and laxness of the banks.

In the second half of the year Yar'Adua's successor—up till then his vice-president, Jonathan Goodluck—attempted to resume programmes and restore calm, but with dubious results. More than 700 people died in religious clashes throughout the year in the north of the country alone. On Christmas Eve a series of attacks on the town of Jos killed more than 80 people and wounded nearly 200. With elections around the corner, many efforts are now devoted to the political battle.

The stability of the DRC is essential to the whole of the Great Lakes region, which has suffered some of the worst episodes of violence witnessed in the world since the Cold War. The fragility of the state and surrounding area is latent and the scars from the conflict that devastated the east of the country for years and drew in other regional actors such as Rwanda have yet to heal. The polls scheduled for the end of 2011, the second free elections since peace was re-established in 2006, are a challenge to the consolidation of a republic that is still not very democratic and in which it is likely that President Joseph Kabila will attempt to use his position to control economic resources and information in connection with the campaign.

The greater Caucasus

This region is home to a good many frozen conflicts—Abkhazia, South Ossetia, Nagorno-Karabakh—which are likely to become hotspots. What is more, although the North Caucasus and South Caucasus are two geopolitically separate regions, security threats are increasingly erasing this division. Therefore there are abundant references to the concept of the greater Caucasus as a broader area under protection(31).

Little progress was made in 2010 in the relations of South Ossetia and Abkhazia with Russia and Georgia. The former continues to reinforce the militarisation of the area, whereas the latter, in view of the gradually dwindling support

(31) SHAPOVALOVA, Natalia, "Eludir otra guerra en el Cáucaso Sur", *Desafíos para la política exterior europea en 2011. Después de la crisis*, FRIDE, Madrid, 2010, 83-92.

accorded by Brussels and Washington since the war in 2008, has begun seeking new regional allies, among others the North Caucasus and Iran.

The year also witnessed growing instability in the North Caucasus, which has been dragging on for years. Rebel violence, kidnappings, disappearances, ambushes, terrorist attacks and Islamic radical movements have spread from Chechnya to other states such as North Ossetia, Dagestan, Ingushetia and, in recent months, evev to Kabardino-Balkaria, formerly the calmest in the region. The recent attack on Moscow's Domodédovo airport came on top of the suicide bombings in the underground of the Russian capital, killing 40 people, the assault on the home village of Chechen president Ramzan Kadyrov and the attack on Grozny's parliament. These are just some of the more violent episodes of the past months, all of which triggered forceful responses from both Russian and Chechen security forces. Nor are the state's repression, torture, constant violations of human rights and discrimination on ethnic and religious grounds helping to create a climate conducive to solving the problems between citizens.

The progressive Islamisation of the whole area—beginning with Chechnya itself, where Kadyrov has set up an Iranian-style "morality" police—has developed into an armed Islamist movement that aspires to establish a Caucasus Emirate governed by the sharia. This movement, which considers Kadyrov a traitor who has sold himself to Moscow, has described its struggle against the Chechen government and against Russia as part of a much broader conflict between Muslims and the West. But what is really fuelling the violence and creating a breeding ground for fundamentalism is the desperate economic situation: extremely high unemployment, poverty, corruption and lack of present and future investments.

Security in the North Caucasus is an internal affair of Moscow—even President Medvedev declared that it is Russia's "principal" security problem—but international NGOs and even some European Union members are increasingly calling for greater involvement in human rights and democracy issues.

North Korea

Escalating tension between the two Koreas in 2010, especially during the latter months, stems from the fragility of the North Korean regime, the last Stalinist state that remains on the face of the earth.

In the past challenging the traditional enemy and demonstrations of military might have served to divert attention away from real problems and unite the population in support of the same cause anywhere in the world. With a devastated economy, the North Koreans lived completely with their backs to the

world until not long ago; but the recent proliferation of mobile telephones and DVD players has brought them somewhat out of their isolation and is leading them to realise how terribly behind their neighbours they are. The economic situation was dramatically worsened by the devaluation of the currency at the end of 2009, which, according to many observers, is the worst disaster since the famine that ravaged the country in the mid-1990s and killed hundreds of thousands of people.

The confusing appointment as Kim Jong Il's future hereditary successor of the young, inexperienced Kim Jong Un, the 68-year-old, ailing dictator's son, may have been the main trigger (or one of them) of the recent crisis. Kim Jong Un was promoted to the rank of general of the People's Army in September at a meeting of the party's leading members. His need to demonstrate his power and determination and to convince the party leadership and elite of a legitimacy he has not earned through his career—which would have been impossible given his age—underlie the recent attacks on South Korea. The *only* difference with respect to other similar situations is that Pyongyang possesses nuclear weapons.

The real possibility of a war between the two Koreas has important international security implications. On the one hand, the United States has declared its unconditional support for Seoul. On the other China, a traditional ally of North Korea, has begun to express misgivings and to play a more conciliatory role. Beijing would not welcome arrivals on masse on its side of the border of displaced people from North Korea fleeing from the attacks of the South; nor does it relish the prospect of a larger US presence along the north coast of the Pacific, as guardian of the seas. The Asian giant has begun to assume its role of major power and has stepped up bilateral and multilateral efforts to progress in settling the issue[32].

Iran

As the months go by more money is being staked on knowing when the Teheran government will achieve a nuclear capability and of what kind. Attempts to define possible scenarios and reactions multiplied throughout 2010, especially on the part of the United States and Israel.

The real threat Iran poses to international security is underpinned by three factors. The first is the country's determination to assume regional leadership—a role to which Turkey also aspires, from a different approach. The second is the increasingly deteriorated economic situation, with high levels of unemploy-

[32] For further information see http://www.nytimes.com/info/north-korea/ and "North Korea: The Risks of War in the Yellow Sea", Asia Report no. 198, International Crisis Group, 23 December 2010, http://www.crisisgroup.org/en/regions/asia/north-east-asia/north-korea/198-north-korea-the-risks-of-war-in-the-yellow-sea.aspx.

ment and inflation and dwindling oil production, which is triggering significant unrest among large sectors of the population, and the regime's need to find ways of compensating for it; in addition to this situation there is growing malaise over the corruption, enrichment and abuse of power of the Pasdaran and Ahmadinejad's circle, which largely inspired the *green* opposition movement that emerged after the elections of June 2009. The latest round of international sanctions has hindered the country's access to the international banking system, which is beginning to have an impact on the population. A third factor is the debate within the regime as to the direction in which the Islamic Revolution should continue; and while they attempt to reach an agreement, the centre stage continues to be occupied by the histrionic, radical and populist president, many of whose decisions are inspired by irrationality and divine enlightenment. Indeed, the main opposition comes from various conservative factions who disagree with Ahmadinejad's particular vision of the ideology of the state, the role of the clergy and their feeling of appropriation of the system[33].

Pakistan

As has occurred for some time now, it was announced once again that 2011 may be the year Pakistan sinks into the abyss. However, on this occasion there are new grounds for pessimism.

The year began with the breakup of the governing coalition and the assassination of the governor of the province of Punjab by one of his bodyguards. Failure to agree on the economic reforms needed to save the country from collapse—required by the International Monetary Fund, which has stopped credit until they begin to materialise—is at the heart of the breakup of the coalition. The *misbehaving* parties have agreed to return to the government provided the reforms are not carried out, and the prime minister is thus faced with the choice of maintaining a weak government but going without the badly needed IMF funds or risking elections that would amount to a powerful destabilising factor.

The main reason for the assassination of governor Tasser, a well-known liberal, appears to have been his out-and-out opposition to the law against blasphemy. His assassin, an Islamic fundamentalist, must have enjoyed the connivance of higher authorities in order to accede to such a delicate post as a member of his security team. But this fact has brought to light a novel factor in Pakistan's complex situation: the criminal has received many signs of support not only from the more extremist factions but also from the main religious political parties and many ordinary citizens. Even lawyers and journalists, who played a prominent role in the intense opposition to the previous military regime, have been more lukewarm in condemning the murder. Pakistan's middle class, tra-

[33] PARSI, Rouzbeh, "Irán: más allá de las sanciones", *Desafíos para la política exterior europea en 2011. Después de la crisis*, FRIDE, Madrid, 2010, 55-63.

ditionally regarded as liberal and open to reform, seems to be shifting towards more radical stances.

Fundamentalism has gained ground and Pakistan has become a centre of Islamist terrorism. The Taliban insurgency from Afghanistan crossed the border some time ago and now acts with impunity on both sides of it. If to this we add the ever latent possibility of a military coup and the tremendous uncertainty as to what will happen to Pakistan's nuclear weapons if the country is plunged into chaos, it seems obvious that all this can only mean greater insecurity for the world[34].

CONCLUSIONS

2011 does not look set to be a better year for instable states as a whole. The economic crisis has had devastating effects on some of them, and has seriously called into question the aid policies of traditional donors, who have been forced to trim budgets and to account for certain actions to their countries' public opinion.

The crisis is furthermore having unforeseen effects in countries that are not extremely fragile. The current instability in North Africa, where the gloomy economic prospects are the spark that has ignited the political revolts, is going to require more attention and more resources from the United States and European countries.

Save for a few exceptions, with respect to consensus concerning prevention and state building, the West has yet to find an effective formula for ensuring the medium-term success of its missions. For not all fragile states are the same, nor do they have the same importance or the same repercussions on international security. In the case of Europe, Richard Youngs suggests concentrating efforts and resources and sending a single mission each year of sufficient size as to truly make a difference. This mission should be coherent with the EU's global strategy and values and attack the political and social roots of the conflict, in which the military element is subordinated to civilian leadership[35].

There is also widespread agreement on the need to tackle fragility crises as a task that is shared among the western countries, international institutions and, inevitably, new actors. This is one of the elements that will define security in years to come: the involvement of the emerging countries in global peacekeeping. India is now the third biggest donor of development aid in Afghanistan, Brazil takes part in the United Nations mission in Haiti and China has deci-

[34] CASTILLEJO, Clare, "Pakistán ante el abismo", *El País*, 14/1/2011, http://www.elpais.com/articulo/opinion/Pakistan/abismo/elpepiopi/20110114elpepiopi_11/Tes.
[35] YOUNGS, Richard, op.cit., 202.

ded to extend its presence through the UN. Their interest in intervening in their neighbouring area is apparent, first by asserting their regional leadership; however, they are very cautious about taking part in other initiatives that are not backed directly by the Security Council under Chapter VII. Fear of failure—influenced by the recent experiences of Iraq and Afghanistan—weighs more heavily than their desire for greater internationalisation.

With the Lisbon Treaty the European Union has ratified its determination to be a global actor in a context in which the traditional balances of power are changing. Combating state fragility is part of its strategy, its values and its historical commitment. Its progress will depend on the coherence of its members when implementing the policies they themselves have devised.

CHAPTER FOUR

WESTERN EUROPE AS A SCENARIO OF GLOBAL TERRORISM

Fernando Reinares Nestares

Abstract

The threat of terrorism related directly or indirectly to Al Qaeda is not distributed evenly throughout the length and breadth of Western Europe. In the short and medium term, a series of historical, geographical, sociological, economic and political factors, as well as certain circumstances and additional questions, show that, regardless of variations in the level and nature of the threat of global terrorism, four countries look set to continue to more affected by the phenomenon than the others: specifically, the United Kingdom, France, Italy and Spain. Germany, Netherlands, Belgium, Denmark and Sweden are at medium risk, while it is plausible to think that the remaining countries of Western Europe will be relatively less affected by jihadist terrorism than others in the same area.

Keywords: Western Europe; global terrorism.

INTRODUCTION

Western Europe is not the main scenario of global terrorism—that is, of terrorism related directly or indirectly to Al Qaeda. The number of jihadist attacks committed in that part of the world from the 1990s to the present, irrespective of their different scope and size, is very small compared to other regions. Indeed, the current scenarios of terrorist violence are chiefly Southern Asia and the Middle East, where attacks carried out by terrorists of this ideological leaning are very frequent. The northern and eastern parts of Africa are also badly affected. What is more, the threat of this extremist neo-salafist brand of terrorism that hovers over Western European nations can largely be traced to actors located chiefly in countries in these other areas of the world such as Pakistan, Iraq, Yemen, Algeria and Somalia.

More than fifteen years have elapsed since the attacks of 1995 in Paris, the first to be linked in some way to modern jihadist terrorism. And it is almost ten since the most catastrophic attacks that took place in New York and Washington in 2001. Today's agents of global terrorism are a many-sided phenomenon. At least four major components of the structure can be distinguished. In first place there is Al Qaeda, the core and template for global jihadism as a whole. Second, there are the territorial branches or extensions Al Qaeda has progressively established since 2003, such as Al Qaeda in Iraq, Al Qaeda in the Arabian Peninsula and Al Qaeda in the Islamic Maghreb. Third, the heterogeneous array of groups and organisations associated with that terrorist structure, including, for example, Tehrik-i-Taliban Pakistan, Al Shabaab, the Islamic Jihad Union and Abu Sayyaf. Fourth and last are the individuals and independent cells which espouse the same fundamentalist conception of Islam but do not have ties to any of the other three components.

These four components of global terrorism, either separately or intermingled in various ways, have all proven to be a threat to Western Europe. This has been shown by the various incidents that can be attributed to it, including attacks that were actually perpetrated or plans and preparations that were thwarted, especially over the past decade. Sometimes only a single jihadist actor was behind them, either Al Qaeda, one of its territorial extensions, one of its related groups or organisations, or independent cells and isolated individuals acting on their own initiative. On other occasions, events have brought to attention the often composite nature of the threat of global terrorism in Western Europe, with variable, sometimes unique, combinations of actors belonging to different components of this phenomenon. Whatever the case, when the preparation, planning or implementation of an attack involves connections with a terrorist organisation based abroad, the incidents tend to be greater in scope and impact.

Nevertheless, regardless of the different forms the threat of global terrorism may adopt in Western European and its implications with respect to modalities, procedures and selection of targets for the attacks, the question arises of whether this threat is distributed evenly across the length and breadth of Europe in general and Western Europe in particular or, on the contrary, whether it affects some countries more than others, whatever the level and degree of evolution of this threat; and if the threat of global terrorism is found not to affect the various nations of Western Europe equally, whether it is possible to pinpoint the factors that help explain these disparities.

A HOMOGENEOUS OR DIFFERENTIATED SCENARIO?

To say that no European country is unaffected by the threat of global terrorism would be an obvious statement. It would be more accurate to point out that this threat does not affect the various European countries equally. A quick glance at the attacks committed and failed attempts at perpetrating others on the one hand, and, on the other, the data and assessments of this phenomenon in two public reference documents—the annual reports drawn up by Europol within the European Union and by the State Department in the United States—show that the challenges posed by this phenomenon do not appear to affect the European countries to the same degree. Although everything indicates that the problem is much greater in scope in the countries of Western Europe, there are also significant variations within the latter.

I shall quote only some of the evidence and information that supports this idea. Since 2002 the main acts of jihadist terrorism in Western Europe have taken place in Spain and the United Kingdom. Other minor incidents have occurred in the Netherlands, Italy, Sweden and Germany. Plans and preparations for new attacks have been thwarted in time in these and a few other countries such as Denmark, France and Belgium. Between 2006 and 2009, for example, hundreds of individuals suspected of Islamist terrorist activities were arrested in the United Kingdom, Spain and France. The number of arrests made in connection with this type of criminal conduct in Italy, Belgium, Germany, Denmark and the Netherlands can be counted in less than three figures, fluctuating between ten and ninety over the same four-year period. In other Western European countries the figures were considerably lower, although the number of arrests made was no lower than five in Austria or Sweden.

It may be deduced from these indicators and assessments that the challenge global terrorism poses has been more serious for some European countries than others and, specifically, for certain Western European countries compared to others. A differential analysis is required to explain these apparently significant variations: that is, an analysis aimed at identifying, even if briefly, the

possible differences between the Western European countries with respect to factors perceived as relevant to understanding the disparities in how they are affected by the current threat of terrorism related directly or indirectly to Al Qaeda. These structural and environmental factors are above all, but not exclusively, historical, geographical, social, economic and political. I will therefore examine each separately.

SIGNIFICANT HISTORICAL BACKGROUND FACTORS

As far as historical factors are concerned, a particularly significant difference between the countries of Western Europe when assessing how aggressively they are targeted by Islamist terrorist groups and organisations relates to their historical relations with the Islamic world from which these jihadist terrorists hail and where the population whose interests they claim to represent is located—taken to be the commonwealth of Muslim believers or umma. Two such historical indicators are especially meaningful. On the one hand, there are European countries with a colonialist past in territories with chiefly Muslim populations in North Africa, the Middle East, South Asia and Southeast Asia. On the other, a portion of what we now call Western Europe was under Muslim control during the Middle Ages.

Even though generations have elapsed since the colonial period, resentment and animosity towards the former European mother countries remain entrenched in the political culture of the Muslim societies that later became independent states. The jihadist discourse appeals recurrently to these sensibilities, blaming the colonial countries for fragmenting the nation of Islam by means of arbitrarily imposed borders. Both the United Kingdom and France stand out among the European nations which, as colonial powers, ruled vast areas of the world inhabited both then and now chiefly by people who in one way or another consider themselves followers of religious currents based on the postulates of Islam. But in this respect we should not forget other European countries like Italy, Spain and the Netherlands, which also enjoyed a colonial presence, albeit more limited, in certain areas within these same regions.

But for some Western European countries, these colonial ties to the Islamic world are not the only historical factor that needs to be taken into account when conducting a differential analysis of the threat jihadist terrorism currently poses to the region. A portion of Western Europe itself was under Islamic control during the Middle Ages. Indeed, between the eighth and fifteenth centuries Islam ruled over a good part of what is now Spain and Portugal. To the current leaders of Al Qaeda and its territorial extensions, especially Al Qaeda in the Islamic Maghreb, Al Andalus—the name given to the Muslim social and political entity established in the Iberian Peninsula following the invasion of North

African Arabs and Berbers beginning in 711 as part of the westward expansion of Islam from its place of origin—is not a unique expression of the size and splendour attained by Islamic civilisation; rather, it denotes an area timelessly and indefinitely ascribed to this religion and occupied by infidels for more than five hundred years.

DISTANCE FROM SOURCES OF THREAT

The geographical factor that needs to be considered when attempting to explain why some Western European countries are more affected by the threat of jihadist terrorism than others is their proximity to the sources of this violence. That is, it is related to their distance from the non-European countries where the groups and organisations involved in the global network of jihadism have their main base or plan their terrorist campaigns. If these source areas are neighbouring or nearby countries, the groups/organisations disseminate or can disseminate terrorist elements from them across Western Europe in order to achieve a variety of purposes, ranging from mobilisation of human and material resources—i.e. recruitment and funding—to the preparation and implementation of attacks, often on the basis of this previous groundwork.

According to this geographical approach and considering that Western Europe as a whole is far from the epicentre of global terrorism—the tribal areas of Pakistan—three countries located at its southern frontier, specifically France, Spain and Italy, would be relatively more exposed to the threat of jihadist terrorism than their other European partners. This is because the so-called Al Qaeda in the Islamic Maghreb, a branch of Al Qaeda established in September 2006 on the basis of a mutually convenient agreement between the main jihadist organisation active in North Africa until then, the so-called Salafist Group for Prayer and Combat, and the terrorist structure itself led by Osama bin Laden, is based in Algeria and has spread across other North African countries, particularly towards the Sahel strip. Nevertheless, a certain closeness to the North African source of terrorism may be taken into account in the case of other European countries that border on the three mentioned above.

Another source of terrorism that is less prominent now but was very important to the development of webs of Islamist terrorism in Western Europe in the 1990s and should therefore not be ignored is the Balkans in general and Bosnia in particular. This source concerns Austria, Italy and also Greece—which furthermore borders on Turkey, a country of transit for jihadists travelling from Western Europe to the Middle East or Southern Asia. However, according to the various national indicators that allow different levels of terrorist threat to be gauged, this threat is no less considerable in Western European countries geographically distant from the aforemen-

tioned surrounding sources of global jihadism. This is due to sociological factors which act as variables capable of mitigating the relative importance of the historical and geographical factors, even though they are mutually interrelated.

SOCIODEMOGRAPHIC FACTORS

Of the aforementioned sociological factors, the size and composition of the Muslim communities living in each country are particularly significant, as violent radicalisation processes occur and terrorists attempt to operate within them. In this respect the number and proportion of European Muslims or those residing in Western Europe differs markedly from one country to another. In absolute terms, France, Germany, the United Kingdom, Spain and Italy have the largest Muslim communities or populations originating from predominantly Muslim countries, whose numbers fluctuate between one and five million inhabitants—approximate overall figures that are much higher than those of other Western European nations.

Below this figure but well above the one-hundred-thousand-mark are the Muslim populations of seven other Western European countries such as the Netherlands, Greece, Switzerland, Austria, Belgium, Denmark and Sweden. What is more, in relative terms, the countries with the highest proportions of Muslims include not only France, the United Kingdom, Germany, Spain and Italy—albeit with notable variations between them—but also another seven, all with more than 2% of Muslims or natives of predominantly Muslim societies. Even in some of the latter this percentage is more than double, or considerably higher, than that of some of the five Western European nations that have the largest number in absolute terms of Muslim inhabitants or people originally from countries with mainly Muslim populations.

Nevertheless, some data suggest that there are significant differences in the degrees of radicalisation observed within these different Muslim groups established in Western Europe, depending on their origin. For example, radicalisation tends to be greater among those originally from Pakistan than among those from Turkey, owing to the particular national characteristics of the prevailing Islamic creed. These variations can largely be interpreted as the effect of the specific cultures of those countries with chiefly Muslim societies which instil into their inhabitants different ways of understanding and experiencing Islam. However, the hypothesis that these levels tend to even out in the case of second- and third-generation descendants of Muslim immigrants is realistic. Even so, there is insufficient comparative evidence to maintain that these second and third generations are more prone to violent radicalisation than the first generations.

NATIONAL ECONOMY AND GLOBAL PRESENCE

Al Qaeda and the rest of the actors belonging to the current web of global terrorist repeatedly state that one of their purposes when inflicting harm on what they call the distant enemy is to seriously undermine the economies of the countries in question and to ensure that their attacks or the credible threat of such attacks have negative repercussions on the international economy. In a message broadcast in 2009, Osama bin Laden boasted that the attacks of 11 September 2001 caused not only destruction and deaths on American soil but also the international financial crisis and the economic difficulties the West has been experiencing in general. It is not unusual, when choosing targets for their acts of violence, for the leaders of jihadist terrorist groups and organisations to bear in mind such considerations and even publicly announce their intentions.

In this connection, it should be borne in mind that not all Western European countries—and European countries even less—have the same economic importance or hold the same weight in the international economy, and the interests to be undermined are therefore not in principle equally attractive as targets of global terrorism. On the basis of the foreign presence of the different European nations through trade in goods and services, energy and foreign investments, for example, Germany, the United Kingdom and France rank particularly highly. Considering these same variables with respect to projections for the domestic economy, the Netherlands, Belgium, Italy, Spain, Norway, Switzerland, Sweden and Ireland can be classified in a second place, while the remaining countries fall into a third category.

Closely linked to the economic weight of the various Western European countries and the foreign influence of their respective economies but with greater scope and an intrinsic significance of its own is the global presence of the various nations—i.e. their international position in different areas, not just the economy, that enables them to exercise power and influence on the world stage. The countries that enjoy a better position in this respect will be particularly attractive to Al Qaeda and other groups/organisations belonging to the network of global terrorism. According to the Elcano Global Presence Index for 2010, three Western European countries stand out considerably above the rest. Once again, they are Germany, France and the United Kingdom. Behind them are Italy, Spain, the Netherlands and Belgium, followed by the rest of the nations, even though there are considerable differences between them as to global presence.

POLITICAL DIMENSIONS

In order to be able to gauge whether some Western European countries are worse hit by the threat of international terrorism than others we likewise need

to pay attention to political factors. One of these factors relates to aspects of these countries' foreign policy that are particularly relevant to terrorism, above all whether or not they have troops deployed in areas of the world with predominantly Muslim societies, whatever their mission. It is known that Al Qaeda, its territorial extensions and the groups and organisations associated with this terrorist structure issue hostile communiqués to countries with a military presence in Afghanistan and also in Lebanon, very similar in content to those previously issued in connection with the deployment of European soldiers in Iraq.

Although all the EU countries of Western Europe contribute in some way or another to the International Security Assistance Force (ISAF), which performs its mission in Afghanistan, the contingents sent by the United States, Germany, France, Italy and Spain are especially large, although those of other European countries such as Denmark, Belgium and Sweden are very considerable and those of the Netherlands, Finland, Greece and Portugal also significant. As for the United Nations Interim Force in Lebanon (UNIFIL), nine countries of Western Europe have been contributing to it since 2006, to different degrees. These are Spain, Italy, France, Germany, Belgium, Denmark, Greece, Ireland and Portugal.

There is also an internal political dimension that is more changeable but complementary and closely linked to the previous one; it appears to influence annual variations in the threat of jihadist terrorism recorded by the Western European countries and should therefore be considered. This is the holding of national elections. Elections are perceived by the agents of global jihadism as opportunities to influence citizens' attitudes and conducts, bringing about changes in their governments' foreign policy. Indeed, these agents present the attacks of 11 March 2004 in Madrid, which took place three days before the elections that replaced the governing party and led to the withdrawal of the Spanish soldiers stationed in Iraq since the previous year, as a success to be repeated in other countries. In 2009 Al Qaeda threatened the Germans over and over again with a similar attack in their country if they did not vote for the Berlin authorities to withdraw their troops from Afghanistan in the elections scheduled for November.

ADDITIONAL CIRCUMSTANCES AND THEMES

In addition to the historical, geographical, socio-demographic, economic and political factors whose varying national significance sheds further light on why jihadist terrorism appears to be more of a problem for some Western European countries than it does for others, it is necessary to take into account additional and plausibly significant circumstances and issues. These are, in particular, circumstances and issues that inspire a special animosity towards certain coun-

tries on the part of Al Qaeda and other agents of the global terrorist network. This is often expressed by aggressive targeting by the propaganda of these groups and organisations in messages that are disseminated widely through the numerous websites of firmly jihadist leanings.

Actions aimed at preventing and combating global terrorism in Western Europe in recent years, with police operations resulting in the dismantling of numerous jihadist networks and the arrest of hundreds of individuals accused of involvement in activities related to this form of crime, probably have a paradoxical effect. From the terrorists' viewpoint, countries where more counterterrorism operations have been conducted tend to be branded as particularly hostile distant enemies. Such is the case of the United Kingdom, France and Spain, followed closely by Italy, Belgium, Germany, Denmark and the Netherlands. Even if the potential threat is constrained or reduced by the response of the state security forces, the propaganda of global jihadism continues to motivate terrorist acts against them based on resentment or desire for vengeance.

But other specific issues involving one or several Western European countries can cause them to be targeted by the groups and organisations involved in global terrorism. An incident that is particularly worth mentioning is the caricatures of Mahomet published in a Danish newspaper a few years ago and later reproduced by a Swedish newspaper, which continue to enrage jihadists and to stimulate the perpetration of attacks on the country's citizens and interests. Likewise, the French ban on certain garments worn by women, which jihadist terrorist groups and organisations regard as Islamic symbols and imperatives, has sparked a virulent reaction in the form of hostile proclamations and communications from their leaders. A similar case is the Swiss referendum limiting the maximum height of the minarets of mosques built in the country.

CONCLUSION

If for each of the factors considered we award points on a linear or interval scale of values in accordance with their relevance—nil, low, medium or high—to each nation and then add them together and divide them by six, without in principle applying any weighting, it becomes clear that, irrespective of fluctuations in the level and nature of the threat of global terrorism at particular moments, a number of structural or persistent conditions make four Western European countries more likely to be more affected by this phenomenon in the short and medium term: the United Kingdom, France, Italy and Spain. Germany, the Netherlands, Belgium, Denmark and Sweden would obtain a medium score. Greece and Switzerland would be between the latter and the rest of the Western European countries, which may be expected to be less affected by jihadist terrorism than others in the near future, although by no means are they free from its inherent challenges.

Interestingly, public perceptions of the terrorist threat do not coincide exactly with this classification, although they roughly tally with it. According to the Eurobarometer data recorded between 2006 and 2010, that is, for the five-year period immediately after the attacks in Madrid in March 2004 and in London in July 2005, the proportion of European citizens who regarded terrorism as one of the two most important problems faced by their respective countries during this period was more than 10% in Spain—where, as is known, this concern is not limited to the threat of international terrorism—Denmark, the United Kingdom and the Netherlands. Scores of below 10% but above 3% were recorded in Italy, Germany, France and Belgium, and also in Austria. Respondents in the rest of the Western European nations expressed relatively less concern about the threat of terrorism with respect to other pressing economic, social and political problems. Among the latter was Sweden, although the last of the surveys considered was conducted in the country months before a suicide bomber of jihadist leanings died on 11 December 2010 when preparing a series of potentially highly lethal attacks in a busy pedestrian area of Stockholm.

CHAPTER FIVE

AFGHANISTAN: THE MOMENT OF TRUTH

Amador Enseñat y Berea

ABSTRACT

In 2010 the international community laid the foundations on which to build a solution to the Afghan conflict. After highlighting the key aspects and implications of the new strategy, the chapter analyses recent developments in security, governance, development, regional framework, and counter-narcotics, as well as the challenges to be addressed in the near future. Official assessments have estimated that "the gains remain fragile and reversible", and the strategic community, sceptical about the ability of the current strategy to achieve the set objectives in the required timeframe, has proposed alternative options. The chapter concludes that at the end of 2011 a new realistic analysis should be made of the situation. If the current strategy is still judged to be adequate, we should continue its implementation with resolution. If not, we should consider either limiting our strategic ambitions or accepting the costs and timeframe that all counterinsurgency strategies require.

Keywords: Afghanistan, strategy, security, counterinsurgency, stabilisation, ISAF, UNAMA.

2010: LAYING THE FOUNDATIONS FOR A SOLUTION TO THE CONFLICT

2010 was an intense period for the stabilisation of Afghanistan and came after eight years of insufficient attention and energy on the part of the international community. The year was filled with events aimed at laying the foundations on which to build a medium- and long-term solution to the Afghan conflict. We will examine, in chronological order, the most important milestones which, although different in scope and nature, display a unity of purpose: strategic decisions by the US (the change of strategy following the McChrystal Report and the annual progress review), international conferences for deepening the partnership between the international community and Afghanistan (those held in London and Kabul); the NATO summit in Lisbon, where the guidelines for handing over security to Afghan leadership were announced and a long-term commitment to the country was adopted; and internal Afghan events, such as the Peace Jirga and legislative elections. The forced resignation of General McChristyal is also dealt with owing to its political and strategic significance.

Obama decision on the McChrystal Report

Actually, for the purposes of this article, 2010 began on 1 December 2009 when the US president, Barack Obama, announced to the West Point cadets his decision on the so-called "McChrystal Report"[1]. General Stanley McChrystal, appointed Commander of the International Security Assistance Force (ISAF) in June 2009 and Chief of the US forces in Afghanistan (Operation Enduring Freedom), had stated that the country's situation was serious but that the mission could be fulfilled only if a new strategy was adopted that provided the necessary human and material resources and focused on helping the Afghan government enlist the support of the civilian population rather than eliminate insurgents.

Following three months of deliberation and, it would seem, conflicting positions between the White House and the Pentagon[2], President Obama announced[3] his decision, after discarding three other "courses of action". He opposed immediate withdrawal, arguing that comparison with Vietnam "depends on a false reading of history". He also rejected going forward with the troops already there, because this would "simply maintain a status quo", "permit a slow deterioration of conditions there", and "prove more costly and prolong

[1] The "McChrystal Report" (*COMISAF's Initial Assessment*, of 30 August 2009), slightly censored, was published by *The Washington Post.* http://media.washingtonpost.com/wp-srv/politics/documents/Assessment_Redacted_092109.pdf?sid=ST2009092003140.
[2] Part of these discussions came to light following the publication of the book by WOODWARD Bob, *Obama´s Wars,* Simon & Schusters, New York, 2010.
[3] *The White House: Remarks by the President. Address to the Nation on the Way Forward in Afghanistan and Pakistan*, West Point, 1 December 2009. http://www.whitehouse.gov/the-press-office/remarks-president-address-nation-way-forward-afghanistan-and-pakistan.

our stay in Afghanistan". Finally, he objected to the absence of a time frame for transferring responsibility to the Afghan government and commitment to a long-term nation-building project t, because it "sets goals that are beyond what can be achieved at a reasonable cost" for the United States, which "has no interest in fighting an endless war in Afghanistan".

Obama argued that the overarching goal of the strategy still remained the same: "to disrupt, dismantle, and defeat al Qaeda in Afghanistan and Pakistan, and to prevent its capacity to threaten America and our allies in the future". To this end, it is necessary to "deny al Qaeda a safe haven", "reverse the Taliban's momentum and deny it the ability to overthrow the government", and "strengthen the capacity of Afghanistan's security forces and government so that they can take lead responsibility for Afghanistan's future". These objectives are to be met in three ways: by pursuing a new military strategy involving the deployment of an additional 30,000 troops (the Allies subsequently undertook to deploy a further 10,000) to speed up the transfer of responsibilities and begin pulling out in July 2011 (the date was later qualified by the Secretary of State and the Defense Secretary as "conditioned by the situation on the ground"); a more effective "civilian strategy" so that the Afghan government can take advantage of improved security; and a "partnership with Pakistan" based on mutual interest, respect and trust.

The decision went down well with the Allies. Nevertheless, the very few references made to NATO in his address and the wholly national slant given to the announcement of the new strategy did not go unnoticed. The most controversial aspect of his address was the setting of a date for force reduction. Many analysts believed that he was giving the insurgency the advantage of the "time factor".

London International Conference

On 28 January 2010 the Afghan government and the international community declared at London[4] that they were embarking on a new stage on the path to full "Afghan ownership". The aim in this new phase is that the government should progressively meet the needs of its population through its own institutions and resources. Measures were established in the fields of "security", "development and governance" and "regional cooperation/international architecture". The most notable were the increase in size of the Afghan national security forces (ANSF, consisting of the army (ANA) and the police (ANP)), a plan for the ANSF to take over from ISAF beginning at the end of 2010 or start of 2011 and the holding of a Peace Jirga to facilitate the process of peace and

[4] London Conference Communiqué "Afghan Leadership, Regional Cooperation, International Partnership" (28.01.2010). Available at http://afghanistan.hmg.gov.uk/en/conference/london-conference/communique/.

reintegration. The conference was to be completed with a subsequent conference to be held in Kabul.

Peace Jirga

After being postponed several times, the Peace Jirga was held in Kabul from 2 to 2 June. One thousand six hundred delegates representing the two houses of parliament, provincial councils, religious scholars, tribal elders, civil society organisations and Afghan refugees residing in Iran and Pakistan took part. The Jirga, a consultative body, adopted a Resolution[5] containing various proposals for fostering reintegration and reconciliation. Prominent among these proposals is the establishment of a Peace Council or Commission to develop the recommendations of the Jirga and the peace process. It was necessary to wait until 4 September for President Karzai to set up the High Peace Council and until 12 October for it to hold its first meeting. The Council is made up of 70 members, ten of them women, who represent different regional, ethnic, religious and political groups and members of civil society organisations. Twelve of its members held posts in the Taliban regime.

General McChrystal is replaced by General Petraeus

On 23 June, after Rolling Stone[6] published an article attributing inappropriate comments on high-ranking US political authorities to him personally or to members of his team, General McChrystal was forced to hand in his resignation as chief of the US armed forces in Afghanistan (USAFOR) and commander of ISAF. Whether or not intentional, McChrystal's declarations, in addition to a certain amount of frustration about the turn of events, evidenced his distance from the US political authorities in both Washington and Kabul. Only President Karzai expressed his unconditional support for McChrystal.

President Obama skilfully brought the crisis to a close by choosing as his successor General David Petraeus, then his superior as Commander of the US Central Command, and considered the architect of America's new counterinsurgency doctrine that was applied with apparent success in Iraq. The idea was to give the impression that there had been a change of person, not of strategy.

Kabul International Conference

At the Kabul Conference on 20 July[7] the Afghan government translated the commitments made at London into specific projects. The government thereby reaffirmed its commitment to improving the security, governance and eco-

[5] Resolution adopted at the conclusion of the Peace *Jirga*, Kabul, 04.06.2010). Available at http://president.gov.af/Contents/88/Documents/1834/resolution_English.htm.
[6] HASTINGS Michael, "The Runaway General", *Rolling Stone,* 8-22 July 2010, 90-121.
[7] Kabul Conference Communiqué "A Renewed Commitment By The Afghan Government To The Afghan People. A Renewed Commitment By The International Commitment To Af-

nomic opportunities of its citizens by establishing a number of measurable milestones laid down in the Conference Communiqué and in 23 National Priority Programmes—later developed in greater detail—which were backed by the conference participants. The international community renewed its commitment to supporting the transition to Afghan leadership and its intention to provide security and economic assistance with a view to attaining the shared objectives.

Salient points are the backing for the Afghan government's Peace and Reintegration Programme; the Afghan commitment, with the support of the international community, that the ANSF will lead and conduct military operations in all provinces by the end of 2014; the participants' commitment to channel at least 50% of development aid through the Afghan government core budget within two years; and the government's promise to fight against corruption and improve the efficiency of public expenditure.

Legislative elections

The first legislative elections to be fully organised by Afghan institutions took place on 18 September. Two thousand five hundred and six candidates (396 of them women) stood for the 249 seats in the lower house (Wolesi Jirga) of the National Assembly (a minimum of 68 were reserved for women). In a security situation that was a slight improvement on that of the presidential election of August 2009, some 4.3 million Afghans out of approximately 12 million possible voters turned out to vote. The fraud detected was similar, albeit higher, than in the presidential elections, and "it became clear that there had been widespread fraud and irregularities across the country"[8]. It was not until more than two months later, on 24 November, that the final results were known (1 December in the province of Ghazni). The Wolesi Jirga was finally established this past 26 January.

NATO's Lisbon summit

During NATO's Lisbon summit on 20 November, the ISAF contributing Nations [9] reiterated that the mission would remain the Alliance's key priority and welcomed the transition process (Inteqal) designed to allow the Afghan authorities to progressively assume leadership in security, beginning early in 2011 and ending before the end of 2014. The transition process is in keeping with the agreements adopted at the Kabul Conference, will be conditions-based as opposed to calendar-driven, and will not equate to withdrawal of ISAF.

ghanistan". Available at http://www.mfa.gov.af/FINAL%20Kabul%20Conference%20%20%20Communique.pdf.

[8] Report of the Secretary-General of the United Nations on *"The situation in Afghanistan and its implications for international peace and security"* (10.12.2010), para. 5.

[9] Declaration by the Heads of State of the Nations contributing to the UN-mandated, NATO-led International Security Assistance Force (ISAF) in Afghanistan, Lisbon (20.11.2010).

They also expressed their commitment to a long-term partnership between NATO and Afghanistan, enshrined in a declaration signed that day by President Karzai and Secretary-General General Rasmussen. NATO reaffirmed its "long-term commitment to a sovereign, independent, democratic, secure and stable Afghanistan that will never again be a safe haven for terrorists and terrorism, and to a better future for the Afghan people", in order to "provide sustained practical support to Afghan security institutions aimed at sustaining and improving their capacity and capability to counter threats to the security, stability and integrity of Afghanistan effectively, and contributing to regional security"[10].

Annual Review of US strategy

On 16 December, a year after Obama delivered his address at West Point, the White House disclosed the conclusions of the Afghanistan and Pakistan annual review[11]. The overview states that although the strategy shows progress in the three areas assessed—Al Qaeda, Pakistan and Afghanistan—the challenge continues to lie in making these gains durable and sustainable. It states with respect to Afghanistan that the momentum achieved by the Taliban in recent years has been arrested in much of the country and reversed in some key areas, although these gains remain fragile and reversible. Lastly, the overview considers that the strategy in Afghanistan is setting the conditions to begin a responsible reduction of US forces in July 2011 and underscores the importance of a sustained long-term commitment to the region, including both Afghanistan and Pakistan.

THE SECURITY SITUATION: BETWEEN PESSIMISM AND HOPE

General considerations

The appointment of General McChrystal spurred a change of strategy—the focus shifted from physically eliminating the insurgents to protecting the civilian population, who are the "centre of gravity" of the struggle. The solution to the conflict is therefore not exclusively military but also lies in good government and development as part of a comprehensive civilian and military approach. The key is to ensure that the Afghan government earns the support of the population[12].. This does not mean to say that military operations are no longer important, as such a solution is only possible in a secure environment.

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[10] Declaration by the North Atlantic Treaty Organisation (NATO) and the Government of the Islamic Republic of Afghanistan on an Enduring Partnership, Lisbon (20.11.2010).

[11] *Overview of the Afghanistan and Pakistan Annual Review,* The White House (16.12.2010). Available at http://www.whitehouse.gov/the-press-office/2010/12/16/overview-afghanistan-and-pakistan-annual-review.

[12] In his *COMISAF's Counterinsurgency Guidance* (25-08-2009), General McChrystal defines it precisely: "Protecting the people is the mission. The conflict will be won by persuading

The implementation of the new strategy has important implications: the need to minimise civilian causalities caused by own forces, a greater presence of forces on the ground, greater likelihood of civilian causalities among Afghans, the need to empathise with the civilian population, the difficulty of assessing progress made and the difficulty of maintaining the support of our societies.

Collateral damage to the civilian population caused chiefly by air strikes targeted at the insurgency had become the Afghan government and population's main grievance with the presence of international forces and particular cause for concern to western governments and public opinions. Notwithstanding a few incidents, the tactical measures adopted to minimise this damage[13] have enjoyed considerable success, thereby preventing intended tactical victories from becoming strategic defeats. Accordingly, despite the increased intensity of operations, civilian casualties caused by pro-government forces (international and Afghan) went from 828 deaths (552 caused by air strikes) or 39% of the total in 2008 to 440 (171 caused by air strikes) or 16% of the total in 2010[14]. Any civilian casualty is a tragedy, but the effort to minimise them, usually by taking on greater risks, should be duly recognised.

The need to protect a growing number of civilians, separating the civilian population from the insurgency, requires the presence of more troops on the ground to consolidate the liberated areas, protect the action of the Afghan authorities and provide a suitable security environment for reconstruction. Until a sufficient number of suitably trained Afghan national security forces (army and police) are available, this military presence must necessarily be mainly international. Furthermore, additional staff are needed to train the Afghan forces. As the Afghan forces progressively deploy, fewer international forces will be necessary. This is the reason for the deployment of the troops requested by McChrystal and the basic reasoning according to which, if everything goes according to plan, a progressive reduction would be possible in the size of the deployment of allied forces. As of the beginning of February 2011 approximately

the population, not by destroying the enemy. ISAF will succeed when GIRoA (Government of the Islamic Republic of Afghanistan) earns the support of the people". Available at http://www.nato.int/isaf/docu/official_texts/counterinsurgency_guidance.pdf. The *COMISAF's Counterinsurgency Guidance* (01-08-2010) issued by General Petraeus is underpinned by a similar philosophy. Available at http://www.isaf.nato.int/from-the-commander/from-the-commander/comisaf-s-counterinsurgency-guidance.htm.

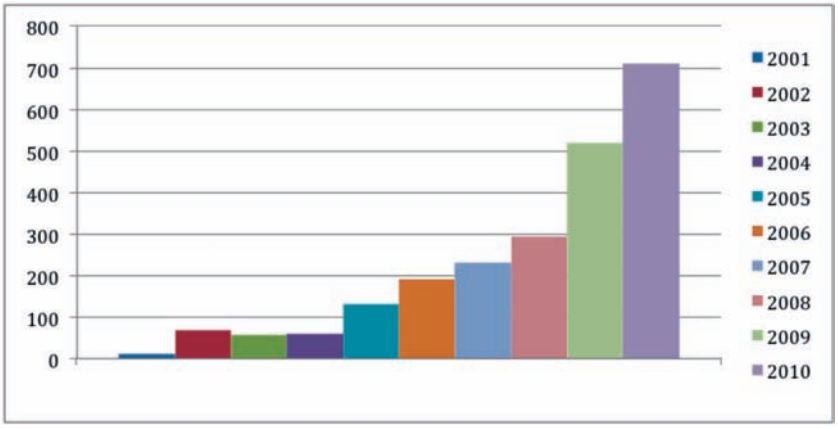
[13] General McChrystal revised the Tactical Directive on 6 July 2009. Among other things, it limits the use of close air support (an unclassified extract is available at http://www.nato.int/isaf/docu/official_texts/Tactical_Directive_090706.pdf). The Directive was updated by General Petraeus on 19 August 2010 and emphasises the "disciplined use of force" in order to minimise incidents involving civilian victims but at the same time maintaining force protection (HQ ISAF News Release 2010-08- CA-004, 4 August).

[14] UNAMA, Humans Rights Division: *Afghanistan Annual Report on Protections of Civilians in Armed Conflict*, 2008, Kabul, January 2009 and 2010, Kabul, March 2011.

97,000 US troops were deployed in Afghanistan (90,000 of them belonging to ISAF) and 41,983 from another 47 nations[15].

The greater presence of forces on the ground who are in contact with the civilian population and the greater intensity of the operations involves an increase in own casualties, which went from 295 in 2008, to 521 in 2009 and 711 in 2010[16]. These casualties are generally not caused by direct actions of the insurgency but by improvised explosive devices (IEDs), which since 2008 have accounted for 60% of coalition casualties. In addition, the means of protection adopted by the international forces to prevent the effects of such devices hinder their contact with the civilian population, making it more difficult to earn their support. However, their discriminate use also causes casualties among the Afghans, seriously harming the cause of the Taliban, who are equally determined to win over the civilian population to their side. Therefore, despite the major damage they cause, unlike the man-portable air defence missiles that decisively influenced the Soviet defeat, IEDs have not become a tactical weapon with strategic effects that is capable of defeating the international forces.

Graph 1
Trends in coalition fatalities (ISAF and OEF)



Source: http://www.icasualties.org/oef/

To win over the Afghans in heart and mind is the primary objective of the counterinsurgency strategy. To this end it is necessary for the members of the international forces to empathise with the local populations. In scenarios such as Afghanistan, where cultural differences create a gap that is difficult to bridge, great importance is attached to the so-called "cross cultural awareness". The cultural factor has become a primary consideration in the planning of military

[15] *International Security Assistance Force (ISAF): Key Facts and Figures* (03.02.2011). Available at http://www.isaf.nato.int/images/stories/File/Placemats/3%20Feb%202011%20Placemat-REVISED.pdf.
[16] See http://www.icasualties.org/oef/.

operations[17] and is being examined in major international studies[18]. Nonetheless, some studies reveal a rift in relations between the international community and the Afghan population that is particularly evident in the south, where it is difficult to make the Afghans understand the reasons for the international presence in their country[19].

When implementing a counterinsurgency strategy the traditional indicators are of little use in measuring degree of success (occupied terrain or casualties inflicted on the adversary), as the aim of such a strategy is to protect the civilian population and earn its support for the Afghan government. Quantitative results obtained from opinion polls conducted on the Afghan population are not overly reliable, but they can be of use in detecting trends when a comparative study is conducted. A considerable majority of the population believes that the country is heading in the right direction, has a favourable opinion of the Afghan army and police, and is increasingly less sympathetic to the insurgency, although 83% back negotiations to achieve their reintegration. Security and reconstruction are the main reasons given by the Afghans who hold a positive view of the country's progress, whereas insecurity, corruption, poor governance and unemployment are grounds for pessimism[20]. Other indicators have been studied which attempt to measure the degree to which Afghan life has returned to normal, although they are difficult to quantify and cannot be decisively interpreted[21].

The support of the public opinion is essential to the success of any operation. In Afghanistan, as in all counterinsurgency campaigns conducted overseas, many factors suggest that it is complicated to maintain such support: the difficulty of perceiving what interests of their own are at stake, the increasing need for human and material resources, the unstoppable trickle of casualties among the country's own forces, the repercussion of civilian victims, the lack of pro-

[17] Centro Internacional de Toledo para la Paz, "La nueva estrategia en Afganistán: La importancia del factor cultural y de las relaciones con la población local", *Documento CITpax,* no. 11, July 2010.

[18] Spain, through the Armed Forces Transformation Unit and the Army Training and Doctrine Command, in the framework of Multinational Experiment no. 6 (MNE-6) of NATO Transformation Command, objective 4.6 "*Cross Cultural Awareness*". A framework concept was developed of "*cross cultural awareness*" which, although applicable to all scenarios, included specific aspects of the Afghanistan theatre (FOJÓN LAGOA Enrique, "La Transformación de las Fuerzas Armadas y los Experimentos Multinacionales", *Documento de Opinión del Instituto Español de Estudios Estratégicos* no. 03/2011, January 2011.

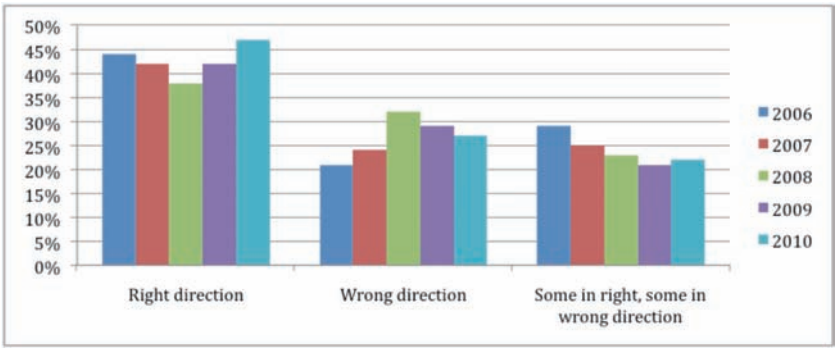
[19] Two studies by the International Council on Security and Development, *Afghanistan, The Relationship Gap*, July 2010 and *Afghanistan Transition. Missing Variables*, November 2010 express this idea.

[20] The Asia Foundation, *Afghanistan in 2010. A Survey of the Afghan People,* November 2010. Available at http://www.asiafoundation.org/resources/pdfs/Afghanistanin2010survey.pdf.

[21] Among others, the number of local officials who actually live in the district (some do not live in their districts for security reasons), the cost of transporting goods (influenced by the likelihood of attacks), the number of complaints filed by the civilian population on the presence of explosive devices (the more the complaints, the less the support for the insurgency) and the number of shops open and of children who attend school (both of which are symptoms of a return to normal).

Graph 2

Generally speaking, do you think things in Afghanistan today are going in the right direction, or do you think they are going in the wrong direction?

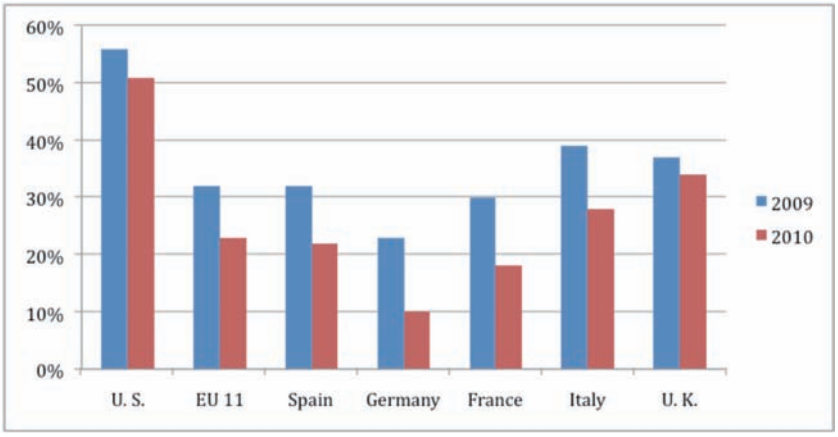


Source: The Asia Foundation, Afghanistan in 2010. A Survey of the Afghan People, November 2010, 18.

per instruments for gauging success, and uncertainty about the duration of the military presence. In such a state of affairs, surveys have detected decreasing support from our societies for the military deployment in Afghanistan. What is more, our public opinions are increasingly less optimistic about the stabilisation of Afghanistan, although this feeling is more accentuated in European societies than in America[22].

Graph 3

Optimism about stabilising Afghanistan 2009-2010



Source:German Marshall Fund of the United States et al., Transatlantic Trends, Key Findings 2010, 15.

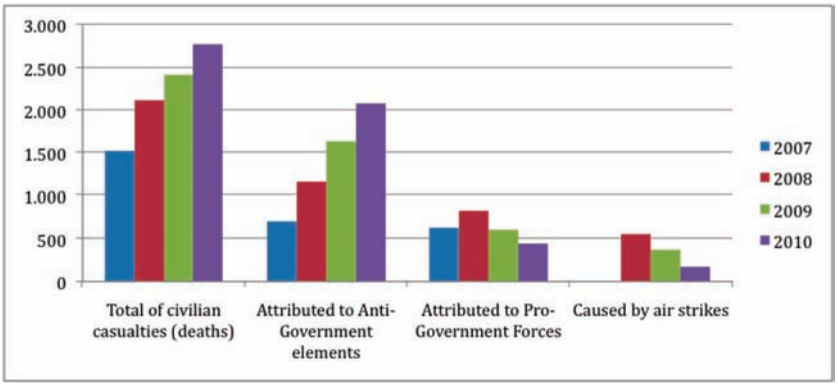
[22] German Marshall Fund of the United States et al., *Transatlantic Trends, overview 2010*, 16-17. Assembly of Western European Union, *Afghanistan – explaining the reasons for the war to the public,* Document A/2070 (16.06.2010), 7-12. MILLER Charles, *Endgame for the West in Afghanistan? Explaining the Decline in Support for the War in Afghanistan in the United States, Great Britain, Canada, Australia, France and Germany,* Strategic Studies Institute, United States Army War College, June 2010.

Assessment of the security situation

The quarterly reports of the United Nations Secretary-General[23] point to a deterioration in the security situation in 2010 with respect to 2009 and previous years, based on an increase in security incidents, civilian casualties, suicide attacks, intimidating actions, kidnappings and murders of civilians and personnel of the United Nations and Non-Governmental Organisations (NGOs)[24].. They consider that while progress has been made in the provinces of Helmand and Kandahar, the insurgency has displaced its actions to other parts of the country where the presence of international forces is less numerous.

The number of civilian casualties is rising—from 2,118 deaths in 2008, to 2,412 in 2009 and 2,777 in 2010[25].. The fact that the pro-government forces are increasingly responsible for these deaths in both absolute and relative terms is not precisely encouraging when the aim of the strategy is to protect the civilian population.

Graph 4
Trends in civilian casualties (deaths) during 2007-2010.



Source: UNAMA, Humans Rights Division: Afghanistan Annual Reports on Protection of Civilians in Armed Conflict, 2008, 2009 and 2010
Note: Figures are not available for casualties caused by air strikes in 2007

As stated earlier, the number of casualties among the international forces continues to grow, with the Afghan national security forces faring worse than their

[23] *"The situation in Afghanistan and its implications for international peace and security".* Reports of the Secretary-General of the United Nations of 10 March (A/64/705-S/2010/127), 16 June (A/64/872-S/2010/318), 14 September (A/65/552-S/2010/463) and 10 December 2010 (A/65/612-S/2010/630).
[24] Other reports such as the *Afghanistan NGO Safety Office Quarterly Data Report* for the fourth quarter of 2010 paint a similar, even more pessimistic picture.
[25] UNAMA, Humans Rights Division: *Afghanistan Annual Report on Protection of Civilians in Armed Conflict, 2008*, Kabul, January 2009; *2009,* Kabul, January 2010; and *2010*, Kabul, March 2011.

international colleagues([26].. Nevertheless, the greater intensity of the operations, the growing pressure on the insurgency and its resulting more virulent reaction may be responsible for this increase in the number of casualties. The US military and ISAF authorities subscribe to this idea and generally state that the figures do not indicate failure of the operations but the opposite: that things will go badly now and improve later and that the current sacrifices will spare casualties in the future. Admiral Mullen, the highest US military authority, has stated that the violence will be worse in 2011 and that we should be prepared to accept more casualties in the coming months([27]..

Official US assessments published in various documents in November and December present a more positive and encouraging outlook. Albeit with much caution. a report by the Department of Defense submitted to the US Congress in November assessing the situation in Afghanistan from 1 April to 30 September 2010 considers that "progress across the country remains uneven, with modest gains in security, governance, and development in operational priority areas. The deliberate application of our strategy is beginning to have cumulative effects and security is slowly beginning to expand. Although significant challenges exist, some signs of progress are evident"[28]..These "evident signs of progress" are identified by the December strategic review as "the gains Afghan and coalition forces are making in clearing the Taliban heartland of Kandahar and Helmand provinces, and in the significantly increased size and improved capability of the Afghan National Security Forces"[29]..

In a "Letter to the Troops"[30] signed on 25 January, General Petraeus is more optimistic. He states that "[ISAF] and our Afghan comrades did tremendous work in 2010" and "made impressive progress in our mission" and that thanks to the new organisations established, the strategic adjustments made and the additional assets received (reinforcement of ISAF, increase in the ANSF, civilian specialists and financing) since the past autumn for the first time they have been getting the "inputs right". Nevertheless, he warns that "despite the achievements of 2010, there is much hard work to be done in 2011" and "the way ahead will be difficult", as "the year ahead is likely to be a tough one, too".

As mentioned earlier, the military operations in Helmand and Kandahar and the training of the Afghan security forces are the two key elements with respect to improving the security situation, but both pose challenges that are difficult to overcome. We will go on to analyse them.

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[26] The Afghan government reported that 821 soldiers and 1,292 police had died in 2010 (Reuters, 16.01.2011)
[27] "US military chief sees more 2011 Afghan struggles", AFP (12.01.2011).
[28] Report on Progress Toward Security and Stability in Afghanistan, November 2010, p. 7. Available at http://www.defense.gov/pubs/November_1230_Report_FINAL.pdf.
[29] *Overview of the Afghanistan and Pakistan Annual Review, op. cit.*
[30] Letter to the Troops (COMISAF Assessment) (25.01.2011). Available at http://www.isaf.nato.int/from-the-commander/from-the-commander/letter-to-the-troops-jan.-25-2011.html.

Military operations

The military operations have largely been influenced by the so-called "Kabul process" begun at the London International Conference and consolidated at the conference held in the Afghan capital. This influence particularly took the form of two conditioning factors: first, that the operations should not interfere in this process, which meant taking advantage of the few periods without significant events and, second, that the operations should deliver the right results in order to ensure, first and foremost, the continuity of the process and, in the long term, military successes to provide a political solution to the conflict. The main focus of the operations was on the provinces of Helmand and Kandahar, to which most of the US reinforcements posted to Afghanistan were deployed as a result of the "Obama decision".

The period between the London Conference and the Peace Jirga was chosen by General McChrystal to launch operation Moshtarak ("Together") in the districts of Nad Ali and Marjah in Helmand province, an area where the insurgency was powerfully present and a key centre of opium production and the manufacture of IEDs. The operation, which was intended to test out another larger-scale operation in the province of Kandahar, was carried out by international and Afghan forces in accordance with the four classical phases of counterinsurgency ("shape-clear-hold-build"): shape (focusing on an intense information campaign directed at the local population), clear (predominantly military, in which the international forces would make the main effort), hold (in which the Afghan army and police would progressively take over from international forces) and build (in which the Afghan authorities would regain control and reconstruction would be carried out). The operation did not achieve the desired results within the periods initially established and McChrystal later stated that it had become a "bleeding ulcer". It seems that neither were the military forces capable of completely cleaning up the area nor did the civilian component of the operation reap timely benefits. The satisfactory results would come months later with the deployment of US reinforcements, ISAF's new operational organisation[31] and more diligent and effective action of the Afghan civilian authorities.

The need to put into practice the lessons learned in operation Moshtarak and to wait for the deployment of US reinforcements, as well as the advisability of not interfering in the political process, delayed the start of the military operation in the province of Kandahar, which is considered the cradle of the Taliban movement.

[31] On 14 June 2010 the former Regional Command South (RC-S) which covered, among others, the provinces of Helmand and Kandahar, was divided into two: Regional Command South and Regional South Southeast (RC-SW). Helmand was included in the first, and Kandahar in the second.

Unlike Moshtarak, operation Hamkari ("Cooperation") was designed as a progressive process rather than a single event. The first stage, begun after the Peace Jirga, was aimed at securing control of the capital of the province and its access roads. Kandahar, with more than 400,000 inhabitants, is the country's second most important city and the institutional, trade and cultural centre of southern Afghanistan. In September, following the legislative elections, the political process enabled and called for a security effort to make the most of the time that remained before winter and also to be able to present positive results at the NATO summit in Lisbon and with a view to the US review of the strategy for Afghanistan and Pakistan due to be compiled in December. The time thus came to extend stability to the districts of Zhari, Arghandab and Panjwai through intense offensive actions to dislodge the Taliban from the areas under their control with the support of artillery and aircraft and combined with direct actions of special forces targeted at insurgent leaders. It seems that the operation has reaped results that are positive but not decisive owing to the arrival of winter and closeness of the Pakistani border, where the insurgents have found refuge.

The time has now come to consolidate the goals and to make the achievements irreversible. Consolidating these gains will require Pakistan to make further progress in putting an end to the havens of the violent extremist networks and on-going work with Afghanistan in order to be able hand over areas freed of insurgents to the country's own security forces[32]. It will no doubt be possible to assess the situation more accurately next spring. Many analysts think that success in operations will be achieved if the insurgency is weakened in time to the point of agreeing to negotiations based on the conditions laid down at the London Conference for the process of peace and reintegration/reconciliation, thereby paving the way for a political solution to the conflict.

Formation of the Afghan national security forces

The second pillar of the military strategy is the establishment and training of the Afghan national security forces. The ANSF should be of sufficient strength and properly trained so as to be able to continue the counterinsurgency campaign at the end of the transition process. Only with robust ANSF will it be possible to implement the transition plan and the progressive reduction of the international forces. Both the army and the police are progressively reaching the quantitative recruitment milestones and their operational capability is improving.

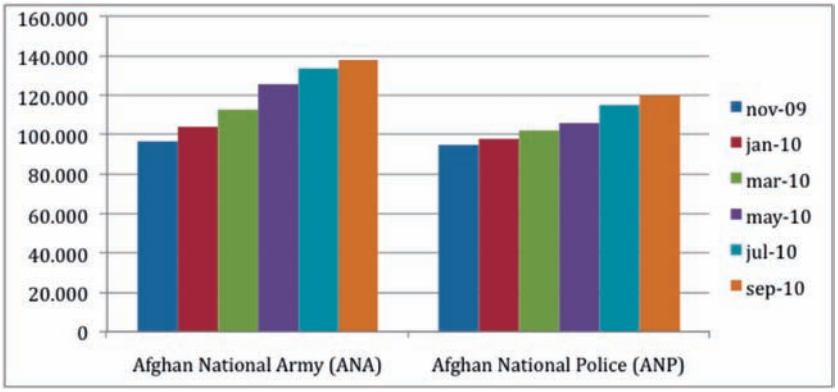
The personnel targets set for 3 October 2010 (134,000 for the ANA; 109,000 for the ANP) were met three months early. If the current levels of recruitment and retention are maintained, it will be possible to reach the targets established for October 2011: 171,600 personnel in the ANA; 134,000 ANP officers. It is

[32] *Overview of the Afghanistan and Pakistan Annual Review*, op. cit., 3. Afghanistan.

very likely that these targets will have to be progressively increased in successive years. General McChrystal had established them at 240,000 for the army and 160,000 for the police in his COMISAF´s Initial Assessment.

Graph 5

Evolution of the strength of the ANA and ANP (Nov-09/Sep-10)



Source: Report on Progress Toward Security and Stability in Afghanistan, op.cit, 25 and 37.

The operational capability of the ANSF, especially the army, has increased in recent months, although they continue to require considerable support from the international forces. ISAF's Regional Commands conduct nearly all the operations in association with the ANSF and these operations are increasingly led by the Afghan army[33] and even carried out by the ANA solely with the support of international advisors and mentors. Nevertheless, in an independent operation of the ANA in the province of Laghman in August—apparently conducted against US advice—the Afghan forces suffered major losses[34].. As for the ANP, a study of their operational effectiveness made in September 2010 in 20 provinces with either key terrain districts or area of interest districts shows that in one the ANP conducts operations independently; in 6 it is effective with advisors; in another 6 it is effective with assistancet; and in 7 it is dependent on the coalition forces[35]..

The undeniable achievements should not eclipse the huge challenges that must be addressed in order for the ANSF to be ready for the takeover[36].. These are, among others: recruitment and retention, which are becoming increasingly difficult as personnel requirements are raised and the socioeconomic develo-

[33] *Report on Progress Toward Security and Stability in Afghanistan*, *op. cit.*, 45-50.
[34] "Afghan Army offensive goes 'disastrously wrong'", *BBC News* (13.08.2010). Available at http://www.bbc.co.uk/news/world-south-asia-10963556. Date consulted 19.02.2011.
[35] *Report on Progress Toward Security and Stability in Afghanistan, op. cit.*, p. 38.
[36] ARTEAGA Félix and GARCÍA ENCINA Carlota, "Las Fuerzas de Seguridad de Afganistán ¿listas para el relevo?", *Documento de Trabajo del Real Instituto Elcano* 31/2010 (30.09.2010).

pment of the country improves (the smooth progress of the operations may alleviate this difficulty); the extremely low cultural level of the soldiers and police (most of whom are illiterate), which makes it difficult to select and train commanding officers and specialists and train the units; the absence of an Afghan culture of "regular army"; the need to put an end to the misgivings between members of different ethnic groups in order to constitute a truly "national" army; the low quality of the materiel and equipment (which is often heterogeneous and difficult to maintain); and the low salaries in comparison to the earnings of the insurgents.

The ANP suffers from problems of its own deriving from its dispersion on the ground (resulting in greater corruption, vulnerability to the insurgency and greater difficulty of training), coupled with its worse equipment and the so far scant coordination of the various organisations and projects created by the international community for the reconstitution of the Afghan police force[37].. President Karzai's backing down, under the pressure of the international community, from the decree to dissolve private security companies and establish a local police force and temporarily legalising some "community defence initiatives" (a sort of local militia that some fear could rekindle the power of the warlords) amounts to recognition that the state does not yet have sufficient means to guarantee security.

To these challenges should be added the reluctance of the ISAF nations to provide more military training teams (operational mentor and liaison teams, OMLTs) and, in particularly, police training teams (police mentor and liaison teams, PMLTs), which will be increasingly necessary in the future. The murders of international instructors by renegade Afghan soldiers or police or insurgents infiltrated in the forces are threatening to shatter the relationship of mutual trust, which is essential for activities of this kind. Nor are the accidental deaths of Afghans caused by friendly fire of the western forces helping matters.

Finally, four major questions arise in relation to the ANSF beyond 2014: their loyalty to the Afghan government; their ability to maintain the operational capability achieved; their medium- and long-term financing[38],, and the number of international advisors and instructors that will need to be kept on.

The transition process

The transition (Inteqal) from ISAF to the Afghan authorities (district by district, province by province, attempting to harmonise security with governance and development) will be a very complex task that will have to overcome ma-

[37] CALDWELL IV William B. and FINNEY Nathan K. "Building Police Capability in Afghanistan. The Challenges of a Multilateral Approach". *Prism* Vol. 2, No. 1, December 2010, Center for Complex Operations.
[38] United States Government Accountability Office, *Afghanistan Security: Afghan Army Growing, but Additional Trainers Needed; Long Terms Costs Not Determined,* January 2011.

jor challenges. As soon as it is known which provinces will be the first to be transferred to Afghan lead, it seems likely that the insurgency will attempt to carry out actions there in order to put a spanner in the works from the outset. Furthermore, all decisions regarding the process will be taken by the Afghan government following a proposal adopted by mutual agreement between ISAF and Afghan officials on the Joint Afghan-Nato "Inteqal" Board, JANIB[39].. This has undisputable positive aspects—it respects Afghan sovereignty, ensures greater coordination and accords decisions added legitimacy—but at the same time places the implementation of the plan at the mercy of the not always smooth relations between the international community and the Kabul government (Karzai increasingly criticises the international presence publically) and the uneasy situation of Afghan domestic politics. Furthermore, how well the transition progresses depends above all on the formation of appropriate ANSF under the control of legitimate and competent Afghan civilian authorities established across the territory: otherwise it will not be possible. Finally, like the whole strategy, the process hinges on the time factor. Although it has repeatedly been stressed that the process will be conditions-based and not calendar-driven, the starting and ending date provide a yardstick for measuring its success. Any delay could be considered a failure.

Throughout 2010 the United Nations progressively lost prominence to NATO (ISAF) as the leading international organisation in Afghanistan. This circumstance has been underlined by many analysts as reason for concern. We should therefore not be surprised by the numerous references to the United Nations in the declarations of NATO's recent Lisbon summit, which contrast with the almost total indifference towards it in the communiqués of the London and Kabul conferences. Given this state of affairs, it will be necessary to come to some sort of arrangement with the United Nations and UNAMA during the process. The United Nations Secretary-General has stated that "the United Nations will support the civilian aspects of this transition" and that "the Mission has prioritized the staffing and consolidation of its field offices to better support the transition"[40]..

It will be necessary to harmonise the various viewpoints of the ISAF nations and, in particular, distribute the dividends of an eventual success between them. These dividends will consist of a reduction in forces and modification of the profile of part of those which remain deployed as a result of the progressive shift in focus from operations to training the ANSF. Nevertheless, it may also be necessary to relocate the troops of the districts and provinces that are transferred to Afghan leadership to other places where their presence might be required—something that will not go down so well with, and could even

[39] NATO Public Diplomacy Division, *Backgrounder: Transition.* October 2010, Available at http://www.nato.int/nato_static/assets/pdf/pdf_2010_10/2010_10_D34F22C9AE854B7FAA0BB409A21C90D3_101014-transition-backgrounder.pdf.
[40] Report of the United Nations Secretary-General (10.12.2010), *op. cit.*, para. 20.

be opposed by, the nations. Another factor that could spark tensions is the role of the Provincial Reconstructions Teams (PRTs) and District Support Teams (DSTs) in the process owing to their national character, the heterogeneousness of their nature, missions and accountability; and their different involvement in the counterinsurgency strategy.

Finally, especially in the United States, some analysts fear that the progressive "Americanisation" of the international presence (in strategy, decisions and forces) and President Obama's determination to begin reducing his forces in July 2011 could precipitate the withdrawal of the rest of the ISAF nations with fewer interests in Afghanistan than the United States and whose governments need to deal with public opinions that are ever more reluctant, and even opposed, to their troops remaining.

Beyond 2014?

It is increasingly evident that the presence of international forces in Afghanistan will not end in 2014. The goal of the transition is for the ANSF to "lead and conduct" operations in all the provinces—not for the coalition forces to completely abandon the country. The long-term commitment signed by Karzai and NATO's Secretary-General bears this out. By the end of 2014 and for a few more years the presence of international forces may be considerable. It remains significant that when the United States declared in August 2010 that combat operations were over in Iraq it left 50,000 troops stationed there.

The international forces in Afghanistan might have to assume the following functions at least: training, mentoring and supporting the ANSFs; deterring Al Qaeda and other international terrorist organisations from reconstituting themselves; and maintenance of the materiel, infrastructure and logistic support needed to facilitate a rapid reinforcement of the forces deployed there if necessary.

GOVERNANCE: IN PURSUIT OF THE POLITICAL SOLUTION

Security makes it possible for the two other goals, governance and development, to be met: to ensure that the legitimate Afghan authorities earn the favour of their people. Good governance is therefore a key to the success of the stabilisation strategy. Gains will only be achieved if people's confidence is boosted in the incipient institutions of the new state, which involves lowering the current levels of corruption[41]. In addition, the situation will not be stable without a genuine process of peace, reintegration and reconciliation.

[41] BAQUÉS QUESADA Josep, "El rompecabezas de Afganistán: hacia la construcción de un Estado", *Athena Intelligence Journa*l, Vol. 3, No 4, October-December 2008, 39-57.

For the establishment of the state and implementation of the Constitution of 2004, the Afghan authorities, with the support of the international community (chiefly the United Nations and the United States, which has a "civilian strategy" of its own[42], are working at the national and subnational (provincial and district) levels.

In the national sphere a system of division of powers is in the process of taking root, although many analysts believe it to be biased in favour of the executive, specifically the president. The executive power is represented by the president, who is head of state and government and chosen by direct election; he appoints the members of his government with the backing of the Wolesi Jirga. The National Assembly consists of two houses: the House of the People (the aforementioned Wolesi Jirga), whose members are voted for by the people, and the House of the Elders (Meshrano Jirga), whose members are elected by the provincial councils, district councils and the president (each one-third). The judiciary is headed by the Supreme Court, whose members are elected by the president with the backing of the Wolesi Jirga; all the judges are appointed by the president at the proposal of the court.

At the subnational level, which plays an essential role in holding together such a fragmented country, efforts are directed at implementing the state structure in the provinces, where it is practically non-existent. Power is exercised by a provincial governor appointed by the president, who is backed by a small team and in turn appoints the district governors. Although their members are elected by the people, the provincial councils have little power in practice, while elections to choose the district councils have not yet been held since the Constitution entered into force. On 22 March 2010 President Karzai approved a subnational governance policy in order to modify Afghanistan's administrative structures, establish effective local government and bolster the authority of the provincial councils.

The establishment of good governance throughout Afghanistan needs to overcome major challenges and is advancing at an essentially slow pace. The low literacy levels, limited educational opportunities, the competition of international aid organisations (which offer higher wages than the government) and widespread corruption at all levels are hindering efforts to recruit, train and retain qualified personnel. Poor inter-ministerial coordination and delays in designating ministers and governors limit the efficiency of the government[43].

[42] Department of State United States of America, *Afghanistan and Pakistan Regional Stabilization Strategy*, Office of the Special Representative for Afghanistan and Pakistan, January 2010.
[43] *Report on Progress Toward Security and Stability in Afghanistan*, op. cit., p. 57.

The most salient events of 2010 in the field of governance were the second legislative elections and the setting in motion of a process of peace, reconciliation and reintegration. Both deserve to be analysed separately.

LEGISLATIVE ELECTIONS

Unfortunately, the legislative elections did not prove to be a democratic milestone in the consolidation of the incipient Afghan state. Although initially slated for 22 May, owing to pressure from the international community they were postponed until 18 September in order to put into practice the administrative and electoral reforms aimed at avoiding a situation of fraud similar to that witnessed in the presidential elections of August 2009.

It is necessary to give due credit to the fact that they took place in a reasonably satisfactory security situation and that they were the first elections to be organised completely by the Afghan institutions. However, the results were largely disappointing. The assessment of the security situation prior to the elections advised against establishing 938 of the 6,835 polling centres initially envisaged by the Independent Electoral Commission. Finally, only 5,500 polling centres were kept open during election day. As a result, many Afghans were deprived of the right to vote, especially in the south and east parts of the country, which are mainly Pashtun.

The fraud detected throughout the entire election process was widespread but not systematic. The Electoral Complaints Commission received 5,860 complaints, of which 2,724 (47%) were of a serious nature that could have affected the election results. The Independent Electoral Commission and the Electoral Complaints Commission excluded somet or all of the votes fromt 2,891 polling stations (of the 17,744 that had opened). Altogether, 4,271,908 votes cast were deemed valid, while 1,330,782 ballots were invalidated, nearly one-quarter of the votes theoretically cast. and thus were not reflected in the results[44]..

On the positive side, or as attenuating factors, it should be pointed out that this massive fraud was detected and corrected by the Afghan institutions and that, unlike in other elections, the fraud appears to have been connected with the candidates and party members but neither committed nor encouraged by the government. Even so, it is surprising how lightly the international community judged these irregularities. It was probably thought desirable to avoid creating a deep rift (within Afghan society, among the representatives of the international community and between the Afghan government and the international community) and the consequent long standstill and sensation of failure of the political process that followed the presidential elections of August 2009. It was not a time to look behind, but to set the course for the next milestones:

[44] Report of the United Nations Secretary-General (10.12.2010), *op. cit.*, para. 6.

the NATO summit in Lisbon and the US review of the strategy for Afghanistan and Pakistan.

Proclamation of the election results would depend on a new setback. Insecurity in the south and east of the country, which led to the opening of fewer polling stations and a lower turnout in the majority Pashtun districts, and the fragmentation and lower degree of political organisation of the Pashtuns in the districts with greater ethnic diversity caused the Pashtuns to be significantly underrepresented in the new Wolesi Jirga[45].. This situation may further heighten this ethnic group's indifference towards Afghanistan's current political system, in which they feel neglected.

There are many new faces among the chosen representatives, which in principle appears to be a positive change. However, it remains to be seen whether the new composition of the Wolesi Jirga will help put an end to the clashes with Karzai's government that marked the last months of the previous term and achieve cooperation between the executive and legislative powers, which is essential to progress in the "Kabul process", at the same time providing the necessary democratic counterweight to the executive as required by the Constitution, despite its alleged imbalance. This relationship did not get off to a good start. Halfway through January 2011, the chosen candidates publicly confronted the president, who had decided to delay the constitution of the new Wolesi Jirga to give the judicial authorities time to investigate the cases of fraud. Karzai, once again pressured by the international community, went back on his decision and the House was established on 26 January with their presence.

The process of peace, reintegration and reconciliation

The process of peace, reintegration and reconciliation is central to finding a political solution to the Afghan conflict. The process is complex and conditioned by various factors which, if solved, can lead to a wide-ranging political agreement that addresses the underlining causes of the conflict. It is here that both its difficulties and its significance lie. A process that fails to address the underlying causes will be doomed to provisionality, as it will only survive as long as the conditions that made it possible continue. A political agreement putting an end to the causes of the conflict will be very difficult to achieve, especially as the time factor has become a key conditioning factor in the process.

- *The aim and limits of the negotiation*

The London Conference which conceived the process as "reintegration" leaves little leeway for negotiation: it requires the insurgency to "to renounce violence, participate in the free and open society and respect the principles that are enshrined in the Afghan

[45] *Ibid.*, para. 8.

constitution, cut ties with Al-Qaeda and other terrorist groups, and pursue their political goals peacefully". Some have added respect for human rights, particularly those of women, to avoid trade-offs in gender rights. If the related incentives are provided, these conditions could be conducive to the "reintegration" of the lower ranks of the insurgency, but it will be much more difficult to get the Taliban leadership to accept them in order to begin a "reconciliation" process.

The incentives for encouraging "reintegration" must be carefully assessed: sufficiently attractive in order to be effective, but without giving rise to comparative grievances with those who have remained loyal to the government, in particularly with the members of the security forces. Modification of the conditions in order to favour "reconciliation" is a particularly sensitive issue from the point of view of the international community because it affects the "desired end state". Nevertheless, some analysts believe that it could be necessary to make certain adjustments to a Constitution that establishes a presidential regime and a centralised system that they do not consider to be very consistent with Afghan traditions and the diversity of the country.

- *Agreement between North and South and respect for ethnic heterogeneousness.*

The process should bear in mind the heterogeneousness of the country with respect to both its "North-South" dimension and its ethnic distribution. Any concession made to the Taliban (chiefly Pashtun and with support in the south and east of the country) will hardly be acceptable to Tajiks, Uzbeks and Hazara, most of whom belonged to the "North Alliance" which defeated the Taliban regime at the end of 2001 with the support of the United States. It is no coincidence that the High Peace Council, established to provide the process with political and strategic leadership, is chaired by a Tajik, Burhanuddin Rabbani. Rabbani was president of Afghanistan from 1992 to 1996 (until Kabul was captured by the Taliban) and is the current leader of the Afghan National Front, the leading opposition party. Rabbani has three vice-presidents: Abdul Hakim Mujahid, who held important posts during the Taliban regime; Mawlavi Attaullah Lodin, an important figure in the Hezb-e Islami group; and Asadullah Wafa, civil servant and advisor to the president. The aim is that the Council's proposals be accepted by Afghan society as a whole, which should be the object and subject of reconciliation.

- *The actors of the negotiation*

What is known generically as the "insurgency" is made up of a political-religious insurgency and a motley array of groups who do not pursue direct political aims: retinues of warlords, drug traffickers, smugglers and organised

criminals and individuals for whom the insurgency is a way of life, a means of making amends for grievances or an expression of hatred towards the "foreign invader". Nor is the insurgency proper, driven by political and religious motivations, homogeneous. It is made up of three main groups: the Quetta Shura Taliban, the Hezb-e Islami Gulbuddin group and the Haqqani network. These groups rarely coordinate their actions and on occasions even fight among themselves for control of areas of influence. However, they pursue the same objective: to expel from Afghanistan the international troops, whom they regard as occupation forces. The differences between them could be used to create a rift between them in order to facilitate negotiation (it seems that many hopes are pinned on this), but this very heterogeneousness will make it hard to reach an overall agreement.

The United States and the international community treat the process as an internal Afghan affair in which they do not wish to be formally involved. However, they remain vigilant to ensure that the limits set in London are not overstepped. The insurgent groups also display a contradiction: although they require the international forces to withdraw in order to begin negotiations, they would prefer to negotiate directly with the United States and NATO than with a government they consider to be a puppet and lacking in real negotiating power. For his part, President Karzai and his government are wary of any foreign involvement in the process, as they are fearful of being used in a trade-off. This situation creates a Gordian knot that is difficult to unravel.

- *The time factor: the sword of Damocles.*

The Afghan government and the international community are in a greater hurry than the insurgency to reach an agreement to ensure that the peace process is at least firmly on track by the time the transition from ISAF to the Afghan authorities has been completed. Time appears to be on the side of an insurgency that is familiar with the calendar for the withdrawal of the international forces and believes that it will be in a better position to negotiate as time passes. It is unlikely that this situation will change unless the insurgency sees that the international forces are capable of achieving a reasonable security situation within the established time frame that can be maintained in the medium term by the ANSF when there is a smaller international presence in Afghanistan. The United States would aim to modify this situation by heaping pressure on the insurgency through military operations in the Taliban strongholds of Helmand and Kandahar and "direct actions" on insurgent leaders to attempt to bring them to the negotiating table in a position of weakness. The key lies in whether this political effect of the military operations will occur and, if it does, whether it will do so in time.

- *Financing the process*

Substantial funds are needed to finance the National Peace and Reintegration Programme. The London Conference decided to set up a Trust Fund for this purpose. The key lies in a contribution that is sustained in the medium and long term so that the process is irreversible. A strict monitoring mechanism will also be necessary to prevent the economic incentives for reintegration from falling prey to corruption or, worse still, from becoming a new source of funding for the insurgency.

- *Pakistan and the regional environment*

Islamabad's pressure and influence on the insurgency could be a decisive influence in starting negotiations and completing the process successfully. Pakistan's prime minister, Yousaf Raza Gillani, has even stated that a peaceful settlement in Afghanistan will not be possible without the help of Pakistan. The recent establishment (28 January 2011) of a joint Afghan-Pakistani commission chaired jointly by the foreign ministers of both countries to study the possible ways of negotiating directly with the Taliban should be understood in this context.

Pakistan's assistance will not come without a price, and the country will attempt to secure greater influence in post-ISAF Afghanistan in this process. The neighbouring states are wary and will attempt to oppose a peace agreement in which Pakistan is guarantor or plays a decisive role in its gestation. It will therefore be necessary to create a climate of regional confidence to allay misgivings, consider the interests of each party and make agreement possible. Afghanistan will not be pacified unless an agreement of non-interference is reached between the neighbouring states and can be monitored by the international community[46].

DEVELOPMENT

Development is the key to creating the conditions for consolidating the peace process and stabilising Afghanistan in the long term. However, it is not a suitable tool for achieving decisive short-term effects.

International aid arrives in Afghanistan from different origins and via different routes: through the United Nations Programmes and Funds; bilaterally (particularly from the United States); from the ISAF nations through the PRTs and DSTs; through multilateral organisations or mechanisms (International Monetary Fund, World Bank, Asian Development Bank, European Union); by

[46] RASHID Ahmed, "The Way Out of Afghanistan", *The New York Review of Books (13.01.2011)*. Rashid proposes a 10-step plan for negotiations with the Taliban.

financing the various trust funds established (ANA, Law and Order, Counter-narcotics, Reconstruction, Peace and Reintegration); and through international and local NGOs. During 2002-2009 Afghanistan received 26.7 billion dollars (6.1 billion dollars in 2009) of international development assistance strictly speaking[47],, making it the biggest recipient of international aid. Nevertheless, this assistance accounts for only a small part (9.4%) of the international community's expenditure in 2002-2009 (286.4 billion dollars; 9.426 dollars per Afghan), of which the most important part (84.6%, 242.9 billion dollars) relates to military operations, ISAF and Enduring Freedom[48]..

The aforementioned aid has brought major achievements and is improving the Afghan population's living conditions and the ability of its government to provide citizens with basic services. Its aim is to reduce poverty, ensure sustainable development through a market economy, improve human development indices, and progress significantly towards the Millennium Development Goals. Nonetheless, substantial challenges still need to be addressed: greater coherence in assistance, harmonisation with the Afghan government's development priorities, channelling more of it through government bodies and combating corruption.

As development assistance comes from different sources and flows through different channels, it is difficult to make its effects coherent despite the existing coordination mechanisms. A large part of the aid comes from the ISAF nations and is channelled through the PRTs which, although an instrument of ISAF, are national and underpinned by national priorities, criteria and procedures. Not all the PRTs are of the same nature and share the same philosophy([49].. Whereas the activities of some are chiefly focused on a long-term development strategy and bear no or little relation to counterinsurgency, others centre their activities on shorter term projects as an instrument of this strategy. Nevertheless, the reinforcement of the role of the NATO Senior Civilian Representative (SCR NATO) in Afghanistan has helped boost the synergy between civilian and military efforts on the one hand and, on the other, the coordination of the development activities of the ISAF nations. The NATO SCR in turn liaises with UNAMA, the main international organisation that coordinates development assistance, using for this purpose the Joint Coordination and Monitoring Board established by the London Conference of 2006.

[47] Assistance reported to the OECD Development Assistance Committee plus the assistance reported to the *Afghanistan Donor Assistance Database* by the states which do not report to the OECD Committee.
[48] POOLE Lydia, *Afghanistan. Tracking major resource flows 2002-2010*, Briefing Paper, Global Humanitarian Assistance, January 2011, 2.
[49] SILVELA DÍAZ-CRIADO Enrique, "Las Fuerzas Armadas en la reconstrucción nacional: los PRT,s en Afganistán", *Análisis del Real Instituto Elcano* 49/2005 (14.04.2005).

Second, if progress is to be made in the Afghan ownership process, most of the international aid needs to be channelled through the Afghan authorities[50] and to be consonant with their national priorities established, in accordance with the international community, in the Afghanistan National Development Strategy 2008-2013[51] and in the 23 Programmes of National Priorities adopted at the Kabul Conference in 2010. The commitments made in this connection by the states who took part in this conference speak for themselves: to channel at least 50% of development assistance through the Afghan government within two years and progressively bring 80% of their development assistance into line with the National Priority Programmes. Even if the commitments are met, 50% of aid could still be flowing through other channels in July 2012. The United Nations also uses the Joint Coordination and Monitoring Board to harmonise international assistance with Afghan needs and priorities. For this purpose it has an Action Plan for 2010-2013, drawn up by the Afghan government and the United Nations Development Programme[52]. In turn, most of the PRTs, such as the Spanish one, base their actions on the Provincial Development Plans.

Finally, it is very difficult to allay the misgivings of the donor states unless the Afghan government makes significant progress in improving its systems of financial management and budget implementation and, particularly, in fighting corruption. The existence of different thresholds and concepts of what should be taken as corruption between the Afghan and western societies and the Afghan government's lack of determination in combating this phenomenon are one of the greatest threats to the stabilisation process as a whole.

THE REGIONAL ENVIRONMENT

Ever since the British cavalry captain and writer Arthur Conolly coined the term "The Great Game" in the 19th century to describe the rivalry between the Russian and British empires for control of Central Asia, it has been general knowledge that the situation in Afghanistan is largely influenced by foreign interests, as well as by its own internal dynamics. The current situation is more complicated than that of the 19th century (more external actors, greater involvement of domestic actors, more intense violence and more international security implications) and requires a major internal and regional agreement (A Grand Bargain)[53].

[50] It is estimated that 77% of the aid received in 2009 has been allocated with no or very little involvement of the Afghan government. POOLE Lydia, *op. cit.,* 1.
[51] Islamic Republic of Afghanistan, *Afghanistan National Development Strategy 1387-1391 (2008-2013), A Strategy for Security, Governance, Economic, Growth and Poverty Reduction,* 2008.
[52] *Country Programme Action Plan 2010-2013 between the Government of the Islamic Republic of Afghanistan and the United Nations Development Programme,* December 2009.
[53] RUBIN Barnett R. and RASHID Ahmed, "From Great Game to Grand Bargain. Ending Chaos in Afghanistan and Pakistan", *Foreign Affairs,* Vol. 87, November/December 200, 30-44.

Limiting the conflict and its solution to Afghanistan and Pakistan is a restrictive strategy. Within the region, Pakistan, Iran, India, Russia, the Central Asian republics, China and even Saudi Arabia are external actors in the new game. During the last civil war Pakistan and Saudi Arabia took sides with the Taliban, while Russia, Iran, India and the Central Asian republics supported the Northern Alliance. The time has come for them all, including China, to collaborate in finding a solution which, if not satisfactory to all, is at least not damaging to any. Furthermore, as a landlocked country Afghanistan needs to base part of its possible development on becoming a "land bridge" between its neighbours, which would play a useful role above all in encouraging the dynamics of regional cooperation.

The regional approach and the peace process face the uncertainty caused by the sudden death of the US Special Representative for Afghanistan and Pakistan, Richard Holbrooke, on 13 December. His powerful and often controversial personality has left a gap that will be very difficult to fill. It appears that in recent months he was firmly in favour of a political solution to the conflict.

Pakistan

Pakistan is both "part of the problem" and "part of the solution" to the Afghan conflict. It is "part of the problem" for various reasons: it is a nuclear state in the grip of growing domestic instability; it has an insurgency of its own to contend with in its own territory and suffers constant, brutal terrorist attacks; it has a weak government (owing to the accusations of corruption levelled at its president, with a more influential military "caste" and growing domestic political opposition that has left him with a minority in parliament); its armed forces are operationally exhausted following the operations in the Swat Valley and South Waziristan and their efforts in connection with the flooding some months ago; Pakistani public opinion is increasingly radical and wary of its government's relations with the United States; the population is suffering from a combination of longstanding poverty and the effects of the internal displacement caused by military operations (affecting some 1.5 million) and flooding; and it has taken in 1.6 million Afghan refugees.

Given this state of affairs, it will be very difficult for the Islamabad government to carry out all the actions required to contribute to the success of ISAF. It will probably settle for consolidating the progress achieved in recent months. Islamabad believes there is a serious risk of the situation turning against it and of Pakistan going from a haven to a target of the Afghan insurgency, and it is therefore limiting itself to partially combating its own insurgency. The crisis sparked in September by the death of Pakistani soldiers in an incident involving ISAF helicopters, which led to the temporary closure of the Khyber Pass and the attack on NATO logistic convoys in inland Pakistan, showed, if any

doubts remained, that Pakistani cooperation has its limits. The same conclusions should be drawn from the fact that Pakistan's tolerance of attacks by US unmanned combat air vehicles on insurgents and terrorist targets in the FATA (Federally Administered Tribal Areas) does not appear to stretch to the areas bordering on Helmand and Kandahar that belong to the province of Baluchistan, ordinary Pakistani territory.

However, Pakistan is also "part of the solution" because it has the capacity to prevent, or at least impede, its territory from continuing to be a haven for the insurgency and to influence the peace and reconciliation process. But for it to decide to go down this route it would need to be convinced that it was "value for money" in the long term. The benefit of cleaning its territory of insurgents and the economic aid of the international community are proving insufficient to persuade Islamabad to renounce its double game. Furthermore, when the international community pulls out of Afghanistan, Pakistan will continue to be there and will have to carry on battling with the problem. The reward Islamabad longs for is hegemony in post-ISAF Afghanistan. But this will not be easily acceptable to non-Pashtun Afghans or to Afghanistan's other neighbours. The degree of influence wielded by Islamabad in Kabul must spring from this internal and regional agreement pursued as a solution to the conflict.

Iran

Iran has major concerns and interests in Afghanistan. Among the concerns are the more than 936 kilometres of shared border, where drugs are smuggled from Afghanistan into Iran and arms in the opposite direction; the presence of nearly a million Afghan refugees; and the instability of Iranian Baluchistan, which is permeable to the expansion and action of Sunni terrorist groups. Among its interests are its support for the Hazara Afghans, who are Shia Muslims (9% of the population); the stability of the neighbouring Afghan provinces; and its cultural influence over the Tajiks of Persian origin. Afghanistan is thus a scenario in which Saudi Arabia, backed by Pakistan, and Iran are attempting to delimit the Sunni and Shia areas of influence in their permanent wrestling match within the Islamic world[54]. Iran addresses its concerns and shores up its interests in different ways. In October something of a scandal was triggered by the discovery that Iran was financing the Afghan presidential office with cash. However, despite seeking privileged relations with Kabul, Iran is accused by the United States of backing insurgent groups.

It is argued that the need to secure Iranian support for the stabilisation of Afghanistan weakens the position of the West in managing the Iranian nuclear issue. However, this circumstance also provides an opportunity to forge a relationship not only of confrontation but of cooperation, built on common inter-

[54] ECHEVERRÍA JESÚS Carlos, "La evolución de la guerra en Afganistán", *Atenea,* no. 20, 22-29, 25.

ests in Afghanistan, which could generate a climate of confidence for nuclear negotiations. The incorporation of the Iranian ambassador to the meetings of the group of AFPAK representatives in recent months shows that a certain amount of understanding is possible.

India

Rivalry between India and Pakistan underlies the Afghanistan conflict, which is considered the secondary theatre of operations of its strategic confrontation (the main one is obviously Kashmir). India's suspicions that the Pakistani secret services infiltrated extremist militants from the Afghan-Pakistan border into the Indian part of Kashmir and the possible connection between the terrorist havens in Pakistan and the organisation of terrorist attacks in its territory, such as that of Bombay in November 2008, are cause for serious concern in New Delhi and provide grounds for maintaining a certain amount of presence and influence in Afghanistan. This is sometimes magnified by Islamabad, which regards all Afghans that do not support it as Indian agents.

A thaw in relations between India and Pakistan would not only help normalise Afghan political life but also help Pakistan free part of the forces deployed at the Indian border, which continues to be the main military priority, in order to use them at the Afghan border. Despite many attempts, Washington's mediation has not achieved the desired effect. This may be due in part to America's insistence on viewing Pakistan from the perspective of the Afghan conflict and its privileged treatment of India, as it supports Indian aspirations to become a permanent member of the Security Council and has concluded preferential nuclear agreements with it—which Islamabad regards as a comparative grievance.

Russia

Russia regards the stability of Afghanistan and the region as a whole as an interest it shares with the United States and NATO. Russia is particularly interested in cracking down on drug trafficking and stemming the instability caused by Islamic extremism, which could affect its own Muslim population, especially in the North Caucasus. In view of the difficulties experienced by the international forces along the logistic supply routes, Russia has made more land and air routes available across its territory, albeit skilfully cashing in on these concessions. For his part, Karzai is using his flirtation with Russia as a tactic to show his agreement or disagreement with US decisions or actions.

Russian collaboration should not blind us to the Kremlin's scant interest in a clear win for the United States and NATO. Such a victory would mark the strategic consolidation of the US in an area crucial to Russian interests, at the

gateway to its near abroad. For example: the construction of oil and gas pipelines connecting the Central Asian republics with Pakistan, India and China through Afghanistan would largely signify loss of Russian control over these republics. The presence of the United States and, to a lesser extent, NATO, could be a unifying force but could also arouse misgivings about its long-term intentions. Once again, the control of Central Asia is being played out on the Afghan chessboard.

The Central Asian republics

Five Central Asian republics have interests in Afghanistan: Kazakhstan, Kirghizstan, Turkmenistan, Tajikistan and Uzbekistan. Within a short time all five republics have become an area of indubitable strategic importance as a point of convergence of growing interests of the major powers[55]. The first two do not border on Afghanistan; the other three do and are back three minority ethnic groups of Afghanistan: Tajiks (27% of the population), Uzbeks (9%) and Turkmens (3%). All these republics play an important role in providing logistic support to the international military forces, particularly the Manas airbase in Kirghizstan, and that of Dushanbé in Tajikistan. So far these republics' most important cooperation efforts have been in energy, as most of Afghanistan's electricity comes from its three neighbouring Central Asian republics.

An intergovernmental agreement was signed in Ashgabat, the capital of Turkmenistan, in December to build a 2,000-kilometre long gas pipeline between Turkmenistan, Pakistan and India via Afghanistan (TAPI). The gas could be exported to the European market through the Pakistan port of Gwadar. Should the project be successfully concluded, in addition to connecting Caspian Sea gas with Southern Asia and the European market, it will contribute to the achievement of various strategic objectives: stabilisation of Afghanistan, cooperation between India and Pakistan, lessening of Russia's control over gas exports and the trans-Caucasian republics, and the displacement of Iran, as its project for the IPI gas pipeline (Iran, Pakistan, India) would be postponed. The United States would thus increase its strategic influence in the area.

China

Although the border it shares with Afghanistan is only 76 kilometres long, China has a particular concern and a major interest on which it bases its policy towards the neighbouring country. Its concern is the possibility of Afghan instability spreading to the self-governing region of Xinjiang, whose original population, the Uighurs, are Muslims with separatist tendencies and have a tense relationship with the Han immigrants who now rival them in number. China's interest in Afghanistan is chiefly economic and is heightened by its

[55] BUSTELO Pablo, "Asia Central: Importancia estratégica y relaciones internas", *Análisis del Real Instituto Elcano* 85/2010 (19.05.2010).

need for natural resources[56].. China has become the second largest exporter to Afghanistan and is making major investments in the country. It also provides a considerable amount of development assistance, acting in accordance with a policy similar to that which it pursues in Africa: natural resources in exchange for development without political interference.

A Chinese state-owned consortium recently bought the rights to exploit a copper mine in Anyak in the south of the country for 30 years. This agreement, which will provide Afghanistan with 3.5 billion dollars, is the biggest direct foreign investment in Afghan history. The project is followed with interest by foreign investors who view it as a test of the reliability of Afghanistan's government and economic system. It has aroused contradictory feelings in the United States. On the one hand, it is believed that China is reaping the economic fruit of the effort made by the Americans. On the other, it is considered an indication that China is committed to the success of Afghanistan's stabilisation. However, like Russia, China might not wish for a clear victory for NATO as it would not want the United States to fill the strategic gap in Central Asia.

COUNTERNARCOTICS: AN ACCIDENTAL BACKWARD STEP?

Since the London Conference of 2006, combating narcotics has been considered a cross-cutting issue of vital importance as it affects all the pillars of the strategy. There is a direct relationship between narcotics and security. Many insurgent groups obtain finances from drug trafficking, while the drug organisations themselves, as a form of organised crime, are a threat to national security, regardless of whether they have a political aim. Drug trafficking is probably the largest source of corruption which undermines the establishment and exercise of good governance. The production of and trafficking in narcotics is a deterrence to development, but without deepening development it will be difficult to put an end to opium cultivation as it is the only means of living for many country dwellers. Lastly, the exportation of opium and heroin from Afghanistan causes instability in the region.

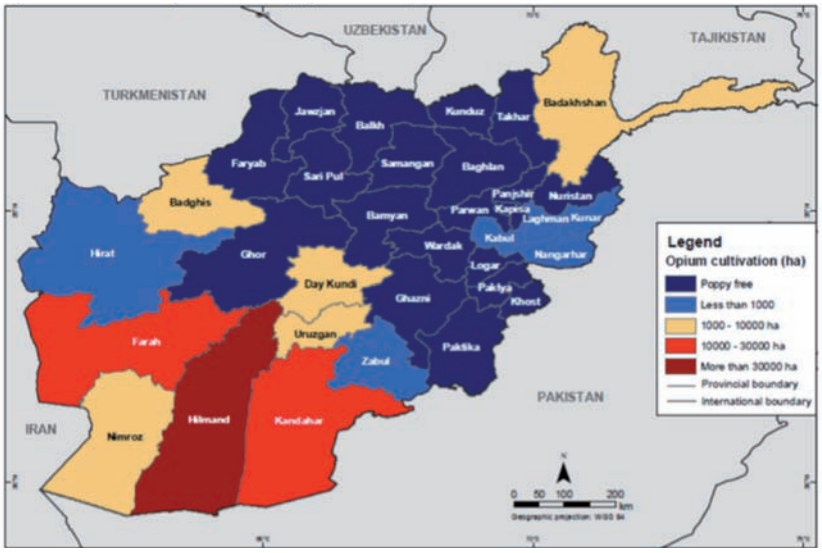
Compared to 2009, 2010 was not a particularly good year with respect to combating the opium trade[57]. On the positive side, opium production fell by 48% and the 20 provinces that were opium-free in 2009 continued that way during 2010. However, opium poppy cultivation showed no variation with respect to 2009, and the cultivated area remained unchanged at 123,000 hectares. Ninety-eight percent of the crops were concentrated among nine provinces in the south and west of the country (especially in Helmand and Kandahar), confirming the

[56] KLEPONIS Greg, "China´s role in the stabilization of Afghanistan", *Of Interest,* Strategic Studies Institute, United States Army War College (08.07.2010).
[57] United Nations Office on Drugs and Crime, Government of Afghanistan Ministry of Counter Narcotics, *Afghanistan Opium Survey 2010,* December 2010.

relationship between opium growing and insecurity. The fall in the production of opium was due to a plague that affected crops in spring, too late for new ones to be planted.

Shortage of supply and speculation relating to insecurity and military operations caused the highest rise in the price of opium in the past five years, from 48 dollars per kilo of fresh opium (farm gate price) in 2009 to 128 dollars in 2010. Therefore, even though the harvest fell by 28%, producers' profits rose by 38%, as the farm-gate value of opium went from 438 million dollars in 2009 to 605 million in 2010. Fortunately, traffickers did not benefit from increased profits, as the price remained constant in neighbouring countries and exporters' earnings were halved. However, the relative advantage of opium growing over wheat cultivation doubled from 3 to 1 to 6 to 1, and UNODC (United Nations Office on Drug and Crime) believes that this could encourage more farmers to grow opium in 2011, thereby reversing the achievements of the past years. Nonetheless, the first qualitative estimates point to the possibility of a slight fall in opium cultivation in 2011 owing to its reduction in the provinces of Helmand and Kandahar as a result of military operations, a dry autumn and a certain amount of success in introducing alternative crops, although its cultivation could well increase in other regions and some provinces could cease to be opium-free[58]..

Graph 6
Provincial distribution of opium cultivation in Afghanistan.



Source: United Nations Office on Drugs and Crime, Government of Afghanistan Ministry of Counter Narcotics, Afghanistan Opium Survey 2010, December 2010, 12.

[58] United Nations Office on Drugs and Crime, *Afghanistan Opium Survey 2011: Winter Rapid Assessment for the Central, Eastern, Southern and Western Regions*, January 2011.

Not only is Afghanistan the world's main producer of opium (89% in 2009, 78% in 2010), but drugs are a serious problem within the country. According to an UNODC report, nearly 940,000 Afghans aged between 15 and 64 are regular consumers of drugs, amounting to 8% of the survey population[59]..

Just as the question of narcotics affects all pillars of the strategy, their eradication requires action in all fields: crackdowns and intelligence, an honest government and effective administration of justice, development of agriculture to make alternative crops profitable, assistance to addicts including preventive measures, intense and loyal regional cooperation and a huge amount of international funding. As UNODC's former executive director, the Italian Antonio Maria Costa, pointed out, controlling drugs will not solve all the country's problems, but the country's problems cannot be resolved without controlling drugs. For this purpose the Afghan government has a National Drug Control Strategy[60] which it adopted in 2006 and is coming up for revision.

THE DEBATE ON STRATEGY

The December review of the US strategy has sparked a debate within the strategic community, which is becoming increasingly sceptical about the ability of the current strategy to achieve the goals pursued within the set periods. This debate is bound to continue over the coming months and its intensity will vary depending on how the situation develops.

Criticism is basically levelled from two opposite stances: the first calls for a change towards a more realistic and limited strategy that does not lump together Al Qaeda and the Taliban under the same heading[61] and the key element of which is a political agreement with the insurgency and in the regional context; the second is in favour of maintaining basically the same strategy but assuming the costs (in resources and time needed to conduct a counterinsurgency campaign in the medium or long term that tackles the underlying causes of the conflict. The "counterterrorist strategy versus counterinsurgency strategy" seems to be making a comeback; indeed, it appears to have been the central topic of talks prior to President Obama's decision on the "McChrystal Report" and some analysts hold Obama responsible for papering over the cracks by

[59] United Nations Office on Drugs and Crime, *Drug use in Afghanistan: 2009 Survey. Executive Summary,* June 2010.
[60] Islamic Republic of Afghanistan Ministry of Counter-Narcotics, *National Drug Control Strategy. An Updated Five-Year Strategy for Tackling the Illicit Drug Problem,* Kabul, January 2006.
[61] VAN LINSCHOTEN Alex Strick and KUEHN Felix, *Separating the Taliban from al-Qaeda: the Core of Success in Afghanistan*, Center on International Cooperation, New York University, February 2011. Nevertheless, in his state of the union address on 25 January 2011 President Obama stressed the need to tackle the Taliban in order to defeat Al Qaeda: "Our purpose is clear - by preventing the Taliban from reestablishing a stranglehold over the Afghan people, we will deny al Qaeda the safe-haven that served as a launching pad for 9/11".

choosing the second but with the timeframes of the first. However, proposals for a strategy combining the two have also been made, involving a de facto partition of Afghanistan.

A more realistic strategy

The Strategic Survey 2010 by the International Institute for Strategic Studies (IISS) in London[62] states that the original strategic goal of disrupting, dismantling and defeating Al Qaeda in Afghanistan and preventing its return has ballooned into a comprehensive strategy to develop and modernise the country and its government. The defeat of the Taliban insurgency has been viewed as synonymous with the defeat of Al Qaeda, even though many of its capabilities have shifted to Pakistan[63]. Reconciliation of the insurgents with a distant Kabul government whose legitimacy is being questioned and authority weakened will be difficult, while the deterioration of Taliban capacities, bringing them to the verge of surrender, is by no means an immediate prospect. Given this state of affairs, the IISS's study maintains that it would be advisable, sooner and later, to adopt a strategy of "containment and deterrence": to contain the international threat coming from the Afghan-Pakistani border and deter the reconstitution of Al Qaeda in Afghanistan. This strategy would entail political agreements within Afghanistan[64] and among the key regional powers (India, Pakistan, Iran and the Central Asian republics) and promises of support and economic development to those who support it and the threat of military action against any concentration of international terrorist forces.

A study published by the Carnegie Endowment for International Peace[65] maintains that the goal of defeating the Taliban militarily is not realistic and is based on optimistic assessments. A new strategy is required whereby the United States should attempt to achieve a political solution to the conflict including a ceasefire and negotiations with the insurgents. The study considers that, with an agreement between the different Afghan factions to share the power and re-

[62] The International Institute for Strategic Studies, *Strategic Survey 2010*, 417-419.

[63] Some analysts suggest that today's Al Qaeda poses a very different threat to that of 2001, having gone from a hierarchic organisation led by Bin Laden to a group of regional terrorist groups, small cells and even individuals, which has come to be called "Al Qaeda and Associated Movements". This Al Qaeda is held to function at three levels: the core of Al Qaeda, based in west Pakistan; affiliated movements, among them those of the Arabian Peninsula, Iraq and the Maghreb; and a diffuse set of radical groups and non-affiliated elements who nonetheless seek inspiration and occasionally guidance from the core of Al Qaeda (NELSON Rick "Ozzie" and SANDERSON Thomas M., *A Threat Transformed: Al Qaeda and Associated Movements in 2011,* Center for Strategic & International Studies, February 2011).

[64] During the presentation of the *Strategic Survey 2010*, John Chipman, Director-General of the IISS, stated that the agreement should be based on a confederate Afghanistan in which the provinces accept that formal power and external authority reside in the capital and that the capital should hand over practical sovereignty to the provinces in most affairs.

[65] DORRONSORO Gilles, *Afghanistan at the Breaking Point,* Carnegie Endowment for International Peace, Washington, 2010.

serve the right to intervene militarily to prevent Afghanistan from becoming a haven for extremist groups, the United States can still achieve the more limited goal of preventing the return of Al Qaeda.

Finally, a study by The Afghanistan Study Group[66] points out that the United States holds only two vital interests in the region: preventing Afghanistan from going back to being a safe haven from which Al Qaeda and other terrorist organisations can organise further terrorist attacks against US territory and preventing Pakistan's nuclear arsenal from falling into hostile hands. Protecting these interests does not require a military victory over the Taliban, and the United States should therefore discard the current strategy, which is not working, and pursue more modest objectives that are more in line with America's true interests and are more likely to succeed. To this end, the study advocates a strategy based on a power-sharing and national reconciliation agreement, calling off operations in the south and east of the country and reducing America's military presence, keeping the focus on Al Qaeda and homeland security, and promoting the economic development and commitment of the relevant states both within the region and in the rest of the world.

More time and resources

From an opposite position, Ben Connable[67], applying to the current situation in Afghanistan the conclusions drawn from an analysis of 89 counterinsurgency campaigns conducted over the past 50 years[68], argues the need for a counterinsurgency campaign that not only defeats the insurgency but tackles the root of the conflict, warning that it will take time and that its cost is difficult to calculate. He reckons that the average lifespan of an insurgency is ten years and that another six are necessary in order to secure victory. The particular circumstances of Afghan could make this an even longer drawn-out process. He concludes that if the United States wishes to achieve lasting peace and prevent Afghanistan from becoming a terrorist haven again it must openly address the realities and costs of this long-term approach.

A report by The Henry Jackson Society[69], after considering that any counterinsurgency campaign is extremely intensive in forces, money and time, states that the establishment of a concrete, arbitrary calendar for withdrawal will dissuade the Afghan people from supporting their government out of fear of reprisals of the Taliban once the coalition forces have pulled out and will encourage

[66] The Afghanistan Study Group, *A New Forward: Rethinking U.S. Strategy in Afghanistan,* August 2010.
[67] CONNABLE Ben, "The end of an insurgency", *Foreign Affairs* (20.09.2010), available at http://www.foreignaffairs.com/articles/66749/ben-connable/the-end-of-an-insurgency. Date consulted 19.02.2011.
[68] CONNABLE Ben and LIBICKI, Martin C., *How insurgencies end,* Rand National Defense Research Institute, Rand Corporation, 2010.
[69] GRANT George, *Succeeding in Afghanistan,* The Henry Jackson Society, London, 2010, 2.

the insurgents to continue their struggle, as it will make their goal survival instead of an unyielding determination to face up to them. The idea is not, as the report states, "the retention of international forces in Afghanistan until they have created "Hampshire in Helmand", but "a commitment to remain until such time as domestic capacity has been developed to a sufficient level for Afghans to carry progress forward independently".

Combined strategy

Finally, other authors such as Robert Blackwill[70], former US ambassador to New Delhi and deputy national security advisor for strategic planning under Condoleezza Rice, has repeatedly proposed a de facto partitioning of Afghanistan, applying a strategy of nation building in the north and a counterterrorist strategy in the south for a period of between seven and ten years. Blackwill defends this "plan B" as "the best available US alternative to strategic defeat" after making the following pessimistic diagnosis of the situation: "the Taliban cannot be sufficiently weakened in Pashtun Afghanistan to drive it to the negotiating table"; "United States cannot, through social engineering, win over, in the foreseeable future, sufficient numbers of the Afghan Pashtun on whom COIN depends"; "Afghan President Hamid Karzai's deeply corrupt government shows no sign of improvement"; "the Afghanistan National Army is not expected to be ready to vanquish the Taliban for many years, if ever"; "Pakistan's military and intelligence services […] have shown no willingness to end support for their longtime Afghan Taliban proxies"; and "decisively, the long-term COIN strategy and far shorter U.S. political timeline are incompatible". As opposed to those who support negotiation, despite a similar diagnosis, Blackwill suggests that it is pointless to consider it as no negotiation will be possible as long as the Taliban continues to believe it can win.

Robert Blackwill's proposal has been harshly criticised by the renowned Pakistani journalist Ahmed Rashid[71].. In his opinion the idea of partitioning the country would not find any supporters in Afghanistan, which has been a nation state since 1761; would fuel an ethnic war in the country; would endanger the non-Pashtuns living in the area to which the counterterrorist strategy would be applied; would demote the Pashtuns to the status of pariahs; would betray the Pashtuns who have withstood the Taliban; and would also endanger Pakistan by encouraging the 40 million Pakistani Pashtuns to join the 15 million Afghan Pashtuns in order to build an extremist ethnic state that would harbour terrorists.

[70] BLACKWILL Robert D., "A de facto partition for Afghanistan", *Politico* (07.07.2010), "America must give the south to the Taliban", *Financial Times* (21.07.2010), "Plan B for Afghanistan: Why a Facto Partition Is the Last Bad Option", *Foreign Affairs*, Vol. 90, January/February 2011, 42-51.
[71] RASHID Ahmed, "Divide Afghanistan at your peril", *Financial Times* (03.08.2010).

THE SPANISH CONTRIBUTION

Addressing Congress on 28 October 2009, the Spanish defence minister, Carme Chacón[72]), cited four reasons why, in her opinion, the allies should remain in Afghanistan: "untimely withdrawal of the international troops would be conducive to the return to power of the violent extremists and could convert the country in a terrorist haven again"; "if Afghanistan falls into extremist hands this could spread to the countries in the region", especially "Pakistan, a nuclear power, with the consequent danger […] to world stability"; "failure of ISAF would encourage extremism in other parts of the world and would multiply the threats against our societies"; and "the immediate disappearance of the international troops would amount to abandoning the Afghan people to their fate". "By remaining in Afghanistan, Spain is showing that it is a responsible and supportive member of the United Nations, of the Alliance and of the European Union. We are also showing our commitment to fighting international terrorism and our responsibility to human rights and the reconstruction of Afghanistan for the Afghan people".

Spain's military commitment to Afghanistan dates back to 27 December 2001, when the Council of Ministers authorised Spanish participation in ISAF. The unit, with an average of 350 troops, was deployed in Kabul the following month. Halfway through 2005 most of the contingent was moved out of Kabul (Spain continued to take part in the ISAF headquarters) to Herat, from where since then it has led the Forward Support Base and contributes to the headquarters of Regional Command West, and to Qala-i-Naw, capital of the province of Badghis, to set up a Provincial Reconstruction Team (PRT) in cooperation with the Spanish Agency for International Development Cooperation (AECID).

The last quarter of 2009 and the first of 2010, around the time of the process triggered by the "McChrystal Report" and the holding of the International Conference in London, were key periods in increasing the Spanish contingent, which was practically doubled. By October 2009 the 778 troops authorised since March 2008 had increased to 998 permanent and 70 temporary personnel for the management of Kabul airport for a six-month period[73]. In February 2010 an additional increase of 511 soldiers and 40 civil guards was authorised. On 23 December the Council of Ministers authorised the extension for a further year of a total contingent of 1,521 military and 40 civil guards. In July 2010 the "Ruy González de Clavijo" base was officially opened on the outskirts of Qala-i-Naw. In use since the previous December, it is the largest engineering work ever undertaken in the province and has made it possible to house the

[72] Address of the Spanish Ministry of Defence on Afghanistan (Congreso de Diputados (28.10.2009 (not official translation.

[73] GARCÍA SERVERT Rubén, "Una visión de Afganistán desde dentro: crónica del liderazgo español del aeropuerto de Kabul", *Documento de Opinión del Instituto Español de Estudios Estratégicos* 03/2010, June 2010.

whole Spanish contingente in the province instead of in the old base in the city. A base for a battalion-sized unit of the Afghan army has been built close by.

The size of the new contingent has allowed it not only to continue leading Herat base but also to concentrate the deployment effort in the province of Badghis, where the number of troops has gone from the initial 250 to the current figure of more than 1,200. They constitute a Manoeuvre Battalion that is distributed between the Provincial Support Base in Qala-i-Naw and two Forward Operating Bases which provide the province with security and stability, keeping the territories free of insurgents, protecting freedom of movement along the main highways and supporting the population through on-going reinforcement of the police, rapid impact development projects, assistance to the population and holding of meetings (shuras) with local elders—actions prior to the following phase in which development projects will attempt to consolidate the stability of the area[74]. In addition, Spain has boosted its capacity to advise and train Afghan army and (up to brigade level) and police units.

Spain, which has committed 226 million euros over 2006-2012, is the eighth largest contributor to Afghan development in the world and the fourth largest in the European Union. It contributes both to multilateral projects and bilaterally. Most bilateral assistance is channelled through the Badghis PRT, which has carried out various projects in accordance with a comprehensive civilian and military approach in coordination with the Afghan authorities as part of the Provincial Development Plan, employing the maximum number of Afghan personnel and placing emphasis on the most vulnerable members of society (women and children).

The projects cater to different sectors: health (rehabilitation of the old provincial hospital and construction of maternity, paediatric and malnutrition wards, construction of a school for nurses, construction of seven rural clinics, financing of a school of midwifery, etc.); education (construction of a provincial teacher training school, construction of schools and kindergartens in different villages, literary programmes, etc.); infrastructure (significant improvement in the airport, water supply and drainage networks, construction of pavements and asphalting of streets in Qale-i-Naw, improvement of highways from Qale-i-Naw to Herat and Sang-a-Tesh, etc.); an increase in rural development and community economic structure (improvement of rural roads, 22 wells providing water apt for human consumption and 40 for agricultural use, a machinery plant, a centre for agricultural capacity building, rural development programmes, reconstruction of the Bala Murghab bazar, etc.); gender equality programmes; support for governance (training of civil servants, fitting out of public buildings, etc.); and direct distribution of humanitarian assistance,

[74] SIERRA MARTÍN Manuel, "El PRT español de Badghis: presente y futuro", *Documento de Opinión del Instituto Español de Estudios Estratégicos* 05/2011, January 2011.

among others. To this should be added the Rapid Impact Projects implemented directly by the military contingent.

Further contributions are made within Spain: an annual defence course is held for senior Afghan officers and various demining courses are organised for Afghan soldiers, while the NATO Counter Improvised Explosive Devices Centre of Excellence, organised and financed chiefly by Spain and located in Hoyo de Manzanares (Madrid), currently under assessment, is due to play a prominent role in combating devices of this kind in the future.

The future of Spain's presence in Afghanistan, like that of our allies, will be within the framework of the transition of security from ISAF to the Afghan authorities. In her address to mark the beginning of the military year on 6 January, the minister Carme Chacón[75] stated that "after nine years of uninterrupted commitment, the NATO summit in Lisbon has marked the beginning of the end of our presence in Afghanistan. We countries who take part in ISAF committed ourselves to the Afghan government to transfer the control of the territory progressively, once adequate security conditions are achieved in each district or province. This transition process could begin this very year in areas for which Spain is responsible. However, it should be pointed out that whereas the deadlines are indicative, the objectives are unavoidable".

CONCLUSIONS

During 2010 the international community laid the foundations for a solution to the conflict in Afghanistan through a comprehensive civilian and military approach structured through security, governance, development and regional environment. The appointment of General McChrystal as COMISAF spurred a change of strategy in which the success of military operations is based not on the number of insurgents defeated but on the protection of the civilian population, the centre of gravity of the counterinsurgency campaign, in order to create the conditions required for the Afghan authorities to earn the support of their population. The replacement of McChrystal by General Petraeus did not signify an appreciable change in this strategy.

The quantitative indicators suggest that the security situation deteriorated in 2010. However, this increase in violence may be influenced by the greater intensity of allied operations and greater virulence of the insurgency's response. It is believed that 2011 will also be a very tough year. Nonetheless, according to US and ISAF assessments, evident—albeit fragile and reversible—progress has been made, especially through the military operations in the provinces of Helmand and Kandahar and the establishment and training of the ANSF.

[75] Address delivered by the defence minister, Carme Chacón, on the occasion of the ceremony marking the start of the military year, Royal Palace of Madrid (06.01.2011) (not official translation).

Large-scale military operations had to be delayed until the last quarter of 2010 owing to the need to wait for the arrival of US reinforcements and the advisability of not interfering in the intense political process. However, it seems that they have managed to expel the insurgency from key areas, forcing it to take refuge in neighbouring Pakistan. In spring, when fighting is resumed after the necessary winter break, it will be possible to evaluate how much harm has really been inflicted. In 2011 it will be necessary to consolidate the achievements, for which greater cooperation with Pakistan and sufficiently sized and trained ANSF will be necessary. Although the ANSF have met the personnel objectives for 2010 and have improved their operational capability substantially, ensuring they are in a position to take over from ISAF by the set date is a difficult challenge. Many believe that success will be achieved in military operations if the insurgency is weakened at the same time so that it is forced to agree to political negotiation with the Afghan government under the conditions offered at the London Conference.

It will not be long before the start of the security transition from ISAF to the Afghan authorities, which is due to be completed by the end of 2011. Although it has been stated that the process will be conditions-based and not calendar-driven, the time factor is a sword of Damocles hovering over the whole process, as well as a yardstick for gauging its success or failure. The transition plan, which in itself is complex, faces major challenges of all sorts, in addition to the insurgency, and will require close coordination with the Afghan authorities with whom relations are not always smooth, an arrangement with UNAMA, unity of action and purpose of the ISAF nations who are pressured by their public opinions that are increasingly reluctant towards presence in Afghanistan, and effective ANSF controlled by legitimate Afghan authorities with a presence throughout the territory. In order, among other things, that the transition process is not mistaken for a more or less ordered withdrawal, NATO has entered into a long-term agreement with the Afghan government that will probably require the considerable presence of international military forces beyond 2014.

For the Afghan authorities, good governance is a key to earning the favour of their people. Afghanistan's efforts, with the support of the international community, to put in place the political system established by the Constitution of 2004 are being carried out at the subnational and national levels. At the subnational level, the aim is that the Provincial Councils (and when elected, the District Councils) may share in some way or at least moderate and control the power of the provincial and district governors appointed by Kabul. At the national level, controversial presidential elections were held in 2009 and in 2010 no less controversial legislative elections to the 249 seats on the Wolesi Jirga, the lower house of the National Assembly. Despite the hopes pinned on this, the clash that erupted between the president and the elected deputies before

the house was formed on 26 January does not precisely bode well for a cooperative relationship between the executive and the legislative, which, without prejudice to the constitutional responsibilities of each, is essential to furthering the "Kabul process".

The process of peace, reintegration and reconciliation is central to solving the Afghan conflict and should lead to a wide-ranging political agreement. The process is complex and conditioned by various factors: the objective and limits of the negotiations stemming from the dichotomy of reintegration versus reconciliation; the need for a North-South agreement and respect for ethnic heterogeneousness; the actors involved in the negotiations, particularly the degree of involvement of the United States and the international community; time, which seems to be on the insurgency's side; the need for sustained, medium-term financing; and the urgent need to find a solution that involves Pakistan without arousing the misgivings of its neighbours.

Development is crucial to creating the conditions required to consolidate the peace process and achieve Afghanistan's long-term stabilisation, although it is not an appropriate tool for obtaining decisive effects in the short term. Despite the considerable successes, assistance needs to be more coherent, harmonised with the priorities of the Afghan government and channelled through Afghan government bodies, and efforts to combat corruption need to be more successful.

Afghanistan is influenced not only by its own internal dynamics but also by the action or inaction of its neighbour states, which regard it as a source of concern and, at the same time, as a means of satisfying major interests. The stabilisation and long-term development of Afghanistan depends on it making the most of its status of "land bridge" between its neighbours. However, the time has not yet come for Pakistan, Iran, India, Russia, China and the Central Asian republics to address the situation from a "variable-sum game logic". The United States could be a unifying force in this regard, but its interests in Central Asia arouse mistrust. As well as cause for concern in its own right, Pakistan is part of the problem, but also part of the solution. It will therefore demand a certain amount of influence in post-ISAF Afghanistan which must stem from the internal and regional agreement that is hailed as a solution to the conflict.

Combating drug production and trafficking is a cross-cutting issue that both influences and is influenced by security, governance, development and regional environment. The plague that ravaged opium cultivation in 2010, although the area given over to this crop remained constant, led to a reduction in opium production which in turn caused its price to shoot up along with the earnings of producers, particularly compared to those obtained from wheat growing. It is feared that this circumstance will encourage farmers to grow more opium in

2011, shunning alternative crops and undoing part of the progress achieved in previous years. Nevertheless, the first estimates point to a slight reduction in total opium cultivation due to a dry autumn and the military operations in Helmand and Kandahar, the main opium-growing provinces, although it is likely to increase in other regions. The fight against narcotics must be addressed from a multidimensional approach.

Scepticism about the ability of the strategy to achieve the desired end state within the established timeframe has sparked an intense debate within the western strategic community. Three alternative courses of action have emerged: adoption of a more realistic and limited strategy that concentrates on eliminating Al Qaeda and promotes a political agreement with the Taliban; more resources (human, material and financial) and time to carry out a medium-/long-term counterinsurgency campaign; and a combination of the two based on de facto partitioning of the country, focusing on state building in the North and counterterrorism in the South.

In 2010 we witnessed the establishment of the foundations on which to build, within a specific time and by implementing a particular project (i.e. strategy), the solution to the Afghan conflict. In December 2010 lack of sufficient perspective and the difficulty of quantifying the achievements of a counterinsurgency campaign may have led the United States and NATO to adopt a somewhat provisional approach not devoid of wishful thinking in their assessment of the possibility of taking on this architectural feat under the aforementioned conditions. When 2011 ends, the international community should analyse the situation realistically, in all its crudity. If the current strategy continues to be considered fitting, its implementation must be carried forward with determination and faith. Otherwise, it might be appropriate to consider limiting ambitions and becoming more involved in achieving an internal and regional political agreement or else face up to the costs and time that any counterinsurgency campaign requires. In view of this, 2011, in all likelihood, will be the moment of truth.

CHAPTER SIX

SECURITY OF ENERGY SUPPLY, PARTICULARLY GAS, AS A STRATEGIC PRIORITY OF THE EU: ARE THERE FEASIBLE ALTERNATIVES FOR REDUCING DEPENDENCE ON RUSSIA?

Antonio Blanc Altemir

ABSTRACT

The objective of this article is to analyse the influence of the energy sector on EU-Russia relations, taking into account the complex relations between Russia, the main supplier of the EU, the countries of transit and the implications for the EU's energy security. It begins with a brief overview of the shaping of an energy policy for the EU and the new possibilities provided for by the Lisbon Treaty and also examines the current feasible alternatives, such as diversifying sources of supply and intensifying cooperation with other producers, with Central Asia and the Caucasus being the main focuses for reducing dependency on Russia and boosting the energy security of the EU.

Keywords

EU energy policy, energy security, Russia-EU energy relations, energy supply, energy dependency, alternative routes

INTRODUCTION

The European Union has traditionally suffered from a shortage of energy resources, particularly gas and oil[1]. However, as it enjoys a privileged geographical situation, surrounded as it is by nearly 80% of the world's hydrocarbon resources—the Mediterranean, the Black Sea, the Caspian Sea, the Middle East and the Gulf regions, in addition to Russia and Northern Europe (Norway)—up until now its reasonable access to these energy resources has enabled to overcome this chronic shortage.

The events of early January 2009, during which the EU's supply of Russian gas via Ukraine was completely cut off, triggering a worrying situation that lasted nearly three weeks during a polar cold wave and threatening Europe's industrial activity at a time when the economic crisis had reared its ugly head, underlined the fragility of the system and the risk to the EU's energy security.

As known, the concept of security has evolved over time, incorporating hitherto neglected factors such as the environment and international terrorism, among others. Energy, insofar as it is essential to a country's development and well-being, should now be recognised as a relevant factor, as security in the broad sense encompasses energy security on account of its strategic component. We may thus consider that there are two sides to energy security as a public good: dependence and vulnerability. Dependence variables are related to degree of self-sufficiency in energy supply, as well as to diversification of sources of supply and relations of interdependence between the supplying and importing countries. In contrast, vulnerability can be said to be related to the ability to minimise the impact on the economy and society of a possible disruption in supply or disproportionate increase in energy prices[2].

[1] The EU's total dependence on gas and oil imports in 2007 stood at 60.3% and 82.6% respectively. The European Commission forecasts for 2020 put dependence at 70% for gas and 90% for oil. In 2008 the three main origins were Russia (31.5%), Norway (24.1%) and Algeria (12.4%) for gas imports and Russia (29%), Norway (14%) and Libya (9.3%) for oil imports. Cf. *Main origin of primary energy imports, EU-27.* EUROSTAT, 22 October 2010.

[2] Bearing in mind these two variables, Avedillo and Muñoz took as a reference the 26 main energy importers and consumers of OECD, and classified them into three groups in accordance with degree of energy dependence: high, medium and low. The first group includes the most dependent countries–Hungary, Switzerland, Slovakia and Italy, which have in common scarce indigenous energy resources and lower natural gas connectivity. The second group includes Spain, Germany, France, Finland, Poland and Japan, countries which either cover approximately half of their needs or have more diversified sources of supply. Finally, the countries with a low dependence are those which have a larger source of indigenous resources, such as Australia, the United States, the United Kingdom and Denmark. Spain thus stands in 17th place in the energy security ranking of the 26 main importers of the OECD with a score of 34.8, well behind countries like Denmark (80.2), Sweden (67.4) and the United Kingdom (66.3), but close to Germany (38.2), Austria (37.6) and Belgium (34.5), and in a much better position than Greece (27.9), Hungary (22) and Italy (17.3), which is at the bottom of the ranking. Cf. AVEDILLO, M.; MUÑOZ, M.A.: "Seguridad energética en Europa. De la percepción a la cuantificación", *Boletín Económico de ICE,* no. 2928, 2007, pp. 44 and ff.

In order to achieve this aim, which is vital to its development, the EU is stepping up cooperation with all its neighbours that supply energy resources in order to diversify its sources of supply and reduce its dependence, in particular on Russia, and boost its energy security, while seeking to build up around it an extensive network of countries that share the principles and rules of the internal market[3].

TOWARDS A EUROPEAN UNION ENERGY POLICY

Lack of an energy policy and its consequences

The adoption of bilateral agreements between various EU Member States and Russia in recent years is palpable proof that, despite the host of declarations and documents issued by the various institutions and bodies, the EU continues to lack a proper energy policy and, as such, a common voice that would undoubtedly have afforded it greater room for manoeuvre and capacity for action vis-à-vis its energy suppliers, particularly Russia[4]. Nonetheless, in order to establish the common energy market and liberalise the electricity and gas sector as the European Commission has proposed, it is advisable to bear in mind the particular features of certain sectors, particularly gas, which, unlike electricity, is supplied from outside the Union and is markedly regional in nature.

The diversity between EU members at all levels, particularly in regard to domestic rules on energy markets, degree of industrial concentration and functioning of national regulatory bodies, has made it very difficult to adopt agreements on common policies in energy[5]. In addition to this obvious diversity, it should be pointed out that the ultimate reason for this situation is that, except for specific moments, energy has not been a political priority for the EU until only recently, and despite the European Commission's greater sensitivity to the matter compared to the Member States and the Council itself, this has led to a "non-model"[6] in energy policy. It is evident from the current situation and future prospects that this situation cannot be sustained for very long, and since 2007 efforts have been made to lay the foundations for building a proper EU energy policy.

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[3] Cf. *Commission of the European Communities. Communication from the Commission to the European Council. External energy relations: from principles to action.* COM (2006) 590 final. Brussels, 12-10-2006, p. 5.

[4] For an analysis of Europe's insufficient responses to the world energy challenge, in particular that of Russia, cf. PAILLARD, CH.A.:*Quelles stratégies énergétiques pour l'Europe?.* Fondation Robert Schuman, Paris-Brussels, 2006, especially pp. 56 and ff.

[5] Cf. PALAZUELOS, E.; VARA, M.J.: "Unión Europea: diferencias entre los sistemas energéticos nacionales y obstáculos para una política energética común", in PALAZUELOS MANSO, E. (Dir.): *El petróleo y el gas en la geoestrategia mundial,* Akal, Madrid, 2008, pp. 95-126.

[6] Cf. MARÍN QUEMADA, J.M.: "Política energética en la UE: el debate entre la timidez y el atrevimiento", *Economía de la Energía, ICE,* no. 842, May-June 2008, p. 66.

It should be pointed out in connection with this course of action that the European Commission took the first steps in this direction by adopting the Green Paper on a European energy policy, sustainable development, security of energy supply and economic competitiveness[7], the main objectives of which were approved by the European Council in March 2006[8], while June 2006 saw the adoption of a series of recommendations proposed jointly by the Commission and the High Representative for CFSP[9]. Prominent among them[10] are the need for coherence between the internal and external aspects of energy policy and between the latter and other related policies, such as those relating to external relations, trade, development, research and the environment. Emphasis is also placed on ensuring that the internal energy market will continue to contribute to reinforcing economic competitiveness, and to stimulating investment and innovation, with repercussions on security of supply. This requires major investments[11] in creating the necessary interconnections both within and outside the EU in order to ensure the diversification of external supply routes and sources.

The Energy Community Treaty

With the main objective of creating an internal electricity and gas market among the EU Member States and seven European Balkan states and territories[12], in 2005 the Union fostered the adoption of the Energy Community Treaty. The Treaty, which entered into force in 2006[13], seeks to extend the application of the acquis communautaire in energy matters to the States Parties as a whole[14], creating, as stated by article 2, a regulatory and market framework capable of attracting invest-

[7] *Competitive and secure energy.* COM (2006) 105 final. Brussels, 8-3-2006.
[8] *Brussels European Council, 23-24 March 2006. Presidency Conclusions.* Doc. 7775/1/06 REV 1.
[9] *Brussels European Council,15-16 June 2006. Presidency Conclusions.* Doc. 10633/1/06 REV 1
[10] Cf. *Commission of the European Communities. Communication from the Commission to the European Council. External energy relations: from principles to action.* COM (2006) 590 final. Brussels, 12-10-2006.
[11] According to the EU energy commissioner, Günther H. Oettinger, estimates for investments up until 2030 are as much as one trillion euros in European electricity transmission networks and in electricity generation, and up to 150 billion euros in gas networks, not counting imports from third-country gas pipelines. OETTINGER, G.H.: "Las prioridades de la política energética europea para los próximos años". *Energética XXI. Especial X Aniversario,* p. 36.
[12] Albania, Bosnia and Herzegovina, Croatia, Macedonia, Montenegro, Serbia and the United Nations Interim Administration in Kosovo. The Action Plan for 2007-2009 adopted by the Brussels European Council of 8 and 9 March 2007 recommended extending the treaty to Norway, Turkey, Ukraine and Moldavia. Cf. *Presidency Conclusions. Brussels, 8 and 9 March 2007. European Council Action Plan (2007-2009). An Energy Policy for Europe*, para. III: International energy policy.
[13] With an initial duration of ten years and the possibility of being extended, either to the Parties as a whole through a unanimous decision of the Ministerial Council or with respect to the Parties which have voted in favour of the extension.
[14] Cf. art. 10 of the Treaty, which establishes that the calendar for the implementation of the related measures listed in Annex I of the Treaty shall be respected for this purpose.

ments to ensure access to a stable and continuous energy supply; establishing a single regulatory space for trade in network energy; and enhancing the security of supply of the space by providing a stable investment climate in which connections to Caspian, North African and Middle Eastern gas reserves can be developed and at the same time developing relations with neighbouring countries.

It should likewise be pointed out that the Treaty, which is also aimed at improving energy efficiency and the environmental energy situation and at developing competition in the network energy markets, pursues compliance with certain general community rules relating to technical systems, particularly transportation and cross-border connections.

An important aspect of the Treaty is the establishment of a mechanism that is applicable to the functioning of the regional network of energy markets and which spans the territory of the Parties, the territory of Kosovo and the territories of the EU Member States mentioned in article 27[15]. This mechanism consists of a set of measures related to the long-distance transportation of network energy, security of supply and actions to be adopted in the event of sudden crises affecting the energy supply of any Energy Community member. It is likewise interesting to note that the Treaty creates an energy market between the parties (art. 41) which includes banning customs tariffs and quantitative restrictions on energy imports and exports, and any other measures having an equivalent effect[16], and envisages the possibility, according to article 42, of adopting measures aimed at creating a single energy market without internal frontiers.

The Treaty, which establishes a mechanism for mutual assistance in the event of disruption of the network energy supply (arts. 44-46), lays down an institutional system for the management of the Energy Community[17], consisting of a Ministerial Council made up of a representative of each Party and two from the European Union; a Permanent High-Level Group with the same composition; a Regulatory Board which is to include one representative of the energy regulator of each contracting Party, with the EU represented by the European Commission; and a Vienna-based Secretariat formed by a director and the staff the Energy Community needs to function.

European Council Action Plan 2007-2009 and the EU's third package of energy legislation

Following the publication by the Commission in January 2007 of the communication "An Energy Policy for Europe"[18], which incorporated ambitious pro-

[15] Austria, Bulgaria, Greece, Hungary, Italy, Rumania and Slovenia.
[16] Excluding situations of public policy or public security, the protection of the health or life of humans, animals or plants, and protection of intellectual or industrial property.
[17] Title V, arts. 47 to 72.
[18] *Communication from the Commission to the European Council and the European Parliament, 10 January 2007*. "An Energy Policy for Europe". COM (2007), 1 final.

posals for an internal market and for the reduction of greenhouse gases, energy efficiency and renewable energy, and the publication around the same time of the results of the sector enquiry into the EU gas and electricity markets in which the Commission identified the main obstacles to progress towards an internal energy market[19], in March 2007, on the basis of the aforementioned communication, the European Council adopted the comprehensive energy Action Plan for the period 2007-2009. The Plan incorporated a series of priority actions relating to the internal gas and electricity market, security of supply, international energy policy, energy efficiency and renewable energies and, lastly, energy technologies[20].

The aforementioned Action Plan has given rise to two main courses of action taken during the period in question: the adoption of new legislation on the internal gas and electricity market; and energy policy and climate change ("the 20-20-20 targets").

It should be pointed out in connection with the first that in September 2007 the Commission presented a set of legislative proposals known as the "third package" aimed at promoting the internal energy market in the EU, prominent among which, in relation to gas, is the amendment to Regulation 1775/2005 on conditions for access to the natural gas transmission networks[21]. Once the co-decision process was completed after more than a year and a half of intense negotiations between the Council and the European Parliament, on 14 August 2009 the third legislative package on the internal energy market was published in the OJEU. The so-called "third package" consists of two directives on common rules for the internal market in electricity[22] and gas[23] and three regulations on conditions to access to the network for cross-border exchanges in electricity[24] and conditions to access to the natural gas transmission networks[25] and the establishment of

[19] Among them, lack of effective separation of network activities, particularly for transport, the high degree of concentration of markets, which were still predominantly national, lack of interconnection capacity or lack of market transparency.
[20] *Presidency Conclusions. Brussels, 8 and 9 March 2007. European Council Action Plan (2007-2009)*. "An Energy Policy for Europe".
[21] It was proposed amending Directives 2003/54 and 2003/55 concerning common rules for the internal market in electricity and in natural gas; amending Regulation 1228/2003 on conditions for access to the network for cross-border exchanges in electricity; and a new regulation establishing the EU Agency for the Cooperation of Energy Regulators.
[22] Directive 2009/72/EC, of the European Parliament and of the Council, of 13 July 2009, concerning common rules for the internal market in electricity and repealing Directive 2003/54/EC.
[23] Directive 2009/73/EC of the European Parliament and of the Council, of 13 July 2009, concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC.
[24] Regulation (EC) 714/2009, of the European Parliament and of the Council, of 13 July 2009, on conditions for access to the network for cross-border exchanges in electricity and repealing Regulation (EC) 1228/2003.
[25] Regulation (EC) 715/2009 of the European Parliament and of the Council, of 13 July 2009, on conditions for access to the natural gas transmission networks and repealing Regulation (EC) 1775/2005.

the Agency for the Cooperation of Energy Regulators[26]. This set of legislative measures comprised of directives and regulations is aimed at strengthening the independence of national regulators, ensuring effective separation of network activities, particularly transportation, increasing transparency in wholesale markets and reinforcing supervision mechanisms, while placing emphasis on consumer protection.

It should be noted in relation to the second aforementioned course of action that, following the adoption by the European Council of March 2007 of the "20-20-20 targets" for 2020 –a binding target of 20% of renewables in final energy consumption, a 20% reduction in greenhouse gas emissions, and the need to improve energy efficiency by a further 20%– in January 2008 the European Commission presented a new package of measures on climate change and energy. These measures, known as the "Green Package", were adopted by the Council and Parliament in December 2008, giving rise to the publication of a series of rules of secondary law in the OJEU in April 2009[27].

The second strategic review of the energy sector and the New Action Plan 2011-2020

Irrespective of the fact that the Action Plan 2007-2009 may be considered to have stood the EU in good stead for weathering the future with greater assurances[28], it should be noted that the Commission has carried on designing the continuity of the energy policy for the coming years. In November 2008 the Commission presented the "Second Strategic Review"[29] of the energy sector establishing the priorities for EU action and attaching particular importance to endow infrastructure, diversification of sources of supply, gas and oil reserves, and response to crises.

At the express request of the Council of February 2008, a new EU energy Action Plan has been drawn up. The draft of the initial Action Plan was a priority goal of the informal Energy Council meeting held in Seville in January 2010 under the Spanish presidency of the EU. Its adoption was an objective of the programme compiled jointly by the Spanish presidency and the following

[26] Regulation (EC) 713/2009 of the European Parliament and of the Council, of 13 July 2009, establishing an Agency for the Cooperation of Energy Regulators.
[27] Directives 2009/28/EC, 2009/29/EC, 406/2009/EC and 2009/30/EC; Decision 406/2009/EC; and Regulation (EC) 443/2009, all of the European Parliament and the Council.
[28] Cf. ZAPATER DUQUE, E.: "¿Una nueva política energética común para la Unión Europea? Entre el compromiso y la controversia", in REMIRO BROTONS, A.; EGEA FERNÁNDEZ, R. M. (Coords.): *El cambio climático en Derecho internacional y comunitario.* Fundación BBVA, 2009, pp. 209 and ff.
[29] *Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. Second Strategic Energy Review. An EU Energy Security and Solidarity Action Plan.* (COM) 2008, 781 final. Brussels, 13-11-2008.

Belgian and Hungarian presidencies in the so-called "trio". However, the Commission decided to postpone the adoption of the new Plan as the economic crisis required the prior adoption of a broader strategy known as "Europe 2020", which was given the go-ahead at the EU summit in June 2010[30].

Nevertheless, the Commission held a session of consultations to prepare the new Energy Action Plan 2011-2020, the basic points of which were endorsed by the European Council held in February 2011[31] under the Hungarian presidency, also bearing in mind the conclusions on the Energy Action Plan 2011-2020 drawn up by the Spanish presidency[32], which lays down European energy policy actions for the coming years. Similarly, in November 2010 the European Commission presented the communication entitled "Energy 2020"[33] establishing energy priorities for the next ten years, on which it is due to present specific legislative initiatives. The five priority objectives identified by the Commission revolve around energy saving; the need to achieve a Pan-European Energy Market with appropriate infrastructure; the need for the EU to speak with a single voice in energy matters in the world arena; EU leadership in energy technology and innovation; and finally, ensuring consumers access to a secure and affordable energy supply.

The Lisbon Treaty and energy

The entry into force of the Lisbon Treaty marked a step forward –although it cannot be considered definitiv– as it incorporates a series of provisions which, with due caution, could be regarded as the foundations of an energy policy proper. Indeed, article 4 (2) (i) of the consolidated text of the Treaty on the Functioning of the EU states that energy will be a competence shared by the

[30] *European Council of 17 June 2010. Conclusions.*

[31] Particularly with respect to the need for the EU to have a fully operational, interconnected and integrated internal market by 2014, to allow gas and electricity to flow freely. The European Council likewise stressed the need to modernise and expand the European energy infrastructure in order to ensure the cross-border connection of networks, so that no EU Member State is isolated from the European gas and electricity networks after 2015 or sees its energy security jeopardised by lack of the appropriate connections. For this purpose the Commission is invited to report to the Council by June 2011 at the latest on the amount of investment needed and suggestions for financing. Finally, it calls for improved coordination between the activities of the EU and its Member States in order to ensure greater coherence in the EU's external relations with the main producer, transit and consumer countries and for the High Representative to take full account of the energy security dimension in her work. *European Council, 4 February 2011.Conclusions.*

[32] It fell to the Spanish presidency to negotiate the draft Regulation on security of gas supply, which was finally adopted in July 2010 under the Belgian presidency. The Regulation sets compulsory standards for security of supply, as well as preventive measures, and regulates the mechanisms for EU action in the event of supply crises. CF. GONZÁLEZ FINAT, A.: "Balance de la Presidencia española de la UE en el sector de la energía", *Economía industrial,* no. 377, 2010, pp. 109-117.

[33] *European Commission. Energy 2020. A strategy for competitive, sustainable and secure energy.* Publications Office of European Union. Luxembourg, 2011.

Union and the Member States. Furthermore, article 122 introduces the novelty that the Council, at the proposal of the Commission, may decide "in a spirit of solidarity between Member States"[34], on measures appropriate to the economic situation, in particular if severe difficulties arise in the supply of certain products, notably in the area of energy, and article 170 states that the Union will contribute to the establishment of trans-European networks in the energy sector, for which it will draw up a series of guidelines on priorities and objectives and will implement any measures that may be considered necessary to guarantee the interoperability of the networks (art. 171). It should likewise be pointed out that article 192(2) incorporates the need to use the special legislative procedure and unanimity to adopt measures "significantly affecting a Member State's choice between different energy sources and the general structure of its energy supply".

In connection to the Lisbon Treaty is necessary to stress the importance of the incorporation of Title XXI, which is devoted specifically to energy. Indeed, for the first time in a treaty article 194 makes specific reference to an energy policy of the EU which "in a spirit of solidarity between Member States" shall have as objectives: to ensure the functioning of the energy market; to ensure security of energy supply in the Union; to promote energy efficiency and energy saving and the development of new and renewable forms of energy; and to promote the interconnection of energy networks. In order to achieve these objectives, without prejudice to the application of other provisions of the Treaties, such as the aforementioned, the European Parliament and the Council, acting in accordance with the ordinary legislative procedure, shall establish the necessary measures[35].

Although it might be considered that these objectives are the basis of the European energy policy and that the incorporation of this new article to the Treaty reinforces the conditions required for true convergence between them, it should be pointed out that the fact that paragraph 2 of this new article 194 provides that the measures adopted pursuant to the aforementioned article "shall not affect a Member State's right to determine the conditions for exploiting its energy resources, its choice between different energy sources and the general structure of its energy supply". However, this appears to limit the possibilities of a real "communitarisation" of the EU's policy on external supply. Indeed,

[34] The specific mention of solidarity between Member States is without a doubt an interesting novelty in that it is also designed to mitigate the harmful effects of an energy crisis. *Vid.* In this connection ZAPATER DUQUE, E.: "La seguridad energética de la Unión Europea en el contexto de la nueva política energética y el Tratado de Lisboa", in MORATA, F. (Coord.): *La energía del siglo XXI: Perspectivas europeas y tendencias globales.* Institut Universitari d´Estudis Europeus. Barcelona, 2009, pp. 60 and 61.

[35] On this question see URREA CORRES, M.: "The European Union's energy policy in the light of the Lisbon Treaty", *Cuadernos de Estrategia*, no. 150, *Security, energy model and climate change.* Instituto Español de Estudios Estratégicos, Ministerio de Defensa, Madrid 2011, pp. 136-139.

if, as everything seems to indicate, the Union is not in a position to engage in classic diplomatic activities to ensure supplies depending on their origin, the problem of security of supply will continue to be central to the coherence of the EU's energy policy in both the new framework of the Lisbon Treaty and the previous one[36].

It is evident that in order to meet these goals and achieve a genuine common energy policy, a firm political commitment to joint coordinated action is needed that goes further than bilateral action between countries in order to build common interests in the energy sphere. In addition to such a commitment, it is necessary to step up investments, adopt more transparent and harmonised regulatory frameworks and overcome market fragmentation, promoting interconnections between countries to allay mistrust and progress towards states' progressive loss of sovereignty over energy matters, which at present appears to be more than necessary[37]. Furthermore, consideration must be given to the strategic nature of the energy sector, which will undoubtedly require greater integration between energy policy and external policy.

THE ENERGY FACTOR IN BILATERAL EU-RUSSIA RELATIONS

EU-Russia energy relations: towards greater dependence?

If we bear in mind total gas, oil and electricity exports, Russia is now the world's leading energy exporter, having now recovered from the considerable slump in the production of hydrocarbons after the disintegration of the Soviet Union. If we focus on oil, Russia, which accounts for 6% of world reserves, is the third biggest producer after Saudi Arabia and the United States and the world's second largest exporter[38]. In the gas sector, Russia occupies an even more privileged position as, with 32% of worldwide reserves, it is the leading producer and the leading exporter of gas[39].

Following the privatisations begun by Boris Yeltsin, the Russian energy sector (especially gas and to a lesser extent oil) has progressively been place-

[36] Cf. VEYRENC, T.: "Un nouveau paradigme pour la politique énergétique européenne? (2ème partie)", *Questions d'Europe*, no. 163, Fondation Robert Schuman 15 March 2010, p. 4.
[37] Cf. MARÍN QUEMADA, J.M.: "Política energética en la UE…", *op. cit.,* p. 72.
[38] With a total production of 478 million tons of oil in 2005, Russia ranked second among the oil exporters, just behind Saudi Arabia. Cf. DUBIEN, A.: "Énergie: l´arme fatale du Kremlin", *Politique internationale,* no. 111, Spring 2006, p. 1.
[39] Cf. LOCATELLI, C.: "Gazprom contraint par son environnement pourra-t-il, sans reforme, assurer le développement de l´industrie gazière russe? *LEPII-EPE, CNRS,* January 2007, p. 2.

dunder state control through Gazprom[40]. Russia's new energy clout[41] has been enhanced both by rising prices in recent years and by the perception of scant sources of supply, especially oil, of the "greedy" emerging states, chiefly China and to a lesser degree India. This has led Russia, aware of its privileged position[42], to use its growing energy power as an instrument of choice in its relations with other international actors,[43] particularly the EU.

Indeed, Russia is the leading supplier of gas to the EU and its second largest supplier of oil; the total energy dependence of the twenty-seven in 2000 was 46.7% and is on its way up, as unless measures are taken, this figure will have risen to 62.9% by 2020, according to some forecasts[44].

Whatever the case, the EU's vulnerability vis-à-vis Russian supplies varies depending on the product —it is greater in the case of gas— and also from country to country. Indeed, its members can be classified into three different groups[45]: the first consists of countries whose gas imports from Russia amount to no more than 15% of their total imports, such as Belgium, the Netherlands,

[40] Gazprom currently controls 25% of the world's total gas reserves and 94% of Russian natural gas. It also owns the entire gas transportation infrastructure in Russia–a 144,000-kilometre network of gas pipelines–and is also the only company legally authorised to sell gas outside Russia's borders. Since 2005 the Russian state has been the majority shareholder owning half of its shares plus one, while 7.45% of the capital is controlled by shareholders who are non-residents, such as the German company E.ON. It is Russia's largest company and the third largest in the world, and also enjoys a presence in other energy sectors such as electricity, oil, petrochemicals and nuclear energy, and its labour force numbers some 300,000 employees. Cf. PAILLARD, CH.A.: "Gazprom: mode d´emploi pour un suicide énergétique". *Russie.Nei.Visions*, no. 17, March 2007, pp. 10-12.

[41] Which may increase with the exploitation of the Russian oil platform in the Arctic sea, which holds substantial oil and gas reserves, particularly in a 125,000 sq. km area in the Kara Sea, for which the Russian company Rosneft and Britain's BP are due to set up a joint company within a two-year period. Cf. *http://www.bp.com*

[42] Russia considers the energy sector to be of strategic importance to its national security and also to its foreign policy. The hydrocarbon sector generates more than 25% of Russia's GDP, 40% of the state's revenues, as well as most of its foreign currency, with which it indirectly subsidises other sectors such as agriculture and industry. Cf. ISBELL, P.: "El ¨gran creciente¨ y el nuevo escenario estratégico en Eurasia", *Política Exterior,* no. 110, March/April 2006, p. 111.

[43] After Vladimir Putin's advent to power in 2000, control of the energy sector, particularly revenues from hydrocarbons, became a priority objective of the new Russian president. Despite the relative ineffectiveness of Russia's traditional instruments of power, particularly its military might, it is attempting to use its energy clout to carve out a dominant position for itself on the international scene as part a global strategy. Cf. DUBIEN, A.: "Énergie: l´arme fatale...", *op. cit.,* p. 1.

[44] Cf. MIHOV, M.: "Le rôle fondamental de la sécurité énergétique dans l´action extérieure de l´Union européenne. L´exemple de la zone de la mer Noire", *Actualités de la Russie et de la CEI*, no. 1, June 2007, Institut de Relations Intenationales et Stratégiques, p. 1

[45] SÁNCHEZ ANDRÉS, A.: "La interdependencia energética ruso-europea". *Real Instituto Elcano.* DT No. 25/2007, 8-6-2007, pp. 2 and ff.

Luxembourg, Ireland, the United Kingdom, Portugal, Spain[46] and Sweden; the second is comprised of countries whose imports fall within the intermediate range of 20-40% of their total gas imports, such as France (23.5%), Italy (31.7%) and Germany (40.3%); and the third is made up of countries with a very high dependence, as Russian gas accounts for more than 50% of their total imports, such as Austria, the Czech Republic, Greece, Hungary, Poland, Romania and Slovenia. A subgroup may be distinguished within this last group formed by countries which are totally dependent as all their gas is imported from Russia, such as Bulgaria, Finland, Latvia, Lithuania and Slovakia.

The consequences of the foregoing deserve to be commented on as they affect two major issues: first, that in the past the three countries with medium dependence (France, Italy and Germany) have accounted for nearly half of Russia's total gas exports, and in these three cases we may speak of economic interdependence more than of energy dependence, as more than one-fifth of all Russia's imports come from these three countries; second, that these countries

[46] The case of Spain is different, as it does not currently import Russian gas and depends markedly on Algerian gas, which accounts for 34% of the total gas consumed in the country, despite purchasing from another thirteen suppliers. The recent conflict with Algeria over the dispute between the Algerian supplier Sonatrach and Spain's Gas Natural Fenosa has again brought to attention Spain's high dependence on Algerian gas. The decision issued by the Arbitration Chamber of Paris in August 2010–the enforcement of which has been suspended as a precautionary measure by the Federal Tribunal of Switzerland until a decision is reached on the question of substance–on the prices of the gas supplied by the aforementioned Algerian company to Gas Natural Fenosa, establishes that the latter must pay nearly 1.5 billion euros as a revision of the rates for the years 2007 to 2009, acknowledging Sonatrach's right to raise prices by as much as 30% in the future, which has repercussions on the competitiveness of the companies and on the Spanish economy as a whole by pushing up the energy bill and external deficit. Spain's high dependence on Algerian gas will be increased by the forthcoming entry into service of the Medgaz oil pipeline–which will transport gas from the Algerian gas field of Hassi R´Mel to Almería–rising to as much as 50%-55% of the total. Indeed, the initial capacity of Medgaz (a consortium formed by Sonatrach with 36% (with right of veto as it holds more than 25%); Iberdrola with 20%; Endesa with 12%; Cepsa-Total with 20%; and GDF Suez with 12%) will be 8 billion cubic metres a year, almost one-fifth of Spain's total consumption, which stands at around 36 billion cubic metres. If to the 8 billion Medgaz will initially provide we add the 9 billion Sonatrach currently injects into the Maghreb-Europe gas pipeline, which sells to Gas Natural Fenosa, the result is that about 50% of the Spanish market will be controlled by the Algerian supplier–a dependence even greater than Germany's on Gazprom (37%). The current Spanish regulations, which establish the upper limit for the gas supplied by any one country, should be revised and lowered to 30%, which, together Spain's possibility of importing much more liquefied natural gas by sea (which is 30% cheaper than by pipeline) could provide Spain with a bigger margin for negotiation with Algeria. Furthermore, broadening the interconnection of the Spanish gas networks with Europe via France (currently only 5%), allowing Spain to become a country of transit for Europe-bound gas from the Maghreb, would likewise have a very positive effect on reducing Spain's vulnerability in this sector. The interconnection of gas networks with France would bolster Spain's energy security and lessen its vulnerability to a possible disruption in the supply of North African gas, which, if it also affected France, would make possible a common European Union response. On the repercussions for Spain of greater European energy security, Cf. MARÍN, J.M.; ESCRIBANO, G.: "Seguridad energética en la UE: implicaciones para España", *Energía. Una visión económica,* Madrid, 2008, pp. 133-164.

have adopted bilateral agreements with Russia to lessen their vulnerability, an attitude that in a sense jeopardises the uniform position of the European Union as a whole in this sphere. In contrast, in the countries with a heavy dependence and great vulnerability as they lack a high level of trade to cushion this dependence, the debate on building an EU energy policy and common position vis-à-vis Russia has a much higher profile.

It should nevertheless be pointed out that the EU's energy dependence on Russia is conditioned by the following factors. The first is the fact that Russia only supplies gas via pipeline, and seeking alternative customers is therefore a long and complex task that requires building new networks of pipelines. The second is that its gas is largely supplied by pipelines that cross non-EU countries such as Ukraine and Belarus, with which various conflicts have arisen in recent years. And the third is the fact that part of the gas supplies come from other countries which also emerged as a result of the disintegration of the Soviet Union, particularly those of the Caucasus and Central Asia.

The Energy Charter Treaty of 1994 and the limits of the "energy dialogue" begun in 2000

In order to establish cooperation with the Eastern European countries and the former Soviet Union in the energy sector, in 1991 the Commission proposed adopting a European Energy Charter which, after brief negotiations, was signed at The Hague on 17 December 1991. The final document basically consisted of a declaration of intent and was not legally binding, which is why its 51 signatories agreed to negotiate the adoption of a binding instrument, the Energy Charter Treaty, the chief aim of which would be to foster East-West cooperation in energy matters by addressing questions of trade, transit and investments.

After the various rounds of multilateral negotiations were over, the Energy Charter Treaty and the Energy Charter Protocol on Energy Efficiency and Related Environmental Aspects were signed at Lisbon on 17 December 1994 by a total of forty-two states (most of them EU members) including most of the then candidate countries and nearly all the members of the Commonwealth of Independent States, in addition to other states like Australia, Iceland, Norway, Turkey and Switzerland[47]. The Energy Charter Treaty entered into force in 1998, after being ratified by most of the signatory states with the notable exceptions of Russia, Belarus and Norway, among others.

[47] The European Communities also signed the Energy Charter Treaty on this date. Other states signed it later, such as Bosnia-Herzegovina, on 14 June 1995; Hungary, on 27 February 1995; Japan, on 16 June 1995; Lithuania, on 5 April 1995; the Czech Republic, on 8 June 1995; Turkmenistan, on 14 June 1995 and Uzbekistan, on 5 April 1995. The United States withdrew from the negotiations in 1993.

The Treaty is designed to foster international cooperation in the field of energy between the European and other industrialised countries in order to develop the energy potential of the countries of Central and Eastern Europe, as well as to ensure the EU's energy supply. To match these aims it incorporates provisions on the application of the WTO rules on trading in energy products[48], on boosting the security of investment against nationalisation and the security of the transit of these products and on the settlement of differences that may arise between Parties.

The transit of energy materials and products is, together with investments, one of the thorniest issues of the Treaty. In this regard article 7.1 states that the Parties "shall take the necessary measures to facilitate the transit […] consistent with the principle of freedom of transit and without distinction as to the origin, destination or ownership of such Energy Materials and Products or discrimination as to pricing on the basis of such distinctions, and without imposing any unreasonable delays, restrictions or charges". The fact that the expression "facilitate the transit" was considered unclear led the Energy Charter Conference in 2000 to propose adopting a Transit Protocol, which sparked disagreement between the EU and Russia[49].

One of the main points over which the EU and Russia differ in energy matters lies precisely in Russia's refusal to ratify the Treaty despite the insistence of the EU, which views the instrument as a source of greater security vis-à-vis its growing energy dependence on Russia. Russia's reasons for not ratifying it are of varying type and significance. First, it claims that the Treaty was adopted at a time very different to the present and no longer meets current needs; besides, it has not been signed by other major producers such as the United States and Canada or ratified by Norway, which in the opinion of the Russian authorities shows that the Charter benefits consumers but not producers. Second, ratification of the Charter would open up the Russian energy sector even further to foreign investments, which for Russia would signify the end of the monopoly of Gazprom[50], while the hostile attitude of Poland and Ukraine would be sufficient grounds for furthermore rejecting the Transit Protocol.

Russia's ratification of the Charter and the Protocol would allow European companies to use Russian transport networks and buy gas directly from the Central Asian republics without depending on the mediation of Gazprom —so-

[48] Through an amendment made in 1998.
[49] Cf. BELYI, A.V.: "La posición rusa con respecto al Tratado sobre la Carta de la Energía", *Real Instituto Elcano, ARI* no. 98/2009, de 25-9-2009, p. 4.
[50] If the current gas fields run dry, it seems inevitable that some kind of compromise would have to be made whereby the Russian government would show greater flexibility with respect to Gazprom's monopoly of the network of gas pipelines in exchange for greater involvement of not only European but also American, Japanese and Chinese companies in exploiting the new gas fields. Cf. PERRET, Q.:"L´Union européenne et la Russie", *Fondation Robert Schuman. Questions d'Europe*, no. 35, p. 7.

mething that is evidently contrary to the interests of Russia, which also claims that the Protocol would not facilitate its access to the EU transit networks[51]. In fact, the lack of genuine free competition in the Russian energy sector, with Gazprom, Transneft and Rosneft dominating the scene from the stages of exploration, exploitation and production to transport and distribution, is the main obstacle to Russia's ratification of the Charter and to the implementation of the latter in much of Eurasia, even though it would contribute to increasing investment in the energy sector and, accordingly, production.

Following the gas crisis of January 2009, Russia proposed that the EU revise the Energy Charter Treaty taking into account not only the interests of the consumer countries but also those of the producer and transit countries. Russia's proposal[52], presented as an alternative to the existing Treaty, includes already accepted principles and practices such as sovereignty of natural resources, transparency, access to technologies, guarantees of non-discriminatory market access and the exchange of information, among others. The proposal also includes extending the Treaty to the major energy powers such as the United States, Canada, China, India and Norway, and introducing other sources of energy besides oil and gas such as nuclear, electric and coal energy. It is also interesting to note that it is equally focused on transit conflicts and possible mechanisms for solving them. Although the proposal does not introduce any revolutionary changes and is basically aimed at preventing the EU from enjoying a monopoly in the creation of international rules and practices in energy matters, its possibilities of prospering are currently very slight indeed[53].

It should furthermore be pointed out that in order to ensure more flowing contacts between both Parties in energy matters and recognising their mutual dependence in this regard, Russia and the EU decided to launch the "energy dialogue" at the Paris summit held in October 2000. This dialogue, established in the framework of the Partnership and Cooperation Agreement, was aimed at creating an "EU-Russia energy partnership" covering gas, oil, electricity and nuclear energy and is intended to analyse all the questions related to the sector, such as streamlining production and transport infrastructure, security of both supply and demand, possibilities of European investments and cooperation in energy saving.

The energy dialogue has made some partial progress, such as the establishment of a Permanent Partnership Council of energy ministers, whose first meeting was held in October 2005, helping add a certain political and institutional dimension to the dialogue and the adoption of a number of agreements to determine certain infrastructure projects, which also allows topics

[51] Owing to the so-called REIO (Regional Economic Integration Organisation) clause, which would allow the EU recourse to community rules to prevent third-party access to its transit networks.
[52] The full text of the proposal can be consulted at *http://www.kremlin.ru*
[53] Cf. BELYI, A.V.: "La posición rusa con respecto al …", *op. cit.,* p. 5.

of interest to both sides to be discussed such as trade in nuclear materials, clean use of coal and long-term supply contracts, as well as the adoption of pilot programmes. However, the dialogue has also shown its limitations, as on most occasions it has proven incapable of going further than this discussion phase and proved to be ineffective during the crises of 2006 and especially of 2009.

Russia's complex relations with the transit countries and implications for the EU's energy security

The fact that, as pointed out, approximately 80% of the gas Russia supplies to the EU passes through Ukraine, and that in recent years, particularly since the political change resulting from the so-called "Orange Revolution", relations between Russia and Ukraine have become much more complex, is undoubtedly a major conditioning factor for European energy security.

The complexity of these relations, which are woven from political, geostrategic, economic and commercial strands, has become the chief threat to the EU's security in recent years, owing also to the opacity and secretiveness that characterise negotiations between Russia's Gazprom and Ukraine's Naftogaz over the price of gas and other related issues such as the transit tariff Russia pays Ukraine. Whereas gas relations between Gazprom and the European energy companies continue to be governed by long-term contracts (between 20 and 25 years) which establish the price clearly, linking it to the price of oil, Russia and Ukraine have been setting prices annually, which has given rise to uncertainty and insecurity not only for both parties but also, and increasingly so, for the EU, as evidenced in recent years.

Indeed, the crisis of early January 2006 that led to a reduced gas flow towards the EU, which Russia attributed to Ukraine's "pillaging" of the supply lines that cross Ukraine on their way to Western Europe, and the problem with Belarus the following year were followed by the complete disruption of the supply of Russian gas to the EU via Ukraine, triggering a serious crisis that lasted nearly three weeks and came in the middle of a polar cold wave.

On this occasion the usual tension sparked during the last months of each year by the Russian-Ukrainian negotiations to establish the gas conditions for the following year was dangerously exacerbated by new elements. On the one hand, months before the crisis erupted, Gazprom had complained that Naftogaz and/or the intermediary RosUkrEnergo, in which Gazprom holds a 50% share, owed 2 billion dollars in gas purchased in the past months and fines generated by this non-payment. On the other hand, Naftogaz recognised only part of the debt, 1.2 billion dollars, which it paid off, while Gazprom demanded settlement of the rest.

Furthermore, months before the outbreak of the crisis, the Russian and Ukrainian prime ministers had undertaken to conclude an agreement to normalise gas relations within a three-year period by taking European prices as a reference point. When this period elapses, the price of Russian gas sold to Ukraine would thus be the same as that which is exported to the EU countries, not counting the tariff levied on its transit across Ukrainian territory.

However, in the end the agreement was not adopted and disagreement over the price of gas for 2009 continued throughout the latter part of 2008. Whereas Russia called for a price of 250 dollars per 1000 cubic metres compared to the 179.5 dollars in force at the time, Ukraine proposed a price of 235 dollars provided that the transit tariff were raised from 1.7 to 1.8 dollars per 100 km and 1000 cubic metre[54].

In view of the lack of an agreement establishing the legal framework for bilateral gas relations for 2009[55], Gazprom began to reduce supplies to Ukraine at the beginning of January and totally disrupted them on 7 January 2009. The European states began to notice the progressive reduction in gas flows to zero in some cases, triggering a crisis that was unprecedented in both size and duration—much longer than that of 2006.

By cutting off the gas supply to Ukraine and the EU[56] from that date, Gazprom, in agreement with the Russian government, decided to settle the conflict as forcefully as possible without opting for a negotiated settlement, treating it as a trade dispute. However, everything appears to support the idea that the conflict was not only over trade matters but also political, as Russia handled the crisis by attempting to weaken Ukraine, showing it to be an unreliable country which, in addition to not paying its debts, "stole" gas in transit to the EU. It is evident that Russia pursued a twofold aim, despite the sizeable financial losses the crisis caused Gazprom. On the one hand, it justified the need to seek alternatives to transit across Ukraine and promoted its aforementioned North Stream project, already under construction and, in particular, South Stream, as "secure" routes to the EU, as opposed to the "insecure" Ukraine. On the other hand, by weakening Ukraine, Russia was

[54] Cf. EYL-MAZZEGA, M.A.: "La crise du gaz entre l'Ukraine et la Russie: un prétexte comercial pour une véritable guerre du gaz qui humilie l'Europe", *Lettre* no. 377, Fondation Robert Schuman, 12 January 2009, p. 2.

[55] It should be pointed out in this connection that Ukraine, a major gas consumer which depends on Russian or Russian-controlled gas for 65% of its imports (amounting to about 50 billion cubic metres annually), paid 179.5 dollars per 1000 cubic metres in 2008 (when the average price paid by the EU ranged from 200 to 450 dollars) and charged Gazprom 1.7 dollars per 1000 cubic metres and 100 km (when the average European price was in the region of 4.5 dollars). *Ibid.,* p. 1.

[56] A dozen European countries, among them a few EU Member States such as Bulgaria, Slovakia and Hungary, ceased to receive gas and another five, among them Germany, France and Italy, suffered significant reductions in their supply.

likewise attempting to undermine its closer relations with western structures, especially NATO.

The agreement that was finally reached on 17 January 2009 by the Russian and Ukrainian prime ministers and signed on the 19th (it was secret, although certain clauses were leaked to the media) established as an aim the progressive attainment of European market prices and set an average price of 228.8 dollars in 2009, revisable every three months; the initial price was 360 dollars (20% below the market price), which was later to be lowered in connection with oil prices that were then plummeting, maintaining the transit tariff of 1.7 dollars per 100 km and 100 cubic metres[57].

The fact that the agreement was not reached until nearly three weeks after the start of the crisis once again evidenced the vulnerability of the EU's energy security. The pressure exerted by the Union to settle the crisis promptly was not of much use, if any[58], and neither was the evident fact that, according to the contracts in force between Gazprom and the European gas companies, Gazprom is responsible for the transit of gas across Ukraine up to its western frontier from which it is to be transported to the EU countries. As there is no contract at all between the Ukrainian Naftogaz and the European companies, if the gas does not reach the latter it is Gazprom's responsibility. Even so, Russia managed the crisis to its own advantage, knowing that the EU needs its gas and that there is currently no competition or alternative, which inexorably conditions and weakens the community position.

However, the crisis should not be interpreted in accordance with Russian interests, which include the urgent need to bypass Ukraine by means of alternatives such as North Stream and South Stream, as would appear to be deduced from certain attitudes of certain European leaders who, for the benefit of greater energy security, "would understand" the appropriateness of preventing the majority of Russian gas from passing through Ukraine in order to diversify transit routes. Indeed, it should be pointed out that energy security does not benefit

[57] Another of the basic points of the agreement was the disappearance of the intermediary company RusUkrEnergo, which means a direct understanding between Gazprom and Naftogaz. Furthermore, Gazprom likewise undertook to sell Naftogaz 11 billion cubic metres at a reduced price of 153.9 dollars per 1000 cubic metres. Cf. EYL-MAZZEGA, M.A.: "The gas crisis between Ukraine and Russia: a major challenge for Europe", *European Issues,* no. 125, Fondation Robert Shuman, 26 January 2009, pp. 4 and 5.

[58] Nor was the EU's attempt to present the conflict as a strictly bilateral commercial conflict between Russia and Ukraine, establishing itself as an arbiter between the parties, of any use. Cf. *EU Declaration on the Russia/Ukraine problem and energy security.* Council of the European Union. Prague, 8 January 2009, 5104/09 (Presse 4). Available at *http://www.consilium.europa.eu/Newsroom.* It should furthermore be pointed out that a team of twenty-two EU observers travelled to Ukraine to verify that Russian gas was transported across Ukraine to Europe. In addition to the European observers, the team was made up of representatives of Gazprom and Naftogaz, the Ukrainian and Russian energy ministries and independent experts and representatives of the European companies that consume Russian gas.

from this solution, as the source of supply would continue be Russia alone, and that it would only be bolstered by the opening of a new distribution route and alternative source for supplying gas to Europe –as represented by the so-called "South Corridor" route, of which the project at a most advanced stage is Nabucco– apart from the fact that the Ukrainian gas transmission system needs to be modernised.

POSSIBLE ALTERNATIVES TO THE CURRENT SITUATION. DIVERSIFICATION OF SOURCES OF SUPPLY AND INTENSIFIED COOPERATION WITH OTHER PRODUCERS

Diversification of the EU's energy relations: instruments and projects for cross-border connection

The need of Russia's investment in the production, transportation and distribution of products cannot be undertaken by itself due to the huge amount of financing needed. In spite of this, the Russian government does not encourage western investment in its energy sector. Moreover, other factors such as increased Russian domestic consumption make for prospects that are hardly promising for the EU and which it will have to address by diversifying its sources of supply.

But at the same time, it is equally essential for the EU to step up energy cooperation with third countries in order to promote security of supply by diversifying the type of energy, country of origin and country of transit. Indeed, the EU enjoys the advantage of a unique geographical situation as it is surrounded, as stated earlier, by areas that hold most of the world's hydrocarbon resources: the Mediterranean, the Black Sea, the Caspian Sea, the Middle East and the Gulf regions, as well as Russia and Northern Europe (Norway). The EU is stepping up its cooperation with all of them in order to create a broad network of countries that share the principles and rules derived from the internal market[59]. The instruments for achieving these aims are diverse and range from the existing and future bilateral agreements with energy producer and transit

[59] The EU has made the progressive harmonisation of the internal energy sector compatible with the also progressive "exportation" of its own regulations in this sector to its closest neighbours, either through multilateral frameworks or bilateral relations in the context of the ENP, in order to create a common regulatory area. In its attempt to promote liberalising reforms in the gas sector of the neighbouring countries, the EU has achieved a progressive convergence in the sector in its relations with some of its neighbours such as Turkey, Ukraine, Moldavia, Georgia and Morocco. In contrast, the cases of Russia and Algeria are different as they fall outside this model of gradual integration and their relations with the EU in this sector are structured around regulations negotiated bilaterally or, at best, around international regulations. Cf. HERRANZ A.; ZAPATER, E.: "A toda luz y a medio gas: relaciones energéticas entre la Unión Europea y su entorno próximo", in BARBÉ, E. (Dir.): *La Unión Europea más allá de sus fronteras. ¿Hacia la transformación del Mediterráneo y Europa Oriental?*. Tecnos, Madrid, 2010, pp. 68 and ff.

countries[60] to enhanced cooperation with other important producers[61] and even consumers[62].

The implementation and supervision of such initiatives should be underpinned comprehensively by the EU's trade, development, environment and competition policies. According to the European Commission, the aim would be to establish energy relations of strategic importance with the EU's neighbours and create for this purpose a network of energy correspondents in order to react rapidly and efficiently in the event of a threat to its energy security[63].

Without a doubt, diversifying sources of supply is the EU's best guarantee of security of supply and at the same time would enhance its strategic position in relations with its suppliers. However, with respect to gas, this needed diversification poses at least two risks: first, the action of the recently created Organisation of Gas Exporting Countries (OGEC), which also includes Russia; and second, the privileged position Russia enjoys when it comes to securing control of gas supplied from Central Asian countries to Europe, which has direct implications for the viability of the European Nabucco project and gives an advantage to the latter's competitor, the Russian South Stream project, as we shall analyse further on.

The EU needs to avert both dangers using the instruments available, particularly by stepping up cooperation with both the producer countries and the transit countries in all areas in which the Union has "strengths", promoting a series of policies for stimulating reforms, fostering stability and strengthening development and cooperation with these countries, such as the "Baku initiative", the INOGATE programme, the TRACECA programme, cooperation in building energy infrastructure, the "Black Sea synergy" initiative and the more recent EU strategy for a new partnership with Central Asia[64].

As part of this course of action, the EU has defined the major interconnection and cross-border connection projects considered essential to guaranteeing its energy security. In addition to those mentioned above, they include the Medi-

[60] Such as the Partnership and Cooperation Agreement with Russia, the Memorandum of Understanding on Cooperation in the Field of Energy with Ukraine; the Partnership Agreements with the Mediterranean countries; the Action Plans of the European Neighbourhood Policy; the Memorandums of Understanding due to be signed with Algeria, Azerbaijan and Kazakhstan; Euromed energy cooperation; the Baku initiative; and the EC-Norway energy dialogue.

[61] Such as the OPEC and countries of Latin America and Africa which are increasing their hydrocarbon production.

[62] Such as the United States, China and India

[63] Cf. *Commission of the European Communities. Communication from the Commission to the European Council. External energy relations...,* doc. cit., p. 6.

[64] For further details of these initiatives, *vid.* BLANC ALTEMIR, A.: "La seguridad energética en las relaciones Unión Europea-Federación Rusa". *Revista de Estudios Europeos,* no. 52, 2009, pp. 217-219.

terranean Ring project as this region, considered an area of supply, a potential market and area of transit, is part of the EU's energy and development policies.

Central Asia and the Caucasus: primary focuses of EU energy security

If diversifying supply is a way of boosting the EU's energy security, it is evident that Central Asia, the Caspian Sea and the Caucasus are primary focuses of European energy security that has so often been shown to be a strategic factor. This is due to the fact that the alternative to transit across Russian territory necessarily involves these areas, except for other possible sources of supply such as Norway and North Africa. This is illustrated, in the case of oil, by the only existing oil pipeline, the Baku-Tbilisi-Ceyhan (BTC), that does not cross Russia and which supplies approximately one million barrels per day to the EU. The BTC pipeline is a palpable example of Europe's possibilities of interconnection with the South Caucasus and the Caspian Sea (Vid. Annex, Map I), as it avoids transit across Russian territory and significantly bolsters the European Union's energy security[65].

According to some assessments, this region boasts one of the world's most important hydrocarbon reserves after the Persian Gulf and Siberia. Although assessments differ from each other and change over time, it is an undisputable fact that the region holds a huge amount of gas and oil reserves[66]. Its natural gas reserves are reckoned to total some 9.5 trillion cubic metres, nearly 50% more than Saudi Arabia, with an estimated production of around 250 billion cubic metres for 2010, equivalent to that of the Middle East. Although oil reserves are not so large as those of gas, they are thought to total 40 billion barrels, which would mean doubling current production by 2020 to five million barrels daily[67].

However, the region poses two major problems: first, the Caspian is an enclosed sea, the hydrocarbons have to be transported out of the region via a network of oil and gas pipelines, and the design of the final layout has not

[65] The oil pipeline, which is 1,768 km long (443 km of which pass through Azerbaijan, 249 km through Georgia and the remaining 1,076 km through Turkey) is the second longest in the world after the Druzhba, connects the oilfield of Azeri-Chirag-Guneshli (whose production is mainly but not exclusively fed into the pipeline through the Sangachal terminal south of Azerbaijan's capital) on the Azeri coast of the Caspian Sea with the Turkish port of Cehyan in the Mediterranean, passing through Baku, the capital of Azerbaijan, and Tbilisi, the capital of Georgia. The route across Armenia was much more direct and less costly but the conflict between Armenia and Azerbaijan over the enclave of Nagorno-Karabakh, which remains unresolved, finally led to the choice of the route across Georgia. On this conflict, *vid.* BLANC ALTEMIR, A.: *Conflictos territoriales, interétnicos y nacionales en los Estados surgidos de la antigua Unión Soviética,* Tirant lo blanch, Valencia, 2004, pp. 177-211.

[66] Cf. MAÑÉ, A.: "Territorios ricos en hidrocarburos de Asia Central. ¿Países productores, enclaves exportadores o países de tránsito?, *Revista CIDOB d´Afers Internacionals,* no. 70-71, pp. 87-113.

[67] ISBELL, P.: "El ¨gran creciente¨ y el nuevo escenario energético en Eurasia", *op. cit.,* p. 113.

yet been completed; and second, disagreement continues over the legal status of the Caspian Sea, which in the past has pitted the concept of "internal sea" upheld by Azerbaijan against that of "lake" advocated by Russia and Iran[68], although the partial agreement of 2003 marked some progress towards settling the dispute[69].

There are currently about twenty oilfields in operation in the Caspian Sea region. Another 250 areas are potentially exploitable, although it is expected that extraction will only be possible in 20% at most as the majority lie at a considerable depth and are therefore not cost effective. Azerbaijan, which has carried out prospecting throughout its territory, extracted 38,000 MT of oil daily in 2000 and the forecasts for 2010 are for 162,000 MT, accounting for 32% of the total extracted from that sea. Kazakhstan, which has conducted prospecting in 75% of its territory, extracted 81,800 MT of oil daily in 2000 and the forecasts for 2010 point to 270,000 MT, a 55% share of the total. Russia is reckoned to account for an 8% share and Turkmenistan 5%[70].

After Russia, Kazakhstan is the largest of the former Soviet Republics and the leading oil producer of Central Asia. Sixty percent of Kazakh exports are hydrocarbons and derivatives bound chiefly for China, Russia and Germany. The rise in oil prices in the past five years, coupled with an aggressive development policy, has caused its GDP to grow by an average of 8% since 2001. The country's GDP is close to 135 billion dollars, which turns out to be insufficient for its vast oil and uranium reserves and for its strategic weight as an energy bridge between China, Russia and Western Europe.

In addition to supplying the BTC, into which it feeds oil that crosses the Caspian Sea in tankers as stated above Kazakhstan diversifies its exports to Russia and China. Russia, which continues to enjoy considerable influence in the region, has increased the capacity of the old Atirau-Samara Soviet oil pipeline to 20 million tons a year. Post-Soviet Kazakhstan's first oil pipeline was built by the Caspian Pipeline Consortium (CPC), which in 2001 connected the major Tengiz oilfield on Kazakhstan's Caspian coast with the Russian Black Sea coast from where it is transported in tankers to the Bosphorus. The environmental hazards of the Turkish straits have limited the possibilities of building another parallel pipeline to transport oil from the Kashagan oilfield, whose

[68] For an analysis of both positions, *vid.* BLANC ALTEMIR, A.: *Conflictos territoriales, interétnicos y nacionales…*", *op. cit.,* pp. 108-133.
[69] The agreement was adopted between Kazakhstan, Russia and Azerbaijan, which attributed themselves 27%, 19% and 10% respectively (66% in total). Turkmenistan and Iran were left out of the agreement, owing chiefly to the fact that the latter included areas claimed by several states over which there is no consensus.
[70] SÁNCHEZ ANDRÉS, A.: "La seguridad energética rusa: entre Europa y China", *UNISCI Discussion Papers,* no. 17, May 2008, p. 111.

production is estimated at nearly half a million barrels a day for 2010[71]. Part of the oil extracted from this major oilfield would be fed into the pipeline that runs to the Chinese border.

Turkmenistan, which has 24.3 trillion cubic metres of gas reserves and 20.8 billion tons of oil reserves, produces nearly 80 billion cubic metres of gas annually and is expected to extract 250 billion cubic metres of gas and 110 million tons of oil in 2030. These figures confirm that Turkmenistan is one of the leading producers of hydrocarbons, particularly gas, in Central Asia, and is fought over by China, increasingly present in the region, Russia and the EU.

Nabucco: "the gas opera"

In order to diversify supply lines to Europe and, at the same time, reduce dependency on Russian gas by bringing Caspian gas to the continent, Nabucco Gas Pipeline International GMBH was established on 24 June 2004 as a company directly owned by the partners[72] and is due to be solely responsible for selling the gas from the moment it begins functioning autonomously, independent of its parent companies.

Given the widely accepted forecast that Europe's gas needs will increase considerably over the next few years and that the Caspian region, the Middle East and Egypt, with major gas reserves, are not yet connected to the European markets through the network of gas pipelines, the Nabucco project aims to build a new gas pipeline connecting Turkey and Austria through Bulgaria, Romania and Hungary (See Annex, Map II), with the possibility of being extended in a second phase to other countries of Central and Western Europe[73].

The gas pipeline will have an extension of 3,300 km and will connect the Turkish city of Erzurum, to which the current South Caucasus or BTE pipeline arrives from Baku and Tbilisi[74], with the Austrian city of Baumgarten. The forecasts establish a maximum pipeline capacity of 31 billion cubic metres of gas, which could come to account for as much as 10% of European consump-

[71] Cfr. SOTO, A.: "Asia Central en el fluido horizonte energético de la UE". *Real Instituto Elcano.* Documento de Trabajo, 21/06/07, p. 5.
[72] There are currently six partners: the Austrian OV; the Hungarian MOL; the Romanian TRANSGAZ; the Bulgarian BEH; the Turkish BOTAS and the German RWE, all of which hold a 16.6% share. The consortium is open to a possible seventh partner if the project is reinforced.
[73] Like Germany, which is also interested in the project, as proven by the fact that the German company RWE belongs to the consortium.
[74] And possibly another branch from Bazargan (Iran).

tion. The construction of the gas pipeline, with a budget of 7.9 billion euros[75], is due to begin in 2011 and end in 2015[76].

The agreement to build the gas pipeline in Turkish territory —which enjoys the enthusiastic support of the United States— was adopted in Ankara on 13 July 2009 by Turkey and the four EU countries involved in the project: Bulgaria, Rumania, Hungary and Austria, with the presence of the president of the European Commission[77]. The project was presented by the Swedish presidency and by Turkey as further proof of the community interests that link the country to the Union.

Without a doubt the project is of crucial importance for both the EU and Turkey. Indeed, although Turkey plays a central role in the project—it should not be forgotten that 2,000 km of the total pipelines run across its territory[78]—it is a strategic project for the whole EU insofar as, in addition to the Russian, Norwegian or Algerian route, Nabucco can provide a fourth option through a new, alternative distribution route which would undoubtedly increase Europe's energy security. However, two issues threaten the viability of the Nabucco project: its sources of supply and the alternative South Stream project planned by Russia, which will be analysed in due course.

When focusing on the first threat, it should be pointed out that Azerbaijan is currently the main possible supplier of the gas that would flow through Nabucco, for which the pipeline would come into operation at the same time as the exploitation of the second phase of the Azeri oilfield of Shah-Deniz. Nonetheless, everything seems to indicate that this source will not be sufficient to supply the pipeline[79], which is why the EU, with the support of the United States, had promoted the Trans-Caspian gas pipeline which, avoiding Russian territory, would connect the Central Asian oilfields, particularly those of Turkmenistan along the east coast, with Baku on the west coast, from where it could link up with Nabucco. However, this project was rejected by Turkmenistan, which considered that it would give Azerbaijan a strategic advantage not only

[75] The recent agreement between three international financial institutions to provide 4 billion euros clarifies the thorny issue of how to finance the project. Indeed, on 6 September 2010, the European Investment Bank (with 2 billion euros), the European Bank for Reconstruction and Development (with 1.2 billion euros) and the World Bank (with another 800 million euros) agreed to extend guarantees for the financing of the project. Cf. *IPEMED News,* no. 13, September de 2010, p. 2.

[76] The first phase of the project will connect the Turkish capital, Ankara, with the Austrian city of Baumgarten, and the latter with the Turkish city of Erzurum.

[77] The president of Georgia, the prime minister of Iraq, a representative of Azerbaijan and the US special envoy for Eurasian energy.

[78] Turkey will therefore be one of the main parties to benefit from the construction of the pipeline which, according to estimates, could create around five thousand jobs in the country and collect tax revenues equivalent to 450 million euros per year. However, Turkey's requirement of keeping 15% of the gas in transit for its own use or for exports was not accepted.

[79] Bearing in mind that Azerbaijan recently adopted an agreement to supply gas to Russia.

as a producer country but also as a transit country. Without a doubt Turkmenistan, with its major gas reserves, is a key factor in the feasibility of Nabucco. So far this country has shown signs of agreeing to be involved in the project as a supplier of gas, even though it has not committed itself formally and finally committed[80].

In principle, everything seems to indicate that both the agreement, adopted on 12 May 2007 and ratified formally on 20 December that year in Moscow, between Russia, Kazakhstan and Turkmenistan to build the so-called "Caspian gas pipeline" to transport gas from Central Asia to Russia, and the recently opened gas pipeline that will transport gas from Turkmenistan to China via Uzbekistan and Kazakhstan, can be considered serious threats to Turkmenistan's participation as a Nabucco supplier, although it may be deduced from its leaders' declarations that the country's huge gas reserves ensure that there is enough for everyone, including Nabucco.

Another possible supplier would be Iraq, whose prime minister was present at the signing of the aforementioned agreement in Ankara, where he undertook, albeit without establishing a date, to contribute 15 billion cubic metres to Nabucco. It should be taken into account not only that the country remains in the grip of an armed conflict yet to be finally settled but also that there are disputes that pit Baghdad against Iraqi Kurdistan, a de facto self-governing area in the north of the country that is rich in gas and oil.

Iran, which has one of the largest gas reserves in the world after Russia, has shown its interest in taking part in the project as a supplier. However, given the political conflict in which it is involved with the United States and the EU over the nuclear issue, its participation would appear to be ruled out, at least in the short term. In a second phase other countries like Egypt, Syria, Qatar and even Russia could take part as suppliers to the Nabucco pipeline if the threats hovering over the project are finally dispelled[81].

[80] The Turkmen president has declared on various occasions that he is willing to take part in the project, particularly during the visit paid by the then High Representative of the EU for Foreign Policy and Security, Javier Solana, to the capital of Turkmenistan in 2008. Cf. http://www.energiadiario.com. Furthermore, the Turkmen government has regularly sent representatives to the various meetings held in connection with Nabucco, although Turkmen representatives were absent from the signing of the project in Ankara on 13 July 2009.

[81] According to an article recently published in the "Financial Times", the consortium formed by the countries that take part in Nabucco expects to be granted right of passage across the respective territories involved in the project in the second half of the current year, 2011. In order to increase the supply so far committed by Azerbaijan of 16 billion cubic metres from the Shah Deniz gasfield (5,000 of which Turkey still wants to remain in its territory) and reach the 31 billion mark required for the project to be feasible, the consortium is attempting to negotiate agreements with Azerbaijan, Turkmenistan and Iranian Kurdistan to ensure that this volume of supply can be reached in 2017. In this regard, Azerbaijan proposed increasing its participation by 5 billion cubic metres and Turkmenistan proposed injecting a further 10 billion cubic metres if the trans-Caspian gas pipeline is finally built. A memorandum of understanding has recently been signed with Iraqi Kurdistan whereby it would supply the pipeline

Other alternatives: AGRI (Azerbaijan-Georgia-Romania-Interconnector) and White Stream

In order to avoid passing through Russia but also through Turkey—which appears to be prepared to use its status as an alternative to Russia as a lever in negotiations for its accession to the EU, a process marked by delays and obstacles—two possible alternative or complementary solutions have been put forward: AGRI (Azerbaijan-Georgia-Regional Interconnector) and White Stream.

The first of them, AGRI, is a project to transport natural gas from Azerbaijan to Romania across Georgia and the Black Sea (See Annex, Map III). The project, which stems from a Memorandum of Understanding adopted in Bucharest on 13 April 2010 between the energy ministers of the three countries, is due to transport gas by pipeline from the Sangachal Terminal in Azerbaijan to the Kulevi Terminal north of the port of Poti on the Georgian Black Sea coast. From there the gas would be transported in tankers in liquid form to the Costanza Terminal in Romania, where after being regasified at the Romanian terminals, it could continue its journey towards other parts of Romania and subsequently to other European countries. Given that the interconnection capacity would be 7 billion cubic metres a year, of which 2 billion could be used for Romanian domestic consumption, the remaining 5 billion could be supplied to other countries of Southeast Europe via Bulgaria, which has also expressed an interest in the project, or to Central Europe via Hungary.

The project, which would cost between approximately 4 and 6 billion euros, would be developed by a private company in which Romgaz, State Oil Company of Azerbaijan Republic and Georgian Oil and Gas Corporation hold shares, and could be completed before Nabucco. Although Romania, which is part of the Nabucco project, is endeavouring to present the AGRI project as complementary to the former, with which, together with others, it would make up the so-called "South Corridor", it is only natural to consider AGRI, although with a lesser capacity, a competitor not only of Nabucco but also of South Stream and White Stream.

The second of them, White Stream[82], involves the construction of a gas pipeline along the Black Sea bed following approximately the same route as AGRI (See Annex, Map IV). The pipeline would depart from Supsa[83] to the south

with 20 billion cubic metres (some sources put this figure at a more realistic 18 billion) following the agreement reached between the region and the Iraqi central government whereby the latter would transfer to the former 83% of the earnings from the operation. Cf. *Financial Times,* February 8, 2011, p. 3

[82] The project was first presented in 2005 by Ukrainian civil servants, and was discussed at various forums until in January 2008 the Ukrainian prime minister proposed that the EU join the project, which was designated a project of common interest and a priority project by the European Commission that May.

[83] For which a branch approximately 130 km long would have to be built from Tbilisi, through which the South Caucasus Pipeline runs connecting Baku with the Georgian capital, as far

of the Georgian port of Poti, from where it could branch out into two different routes: directly towards Costanza on the Romanian coast, along a section of approximately 1,100 km, from where a branch could subsequently be built to Crimea; or following an inverse route also to Constanza but passing through Crimea. The gas pipeline, with an initial annual capacity of 8 billion cubic metres, could be used to supply Romania's domestic demand and that of other neighbouring countries. Although the gas would initially come from the Azeri gas field of Shah Deniz, in the Caspian Sea, if the trans-Caspian gas pipeline were finally built, White Stream would also transport Turkmen gas and its capacity could reach 32 billion cubic metres a year. The final destination of the project has not yet been defined, and it could run across the Balkan Peninsula to the Italian city of Trieste or to Central Europe via Hungary. White Stream and Nabucco share the same objective of supplying gas to Central and Eastern Europe by avoiding Russia, although White Stream totally rules out non-Caspian sources of supply such as the Middle East, particularly the possibility, albeit remote for the time being, of Iranian gas[84].

Both projects have their strengths and weaknesses. Whereas AGRI is greatly dependent on the facilities that need to be built on the Georgian and Romanian shores, which require vast investments in a highly developed and very expensive technology, it is less conditioned by the legal status of the waters the tankers need to cross. In contrast, White Stream, as a gas pipeline that is to cross the maritime areas of Ukraine (which is less problematic as it would probably be part of the project) and Turkey (which is not involved as it gives prominence to Nabucco) would require arduous negotiations with and compensation for those countries[85].

RUSSIA'S RESPONSE

"North Stream" and its possible effects on Central and Eastern Europe

In the absence of a single voice, deepening energy cooperation with Russia can also trigger contradictions and even political friction between EU Member States, particularly between Western Europe and Eastern Europe, as evidenced by the project to build the North Stream gas pipeline.

Indeed, not all the EU Member States perceive more intense cooperation with Russia in the same way, particularly the construction of the aforementioned gas pipeline from which Germany stands the most to gain. Without a doubt, North Stream inspires mixed feelings among the states of Central and Eastern

as the Turkish city of Erzurum, from which it would link up with Nabucco.

[84] Cf. DE ESPONA, J.R.: "Las relaciones Báltico-Cáucaso Sur: el caso de Lituania-Georgia", *UNISCI Discussion Papers* No. 19 (January 2009), p. 62.

[85] Cf. GÓMEZ DE AGREDA, A.: "Seguridad energética en Europa: gas en el flanco sur". *Revista Atenea*, 30 November 2010. Available at *http://www.revistatenea.es*.

Europe, which fear that this new pipeline will isolate them vis-à-vis Russia, which would be tempted to return to exerting its dominance in the former Soviet area through control of gas.

So far Russian gas has to pass through Eastern Europe to arrive in Western Europe. If Russia cuts off the supply to put pressure on an Eastern neighbour, as has occurred with Ukraine on several occasions, its effects are felt in the richest and most industrialised countries of Western Europe, as it causes them hefty losses that cast doubts on the reliability of the Russian supplier. The new North Stream gas pipeline will change this situation. As it runs beneath the Baltic Sea for more than 1,200 km from Viborg, in Russia, to Greifswald, in Germany, bypassing the former Soviet republics and satellite states, Russia will have a separate supply line for the West (See Annex, Map V). Without a doubt the gas pipeline will boost the energy security of the Western European countries, but will diminish that of the Eastern European countries, as Russia will be able to use the pipeline to exert greater influence over them[86].

The North Stream project, which is at a very advanced stage of construction and the first phase of which was due to be completed in 2010[87], was backed by the Commission and European Parliament in 2000. With a cost of 10.7 billion dollars and Gazprom (51%), the German companies Wintershall and E.ON (20% each) and the Dutch Gasunie (9%) as its shareholders, it is due to supply a total of 55 billion cubic metres of gas annually.

The European institutions, particularly the Commission and the Parliament, which backed the construction of the gas pipeline, consider that it contributes to reinforcing the energy security of the EU as a whole and have not taken into account the opinion of the new Member States, which reckon that the new pipeline and others such as the aforementioned South Stream, in which some of them nonetheless participate, can make them more vulnerable to Russian energy blackmail.

All in all, although we may regard the intensification of cooperation with Russia as a positive factor towards increasing the EU's energy security, it sometimes seems that the fierce struggle for resources between the national and corporate interests operating through a vast web of interests, corporations and

[86] These tactics have been used by Russia on many occasions. Since the disintegration of the Soviet Union an organisation responsible to the Swedish ministry of defence has identified a total of 55 disruptions made by Russia in the energy supply to Eastern Europe. Cf. "Eastern Europe fears new era of Russian dominance", *The New York Times,* 19 November 2009.

[87] It should nonetheless be pointed out that the misgivings voiced–over the environmental risks the project entails–by the coastal countries through whose waters the pipeline is due to run, particularly in Finland, has delayed it somewhat until the environmental impact studies required by the country are completed.

even influential people[88] who have facilitated commitment to Russia takes precedence over considerations on the process of European energy integration and the priority of common energy security.

"South Stream": a short circuit for Nabucco?

The second threat to Nabucco stems from the alternative proposal officially launched by Russia in 2007 with the name South Stream, in collaboration with the Italian company ENI[89]. This pipeline, bypassing Ukraine, would transport gas from Russia's northeast Black Sea coast (Tuapse) to the Bulgarian coast in the west (Varna). From there it would cross Bulgarian territory and then bifurcate into two routes: one would run northwards through Serbia, Hungary, Slovenia and Austria, and the other southwards across Greece, from where it would head for Italy along the Adriatic seabed (See Annex, Map VI). South Stream, which would stretch for 2,000 km, would have an annual capacity of 30 billion cubic metres and is due to come into service by 2015.

Only a few weeks after the agreement to build Nabucco was signed in Ankara by Turkey and the four EU states directly involved, with the presence of the president of the European Commission, the prime ministers of Turkey, Russia and Italy adopted an agreement also in Ankara whereby the Turkish government will allow the South Stream gas pipeline to run through Turkish waters in the Black Sea. For this purpose Turkey authorised Russia to begin exploratory studies in waters belonging to the Turkish exclusive economic area. In exchange, Russia agreed to renew the agreement to export gas to Turkey and revise the prices to Turkey's advantage, as well as to extend the Blue Stream gas pipeline to southern Turkey so that Turkey can distribute gas to Syria, Lebanon, Israel and the Turkish part of Cyprus[90].

Using a strategy worthy of a skilled chess player, Russia has progressively adopted intergovernmental agreements with all the countries of transit, in ad-

[88] Such as the former German chancellor Gerhard Schroeder, who has worked for Gazprom since stepping down from the post.

[89] The South Stream project is more costly, as well as technically more complex than Nabucco and would amount to an excessive duplication of the Russian routes to Europe, as the existing Druzhba gas pipeline which crosses Ukraine is directed at the same markets as South Stream. Nevertheless, Russia decided to launch the project in 2007 on realising that Nabucco was gaining credibility following the completion in 2006 of the Baku-Tbilisi-Erzurum (BTE) section with the full support of US diplomacy. Cf. FERNÁNDEZ, R.: "La UE y el gas natural de Asia Central: ¿es Nabucco la mejor opción?", *Real Instituto Elcano, ARI,* 102/2009, 25-6-2009, p. 2.

[90] Russia furthermore undertook to take out shares in the consortium that is developing the oil pipeline between the port of Samsun in northern Turkey and the oil terminal of Ceyhan in the south, another shareholder in which is the Italian ENI, which was also involved in the construction of the Blue Stream gas pipeline between Russia and Turkey, in operation since 2002 as mentioned previously.

dition to Turkey, all of them highly dependent on Russian gas—Bulgaria[91], Greece[92], Serbia[93], Hungary[94], and Slovenia[95], the only exception being Austria[96]—and has repeatedly stated that South Stream is not a competitor of Nabucco, simply because in the Russian government's opinion the latter is not feasible as its sources of supply are not guaranteed.

The South Stream transit countries' high dependence on Russian gas has made it possible to speed up agreements with Russia for its construction in a sort of race in which it is pitted against the Nabucco project[97]. Indeed, while Turkey is playing a double game in order to strengthen its EU candidature, while not wishing to offend Russia in the knowledge that the latter is its greatest strategic partner in energy matters, Bulgaria, which depends totally on Russian gas, has a key geographical location and could become the chief hub of distribution towards the two aforementioned directions: northwards, across Serbia, and southwards across Greece and from there to Italy, which has a clear strategic interest in South Stream as it is the second biggest importer of Russian gas after Germany and is at a considerable distance from the Nabucco route.

Although both Russia and the EU argue that both projects can be complementary, they both know that they are directed at the same end customer and that the first to be completed can render the other one commercially and strategically meaningless—a fact which would explain the race that both projects have embarked on in recent months in order to strengthen their positions on the strategic chessboard. It is in the direct interest of the rival projects Nabuc-

[91] In exchange, Russia undertook to cooperate in the oil pipeline project which is due to be installed between the Bulgarian Black Sea port of Burgas and the Greek port of Alexandropolis in the Mediterranean.
[92] Greece and Russia signed an intergovernmental agreement to this effect in April 2008. In May 2009 the Russian group Gazprom and the DESFA of Greece signed an agreement at the Russian spa resort of Sochi, on the Black Sea, to set up a consortium in charge of building the stretch of the oil pipeline that runs across Greek territory.
[93] Serbia and Russia adopted the related agreement in November 2008 in the framework of a bilateral energy agreement. As a result Gazprom will build part of the Serbian section of the gas pipeline and will purchase 51% of the shares of the state oil company NIS.
[94] Hungary is the world's fifth largest buyer of Russian gas (7.5 billion cubic metres a year), and is a partner greatly appreciated by Gazprom, which is studying the possibility of building a joint underground gas reservoir with a capacity to hold one billion cubic metres.
[95] After expressing their interest in having the South Stream project pass through Slovenian territory, the Russian and Slovenian prime ministers signed an intergovernmental agreement during the month of November 2009.
[96] If it were to materialise it would make Austria a major transportation hub, as gas could be distributed from there to the transport systems of the biggest European consumers, among them Germany. Other countries such as Croatia have recently expressed an interest in having the South Stream gas pipeline pass through their territory too.
[97] The misgivings between the coastal Baltic states–particularly Finland, whose final stance on the gas pipeline that is to cross its jurisdictional waters will not be disclosed until the environmental impact studies are concluded–given the environmental risks posed by the North Stream project may cause delays, which would speed up the South Stream project, as would seem to be inferred from declarations made by the Russian authorities in recent months.

co and South Stream to be defined and started up as soon as possible, as any delays could mean supplementary costs and other problems, particularly lack of credibility in acquisitions of gas on the Central Asian market, which are guaranteed for South Stream but still uncertain for Nabucco.

The uncertainty surrounding Nabucco's sources of supply, which are currently linked to the future operation of the Azeri Shah Deniz gas field and awaiting a definitive response from Turkmenistan, and that fact that if the South Stream project finally materialises, Central European demand for gas could be met, has led some experts to question whether Nabucco is the best option[98]. Nevertheless, it should be noted that the fact that Nabucco provides diversification of supply and transit for the EU, thereby boosting its energy security, ought to earn it much firmer support from the Union itself—a complex issue bearing in mind that, in this as in many other matters, national interests take precedence over community interests.

Whatever the case, if the Russian project ends up falling into shape sooner than its European competitor and if Gazprom manages to tighten its grip on its European clients, it will be due to the EU's inability to muster a single voice in energy—a shortfall which Russia is skilfully using to adopt bilateral agreements with various European countries, particularly with its main customers German and Italy, as mentioned previously.

CONCLUSIONS

Beginning in 2007, and particularly following the adoption of the third legislative package and the entry into force of the Lisbon Treaty, the groundwork has been laid for an EU energy policy which will allow the Union to progress towards the creation of an internal energy market for which the Member States need to complete the transposition to their national legislation of the rules, particularly the directives, adopted by the EU in this sphere. Owing to the differences between the Member States at all levels, particularly with respect to internal regulations on the energy markets, degree of industrial concentration and functioning of the national regulatory boards, and the fact that until only recently and save for specific occasions energy has not been a political priority for the EU, the Union has not had an energy policy model. A genuine common energy policy would require a firm political commitment to act in a joint, coordinated matter as opposed to bilaterally in order to build common interests in the energy sphere and greater integration between energy policy and foreign policy, given the strategic nature of the European energy sector.

[98] FERNÁNDEZ, R.: "La UE y el gas natural de Asia Central: ¿es Nabucco la mejor opción?". *op. cit.* pp. 1-5.

In view of the EU's current dependence on Russia for energy and the fact that, according to all forecasts, the percentage of Russian oil and gas consumed by the EU may increase substantially in coming years, particularly gas, it seems necessary to step up energy cooperation with Russia, although it should be pointed out that there is growing concern about its ability to meet adequately the commitments to supply the European markets. The negotiation of a new agreement with Russia may provide a good opportunity to improve EU-Russian energy relations, eliminating the still existing obstacles to trade and investment and fostering regulatory convergence, for which it is essential for the Member States to achieve a consensus on the principles that should govern the future strategic energy partnership with Russia and which should be taken into account in the framework of the future agreement. Likewise, a bilateral early warning mechanism should be put in place to prevent supply crises.

Nevertheless, deepening energy cooperation with Russia has its limits and contradictions and even causes political friction between EU Member States, particularly between Western and Eastern Europe, as they do not all perceive intensified cooperation with Russia in the same way, as evidenced by the project to build the North Stream gas pipelines. Furthermore, the attitude Russia has shown towards the European Nabucco project by encouraging the South Stream alternative and its handling of the gas crisis with Ukraine at the start of 2009 are proof that Russia uses energy as a political instrument of external action in its relations with the EU, a fact which inexorably conditions and weakens the Union's position as there is currently no competition or definite alternatives.

Without a doubt, diversifying sources of supply and transit is the EU's best means of guaranteeing security of supply, and also of strengthening its strategic position in relations with its suppliers. The goal would be to establish strategically significant energy relations with the EU's neighbours and for this purpose to create a network of energy correspondents in order to react rapidly and efficiently if their energy security were jeopardised. In the oil sector, the Baku-Tbilisi-Ceyhan (BTC) pipeline is a palpable example of Europe's possibilities of interconnection with the South Caucasus and Caspian Sea, as it bypasses Russian territory and notably bolsters European energy security. In the gas sector it is evident that, if the Nabucco project materialises, dispelling the existing uncertainty about its supply sources, and is complemented with other projects such as AGRI or White Stream in what has been called the "South Corridor", the security of the EU's gas supply would be significantly increased with the opening up of this alternative route that bypasses Russian territory.

Increasing the EU's energy security and reducing its vulnerability currently involves implementing interconnection projects that are priorities both for the internal market and for the neighbouring countries, and this requires undertaking major investments in trans-European infrastructure, not to mention the

development of a European-scale liquefied natural gas supply network. Furthermore, security of the energy supply should be incorporated with all its consequences into the CFSP and its instruments of implementation such as the European External Action Service, since, as has been proven in recent years, energy supply crises can spark serious tensions in the EU's external relations. In the current context, and given the forecasts for greater energy dependence in the future, the Union should attach crucial importance to its relations with other important energy suppliers such as the countries of Central Asia and the Caspian Sea, the Gulf and Mediterranean states and Nigeria.

ANNEXES

Map I: BTC oil pipeline

Source: www.hydrocarbons-technology.com

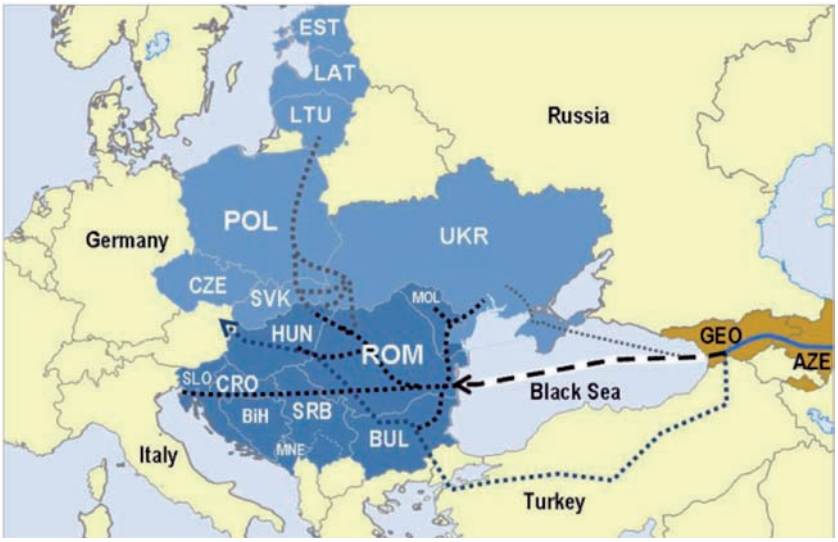
Map II: Nabucco gas pipeline

Source: www.nabucco-pipeline.com

Map III: AGRI

Source:www.leblogfinance.com

Map IV: White Stream gas pipeline.



Source: Pirani, R:. "White Stream Pipeline. Caspian Gas for Eastern and Central Europe". The 3rd Emerging Europe Energy Summit. Frankfurt, Germany: IBP Conferences, 2009.

Map V: North Stream gas pipeline

Source: www.dw-world.de

Map VI: South Stream gas pipeline

Source: www.south-stream.info

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