

Message from the Editor

The Editorial Board of the *Whitehead Journal* is especially proud to release the second issue of this volume, as it focuses on the critical areas of international energy markets and the security of energy supplies. With Russia's manipulation of gas supplies in Georgia and Ukraine, as well as China's willingness to purchase energy resources from security hotspots like Sudan and Iran, a discussion on the future of energy supplies and security is of great importance to the current dialogue of diplomacy and international relations. The influence of energy dependence on US relations with troubled regions like the Middle East has a direct impact on matters of national security and American grand strategy. The various potential solutions to facing the threat of energy vulnerability, such as collective defense and the development of alternative sources, should be of immediate concern to both policymakers and analysts of international affairs.

This issue includes a keynote contribution from the Wallace S. Wilson Fellow in Energy Studies at the James A. Baker III Institute for Public Policy, Amy Myers Jaffe, along with Matthew Chen, on the challenges posed by national oil companies in states such as Venezuela, Russia, and China. We are also fortunate to include the text of a speech delivered by Richard Lugar, United States Senator for Indiana, which addresses the importance of a new approach by the North Atlantic Treaty Organization (NATO) to Europe's energy security. This is followed by a keynote contribution by Thierry Legendre, policy advisor to the NATO secretary general, outlining Europe's perspective on possible solutions to the challenges of energy dependence and vulnerability.

The discussion on US energy vulnerability is continued in a contribution by Michael Coffey, followed by a more general discussion by Peter Droege on the impact of natural resource dependency on the sustainability of the urban environment. The issue also includes additional articles on various other topics of international relations, such as the US response to an Asian regional trade bloc, the psychology of rogue leaders, and the public diplomacy of the United States. We are also pleased to include a section of reviews on a number of books from the field of international affairs.

This issue also features a new "Comment & Response" section. In the Winter/Spring issue of this volume, Jens David Ohlin provided a compelling piece on the imprecise nature of the newly forming field of transitional justice. Within his argument, Dr. Ohlin explored the purpose and value of the International Criminal Court (ICC) and, specifically, the discretionary powers of its prosecutor. His perspective on these matters is ardently disputed by some who claim a greater degree of independence for the ICC than Dr. Ohlin is willing to allow. To further develop the discussion, we have included a comment by John L. Washburn, Convener of the American Non-Governmental Organizations Coalition for the International

Criminal Court, followed by a response from Dr. Ohlin. We hope that you enjoy the debate, particularly as it serves to augment Dr. Ohlin's original contribution.

As this issue concludes the current Editorial Board's volume of the *Journal*, we would like to thank the administration and faculty of the Whitehead School for their unwavering support and encouragement throughout the past year. Chief among the *Journal's* fortunes is the guidance of its faculty advisor, Dr. Philip Moremen, with whom this publication will continue to strive forward.

Jason Brookhyser

Energy Security: Meeting the Growing Challenge of National Oil Companies

by Matthew E. Chen and Amy Myers Jaffe

Last February, Hugo Chavez decreed a staged nationalization in a drive to take over large segments of the Venezuelan economy as part of his revolutionary vision for the country. Specifically, the Chavez government set its sights on the oil industry, giving notice to foreign oil companies—including US firms—that they had until June 26 to reduce their ownership in Venezuelan Orinoco Belt heavy oil field projects so that the state could take at least a 60 percent share. This year alone, the Venezuelan government has already formed the Venezuelan Electricity Corporation, comprised of all state electricity utilities, to ensure state control of the electricity sector. It has also initiated the takeover of CANTV, the country's biggest telecommunications operator. Chavez also has threatened to nationalize Venezuela's banking sector unless banks "give priority to financing [the country's] industrial sectors."¹ Commenting on his drive for "21st century socialism," the president said that "I'm not deceiving anyone. I'm only governing the country, and the country has elected me various times. ...All of those who voted for me backed socialism, and that is where we are heading."²

Venezuelan Oil Minister Rafael Ramirez threatened in early May that US oil giant ConocoPhillips would be kicked out of Venezuela altogether if it tried to drive a hard bargain for turning over shares in its fields in the Orinoco Belt. The official US reaction has been muted. On May 1, 2007, US State Department spokesman Sean McCormack said Venezuela's negotiations with oil companies "will proceed as they will," but that Chavez's broader actions, including withdrawing from the World Bank and International Monetary Fund, were "digging a hole for the Venezuelan people."³

The US has a long tradition of circumspect responses to the moves of national oil companies. The US has responded tepidly to many moves since the 1930s when Mexico nationalized the oil field holdings of US oil companies. In the case of Mexico, the US had other foreign policy priorities at the time of these nationalizations, first the fight against Nazism and then the struggle to keep communism out of the hemisphere. Thus, despite lodging diplomatic protests and rebuking Mexico with mild economic penalties, the US did not allow the incident to

Matthew E. Chen is a research associate at the James A. Baker III Institute for Public Policy. **Amy Myers Jaffe** is the Wallace S. Wilson Fellow in Energy Studies at the Baker Institute and the director of its Energy Forum.

damage bilateral relations in the face of greater strategic challenges.⁴ Similarly, the US government did not interfere with Venezuela's 1976 nationalization, for which the international oil companies received compensation.⁵ The United States was even passive as recently as the 1980s, when Saudi Arabia implemented the gradual nationalization of the American oil company stakes in the Aramco Oil concession. US-Saudi relations were relatively strong in the 1980s and into the 1990s, and the US government made no objections whatsoever to Saudi Arabia's nationalization of Aramco's oil assets.⁶

Some US officials have been vocal that the government should be doing more to punish Hugo Chavez for his oil campaign against US interests. Presidential candidate Rudolph Giuliani, for example, said Chavez is "dangerous" to US interests, and in one recent speech, he called on the US to develop alternative energy sources and domestic production. Antagonistic leaders from oil states such as Chavez would be left with "little power" if the US could stop buying oil from them.⁷

National oil companies now command close to 80 percent of the world's remaining oil reserves and will overwhelmingly dominate world oil production and pricing in the coming decades.

The recent developments in Venezuela highlight how crucial energy security has become to US foreign policy. In this case, the traditional US response—a more cautious, calculating approach to Chavez—is probably the right one at this juncture, but this does not hold true for US energy policy as a whole. Because Caracas has failed to identify any serious alternative, commercially profitable, customers, the vast majority of Venezuelan oil is still coming to the United States. Moreover, the US still holds many cards because the Venezuelan government owns substantial collateral assets in the US, including Citgo Petroleum, the Venezuelan government-owned refining and marketing company, based in Houston.

Chavez has not formally kicked any American companies out of Venezuela's oil industry. On the contrary, he has pushed only as far as it takes to grab a larger share of the profits, while allowing US oil companies to maintain their activities. Some industry analysts even argue that Venezuela's request for a larger piece of the pie is a reasonable response to the huge jump in oil prices experienced since the 1990s, when Venezuela first signed the oil-field deals with Western firms. At that time, the risks remained that oil prices could tumble back below \$20 into the teens, as they did in 1998, which required Venezuela to offer foreign investors a sweet deal and larger take to offset the possibility of losses if prices fell over the course of the investment arrangements. Now, with oil prices tens-of-dollars a barrel higher than expected and showing no prospects of falling, companies do not need such attractive terms to render the Venezuelan operations profitable; hence the US State Department statement that renegotiations between American firms and Venezuela will "proceed as they will."

Because his options at this juncture appear limited, giving Chavez too much attention might prove counterproductive by forcing a more extreme scenario. The rhetorical benefit aside, Chavez is probably aware that kicking out the foreign oil companies completely might be more damaging to his future than keeping them there. That is because Venezuela's own state industry lacks the funds and expertise to replace the foreign firms. Oil production in the areas that were already 100 percent controlled by state Venezuelan oil monopoly *Petróleos de Venezuela (PDVSA)* has been falling dramatically since Chavez took control in 1999, and it is likely to continue to decline, given poor maintenance and the aging nature of the fields. Venezuela's oil production capacity has already fallen from 3.7 million barrels a day in 1997 to 2.4 million barrels a day currently. During this same period, privately controlled fields operated by foreign firms—now returning to PDVSA control—added 550,000 barrels a day to oil production, offsetting what would have been even larger losses in productive ability by Venezuela and related export revenue. If foreign investors pull out or are kicked out of Venezuela, it will greatly restrict Caracas' ability to boost its output. Private investors were slated to provide up to a third of the \$77 billion needed to repair and expand Venezuela's oil fields between now and 2012.⁸

The United States, by avoiding an escalating public confrontation with Chavez, permits his hypocritical reliance on foreign oil firms, though just enough to keep the oil flowing. A stronger US position would almost certainly lead Chavez to push back, either by fully nationalizing his industry or placing an embargo on the US in order to prove his revolutionary gusto, to the detriment of oil market stability and the future of the Venezuelan people. While such an extreme scenario might give Chavez the rope to hang himself, in the long term, it is unclear if the threat he currently poses to US and regional security is large and serious enough to sacrifice the normal supply of Venezuelan oil to the global marketplace.

But the lesson of cautious restraint against Chavez doesn't mean the US should always have a passive or neutral policy towards national oil companies. As we move forward, questions are being raised about whether neutralism will remain the correct approach.

The fact that national oil companies will increasingly pose a strategic challenge to the United States and its allies is not in doubt. National oil companies (NOCs) now command close to 80 percent of the world's remaining oil reserves and will overwhelmingly dominate world oil production and pricing in the coming decades. Increasingly, these national oil behemoths are flexing their geopolitical muscles. Russian state-owned *Gazprom's* cut off of energy supply to Ukraine in a pricing dispute is a case in point. Economic justifications aside, *Gazprom's* move effectively shifted internal politics and rearranged elective coalitions in Kiev, which led to a turn from an anti-Russian candidate toward a governing coalition more to the Kremlin's liking. The oil acquisition campaign of Chinese NOCs is also having the side effect of bringing Beijing into the geopolitics of regions where it was previously uninvolved, including Africa, the Persian Gulf, and now even Latin America.

The multifaceted nature of NOCs' strategic challenge presents the United States with a number of geopolitical and economic dilemmas. While the rise of NOCs from both consuming and producing countries does not constitute an immediate threat to US national security, the growing economic power and strategic influence of NOCs on global energy markets pose long term problems for global security, as well as the economic and geopolitical interests of Organization of Economic Cooperation and Development (OECD) countries.

The key concerns are threefold:

First, numerous NOCs from countries like China, Malaysia, and India are investing and operating in some of the world's most troubled regimes, noted for hostility to the US and to democratic, free-market values. The close bilateral connections fostered by this investment, in turn, are obscuring efforts on a strategic level to resolve international conflicts in places like Iran, Sudan, and Burma, and also dilute tactical efforts to promote good corporate governance and international norms for trade and finance. National oil companies from emerging economies have become entangled in host countries' domestic political and human rights problems in countries across Africa and Asia, much as their international oil company (IOC) counterparts before them. China National Petroleum Corporation (CNPC), India's Oil and Natural Gas Corporation (ONGC), and Malaysia's Petronas, among others, have come under scrutiny from OECD governments and non-governmental organizations for their political influence and operational impacts in conflict zones. If undertaken without regard to nascent global norms regarding legitimate business behavior, NOCs' foreign investments in failed or "rogue" states could exacerbate local grievances while empowering governments hostile to United States strategic interests.

Second, NOCs are expected to control a greater portion of future oil production over the next two decades, compared with the last thirty years. As the world becomes more dependent on NOCs for future oil supplies, major oil consuming countries are questioning the ability of these firms to bring on line new oil in a timely manner and in the volumes that will be needed, stimulating new debate about long term energy security.

The list of NOCs whose oil production has been falling or stagnant in recent years due to civil unrest, government interference, corruption & inefficiency, and the diversion of corporate NOC capital to social welfare is long, and includes Indonesia, Iran, Iraq, Mexico, Russia, and Venezuela. To the extent that NOCs must meet national socio-economic obligations, such as income redistribution, over-employment, fuel price subsidization, and industrial development, NOCs have fewer incentives or resources for reinvestment, reserve replacement, and sustained exploration & production activity. This raises the question of whether timely development of the vast resources under the control of national oil companies can take place, given the constraints imposed by domestic political influences and geopolitical

factors. In sum, future oil supply may simply fail to materialize in the volumes that are needed, leaving major oil consuming nations scarce of fuel.

Third, many NOCs have significant diplomatic and financial support from home governments that offer leverage in international trade and commerce, which IOCs simply do not have. NOCs have been accused of overbidding for assets, offering soft loans for infrastructure development that negate the accountability measures in World Bank or IMF financing, and undermining internationally-recognized standards of transparency and global investment & trade. While not imminently threatening to US national security, the rising influence of NOCs still presents important long term challenges to US geopolitical goals, American economic power, and the efficacy of international standards concerning basic human rights, good corporate governance, and global investment & fair trading practices.

The growing role of the NOCs in global oil markets has important policy implications for oil importing nations like the United States. The US may need to adjust its national energy strategy to reduce vulnerability to changes or instability in NOC reinvestment rates. The US should also reinvigorate its trade diplomacy to promote free trade and to utilize multilateral frameworks, such as the WTO and Energy Charter, to press NOCs to adopt institutional structures that will enhance their efficiency, promote market competition, and curb interference in commercial investment decisions by their national governments.

The case of Norway's Statoil is instructive on this point. For Norway to join the European Economic Area (EEA), in which Norway would receive access to the common market, it was forced to follow common competition directives. Before the EEA entered into force, Norwegian oil and gas companies constituted a monopoly sales organization that regulated marketing and sales of Norwegian gas into the continent. This meant that Statoil, as the controlling party, was able to act as a monopoly, setting natural gas prices for all long-term sales of gas from the Norwegian Continental Shelf. With entry into force of the EEA, this scenario changed as Norway had to mirror the European Commission's rules in the "fields of competition, state aid and public procurement."⁹ The European Union's (EU) insistence that Norway join the EEA without making an exception for its national oil company ensured that Statoil promoted transparent and competitive practices, permitting the firm to make efficient investments in future production capacity and forcing it to give up its monopoly power of gas sales to the EU.

NOCs AND GLOBAL SECURITY

Most national oil companies portray their foreign oil and gas investment activities as "commercial" businesses indistinguishable from private investors, but the reality is more grey, as many NOCs wind up serving the geopolitical interests of the main shareholder, the home government. In some cases, the tail can wag the dog, as the interests of the NOCs influence foreign policy formulation.

In recent years, several NOCs from Asian governments have invested, and now operate, in a number of states that are troubled by widespread civil strife, pursue strategic goals antithetical to US interests, or suffer from faltering governance. Foremost among these states are Burma, Iran, and Sudan. But even states such as Nigeria and Indonesia have seen a rise in activity by disaffected localized militant groups, creating challenges in the areas of human rights, terrorism, and sustainable development. NOCs' efforts to secure energy supplies in failed states have complicated international efforts to create a more effective architecture to mitigate humanitarian crises and resolve international conflict over energy resources.

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Both the current governments of Burma and Sudan have presided over years of stagnant political reform, combined with widespread abuses of basic human rights, while earning millions in revenue from the energy sector. Violence in each country has compelled thousands to flee to refugee camps, while inadequate international action suggests that Burma and Sudan's ongoing political problems will continue without lasting resolution. The once reclusive Burmese military regime has grown rich from welcoming investment from select sources, including NOCs. Between 2005 and 2006, Burma's junta earned an estimated \$35 million from Indian and Thai energy investments.¹⁰ In Sudan, ending the grievous conflict in Darfur has proven maddeningly elusive—in large part because of the political cover afforded Khartoum by countries with major stakes in Sudanese oil. China, in particular, long obstructed the passage of robust UN measures to sanction Sudan. While China has lately moderated its stance to deflect international criticism, perhaps out of sensitivity to the upcoming 2008 Olympic Games,¹¹ its recent trumpeting of Khartoum's grudging acceptance of a greater UN role in Darfur should be credited only if Darfur's civilians and aid workers finally receive the protection they need. The diplomatic support that the parent countries of NOCs provide for failed states has had a deleterious effect on the will of the international community to act in a timely way to curtail mass atrocities; it has also hindered diplomatic and economic initiatives to encourage gradual democratic development without empowering dangerous regimes.¹²

Meanwhile, in the Near East, investment by national oil companies and other businesses has provided a revenue stream for the nuclear ambitions of the Iranian

government, while simultaneously driving a wedge between UN Security Council members. As a recent American Enterprise Institute study points out, since 2000, nearly 3 dozen countries have concluded \$153 billion in business deals with Iran, mostly in the energy sector.¹³ While the Iranian oil sector remains enfeebled, isolating Iran diplomatically has still proven more difficult due to the eagerness of NOCs from China, Russia, and elsewhere to invest there.

Finally, in Nigeria, the failure of oil wealth to be administered for the benefit of the country as a whole, and the Niger Delta in particular, threatens to perpetuate the lawlessness, poverty, and violence, which characterize the country's energy sector. In 2006, militant attacks and bunkering cut production by 25 percent. To date, efforts ranging from military action to community assistance divorced from local grievances have not managed to quell violence in the oil-rich Delta. If not handled more deftly, the entry of NOCs into foreign exploration and production in areas marked by governance failures and humanitarian crises, let alone hostility to the US, could fuel more internecine violence and international disputes, while also destabilizing oil-rich areas needed for increasing global supply.¹⁴

NOCs AND EFFICIENCY

NOCs represent the top oil reserve holders internationally. In 2005, globally-proven oil reserves were 1,148 billion barrels, with national oil companies in control of 77 percent of the total (886 billion barrels) allowing no equity participation by foreign oil companies, and with partially or fully privatized Russian oil companies in control of another 6 percent (an additional 69 billion barrels). By comparison, Western international oil companies (IOCs) that once dominated the oil scene in the 20th century now control less than 10 percent of the world's oil and gas resource base.¹⁵

The ownership of reserves also has some bearing on shares of world oil production. In contrast to years past, when privately-held IOCs with publicly listed shares, such as ExxonMobil, BP, Royal Dutch Shell, and Chevron, represented the largest oil and gas producers worldwide, NOCs now dominate global production. According to *Petroleum Intelligence Weekly (PIW)*, of the top 20 oil producers worldwide, 14 are NOCs or newly privatized NOCs; the international majors have been relegated to second tier status in terms of controlling the world's oil production. *PIW's* ranking shows that Saudi Aramco, Russia's Gazprom, Iran's NIOC, Pemex of Mexico, Algeria's Sonatrach, INOC of Iraq, PetroChina, Kuwait Petroleum Corp., Brazil's Petrobras, Malaysia's Petronas, Rosneft of Russia, ADNOC of Abu Dhabi, Russia's Lukoil, PDVSA of Venezuela, and Nigerian National Petroleum Corporation (NNPC) are among the most important oil and gas producing companies in the world.¹⁶

The International Energy Agency (IEA) projects that investments of over \$2.2 trillion will be needed over the next thirty years to meet rapidly growing world oil demand. But the major national oil companies who will be responsible for

implementing this investment over the coming years face bureaucratic, organizational, and political challenges that may thwart them from expanding their oil production and export levels.

As concluded in a recent in-depth, two year study on national oil companies by the James A. Baker III Institute for Public Policy, many governments use NOCs as a tool to achieve wider socio-economic policy objectives, including income redistribution and industrial development.¹⁷ At home, NOCs compete for capital budgets that might otherwise be allocated to more core oil industry, commercially-oriented activities such as reserve replacement and oil production enhancement. According to the Baker Institute research, these non-core, non-commercial obligations have imposed costs upon the NOC, and in some cases, have diluted the incentive to maximize profits, hindering the NOC's ability to raise internal or external capital and to compete at international standards. In addition, many of these emerging NOCs have close and interlocking relationships with their national governments. The result has been stagnation in capacity growth and an inability to maintain or grow the countries' oil production capacity. The absence of explicit pressure to earn a return on capital, often coupled with inadequate financial transparency, has in many cases resulted in the inefficient or wasteful allocation of already scarce investment resources. For example, many NOCs are asked to provide fuel to the home market at heavily subsidized prices, stimulating a large growth in demand and reducing the net amount of oil available for export.

Many NOCs lack adequate financial transparency as well, limiting their access to external capital that could be used to maintain or expand capacity, according to the Baker Institute study. These trends are partly responsible for the slow pace of resource development relative to the rapid rise in global demand, and could mean that new production will not materialize to meet rising oil requirements in the future.

NOCs AND TRADE

The United States, as the world's sole superpower, has the responsibility to protect the routine operation of global trade and commerce. Since the Second World War, the US has taken the lead in many rounds of international negotiations to reduce tariffs, open markets to unrestricted capital flows, and establish rules for protecting investments and intellectual property. At times, the US has relied on multilateral negotiations; at others, when multilateral talks were not promising, it has utilized multi-track frameworks.¹⁸ This liberalized system of global trade and investment, like any system of law and order, thrives because the overwhelming majority of participants agree to behave according to a certain set of rules and act in the belief that other participants will also uphold those rules. This system is currently supported in large measure by the international community, and the United States, as the world's military superpower, backs up the operation of this global marketplace by policing the seas and international commerce from attack by hostile nations or non-state actors, and by promoting international institutions to defend the rules and obligations of the system.

The United States, as a world power and primary energy consumer, favors an open, transparent, and competitive global market for oil in which no seller or group of sellers can dominate the market and thereby threaten the access by the US or its allies to purchase the supplies of oil needed to conduct normal everyday consumer, business, and military operations.¹⁹ However, in the past year or two, several oil and gas producing countries, through the actions of their national oil companies, have exercised their market power to the detriment of the United States and its allies. Gazprom's trade disputes with several key energy transit countries in Eastern Europe have raised questions about the security of Russian energy supply to Europe. Furthermore, Hugo Chavez's moves to renationalize the oil field holdings of Western investors more broadly threatens the sanctity of international contracts in the oil exploration arena.

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Some national oil companies from consuming countries, such as China's CNPC and India's ONGC, have access to the deep pockets, strategic clout, and economic might of their home governments, and their activities are providing a challenge to the US-dominated global system of energy trade and investment. These NOCs have given soft loans to governments in return for oil deals, leaving host countries able to bypass the more stringent conditions posed by international financial institutions like the World Bank and IMF. In 2005, when the IMF sought to conclude a loan with Angola that included transparency measures, the Angolan government did a *volte-face* and accepted a Chinese loan that conspicuously lacked any of the IMF's stipulations. China's offer included a \$2 billion loan with an interest repayment rate of 1.5 percent over 17 years, tied to future oil production and infrastructure projects.²⁰

The lack of transparency and accountability in soft loans contributes to worsening inequality and authoritarianism in oil rich countries. The real benefits to this form of financing frequently accrue to the governing elite, rather than the whole population, increasing the chances of corruption and oppression. While American and European privately-held public corporations are bound by foreign corrupt practices restrictions and run the risk of state prosecution for violating such laws, governments may be more reluctant to blow the whistle on government-run national oil companies. In 2006, Norway's Statoil was investigated by the US Department of Justice for paying \$5.2 million in bribes to influence officials in Iran to obtain a contract for the development of the Iranian South Pars gas field. The national oil company made a settlement agreement with US authorities and paid fines to the Securities and Exchange Commission (SEC), but its executives, though fined, were never prosecuted in Norway. The case came to light in the United States because of the company's presence in US capital markets.²¹

Over the longer term, NOC to NOC crony financing may prove unsustainable if the majority of the local populace does not begin to see tangible benefits from oil development, and if leading countries themselves question this form of international finance; the latter is particularly true in African states. While the IFIs' heavily conditional approach to international finance may require some revision, the pernicious character of overbidding and soft lending by NOCs stands to decrease the influence of the US and EU at a time when more Western firms are being cajoled into adopting nascent norms of corporate citizenship and responsible behavior, exemplified in initiatives such as the UN Global Compact and the Extractive Industries Transparency Initiative (EITI).

THE RISE OF NOCs: POLICY RECOMMENDATIONS

As we have argued in this article, the rise of national oil companies within international energy markets poses a long-term challenge to American strategic interests and economic power. The NOC phenomenon also, if not properly addressed, could reduce the efficacy of international standards concerning basic human rights and good corporate governance.

Therefore, the United States should adopt a more proactive and long-term policy framework to meet the challenges posed by national oil companies' geopolitical influence and economic power. Given the complexity inherent in global energy markets, no single set of solutions will be adequate for this task. Rather, the US should seek, where feasible, to cooperate with NOCs and their governments, while at the same time responsibly lobbying for the kind of global trade rules and international economic architecture that will constrain the freedom of movement of NOCs to bypass the global system of trade and investment rules. The US needs to promote best practices for national oil companies, through mechanisms like the World Trade Organization, the Energy Charter, and the North American Free Trade Agreement. These agreements currently limit uncompetitive energy subsidies and barriers to open investment in energy projects. Moreover, the US should also consider deploying targeted foreign aid to supplement investments by American oil companies where social and economic development assistance is desired.

It is crucial that the US diplomatically engage other, major consuming countries with NOCs, like China and India, to seek common solutions to international conflicts where access to or investment in oil resources plays a material role. The imperative remains for the "industrialized consuming countries of the US, Europe and Northeast Asia [to] convince an ambitious, energy-hungry China that secure supply for all requires a cooperative foreign policy."²² Cooperative frameworks such as the International Energy Agency, the European Energy Charter, and other multilateral frameworks serve as a good vehicle for promoting cooperative action during oil market disruptions and guaranteeing open access for investment in energy resources to meet rising global energy demand.

Equally, the US and other consuming countries stand to benefit from developing joint policies and practices to support long-term stability—through better

governance and peaceful dispute resolution—in oil-rich areas plagued by corruption, poverty, and violence, such as the Niger Delta. As a report from the Center for International Policy observes, “...increasing militarization of the region by the United States does nothing to address the systemic problems in the Niger Delta and can only ‘exacerbate an already tense situation in Nigeria.’”²³ The creation by the US military of an African command makes strategic sense, but non-military efforts to combat corruption, increase transparency, and promote good governance are just as salient for energy security.²⁴

Results-oriented consultations convened by the UN, or the International Energy Agency, are needed to renew multilateral backing for these methods. All stakeholders in the energy sector have incentives to discuss and devise practical ways in which energy can more often function as a catalyst for global security. Furthermore, it is time that policymakers expand their conceptual horizons to see that human security is part of energy security.

While country-to-country dialogue remains essential, the US should also use its diplomatic access to encourage governments to press their NOCs to join the international discussion on corporate citizenship. NOCs need to be as active as the large international oil companies in joining the various industry associations, public forums, and multilateral initiatives that carry this conversation forward. Initiatives like the UN Global Compact, EITI, and others provide excellent resources to companies seeking improved public standing. Beyond political risk analysis, companies in the extractive industries can utilize, as many already have, the managerial, operational, and financial tools created to guide business leaders as they consider and implement project plans in politically troubled or economically underdeveloped locations. Over time, if more NOCs tap Western capital markets, market forces may have a greater impact. As noted in a May issue of *The Economist*, “however much those who run companies hate it, the role that business plays in the developing world is going to come under growing public scrutiny, especially when the firm has shareholders in rich countries.”²⁵ Finally, while in an embryonic stage, the development of “soft law” to guide transnational corporate conduct may signal the distant but conceivable prospect of adjudicating liable business behavior before a competent international tribunal.²⁶ In the meantime, as described by UN Business and Human Rights Envoy John Ruggie, the concept of “shared responsibility and joint governance among different stakeholders” offers a theoretical point of consensus for advancing the movement for corporate social responsibility.²⁷

Finally, the United States needs to recognize that, given the bureaucratic inefficiencies and domestic political interference in the operations of national oil companies, future oil resources might simply not materialize in the volumes we expect and need. This possible shortfall means that any energy strategy that only tinkers at the margins—such as investing heavily in biofuels—will fall dangerously short of what is required. An effective and broad-based American effort to reduce oil use by adopting more efficient transportation technologies or shifting to non-oil fuels would be extremely effective in not only limiting the monopoly power of any

imaginable alliance of NOCs, but also in ensuring that any shortfall of oil that may result from ineffective NOC investment in resources can be countered by supplementary alternative energy supplies. A greater political effort to create a more comprehensive domestic energy policy would increase US energy security and it would enhance US credibility on the world scene, limiting the future challenge posed by NOCs to the US and its allies.

Notes

¹ Fabiola Sanchez, "Chavez Threat to Nationalize Banks Prompts Venezuela Stock Fall," *Associated Press*, May 5, 2007.

² Jorge Rueda, "Venezuela's Chavez Threatens to Nationalize Banks, Largest Steel Producer," *Associated Press Financial Wire*, May 3, 2007.

³ Natalie Obiko Pearson, "Venezuela Seizes Last Private Oil Fields" *Associated Press Online*, May 2, 2007.

⁴ Major US oil companies, whose oil assets had been expropriated, enacted an embargo against Mexican oil and the US government suspended direct purchases of Mexican silver that provided important revenue for the Mexican government. However, these and other measures proved short-lived, especially as President Franklin Roosevelt and US Treasury and military officials sought stable bilateral relations in the pre-war period of the late 1930s. For more see: Catherine Jayne, *Oil, War and Anglo-American Relations: American and British Reactions to Mexico's Expropriation of Foreign Oil Properties, 1937-1941* (Westport, CT: Greenwood Publishing, 2001); Jonathan C. Brown and Alan Knight, *The Mexican Petroleum Industry in the Twentieth Century* (Austin, TX: University of Texas Press, 1992); Daniel Yergin, *The Prize: The Epic Quest for Oil, Money & Power* (New York: Free Press, 1991); and J. Richard Powell, *The Mexican Petroleum Industry, 1938-1950* (Berkeley: University of California Press, 1956).

⁵ Mira Wilkins, review of *The Road to OPEC: United States Relations with Venezuela, 1919-1976* by Stephen G. Rabe, *The Americas* 39, no. 4, (1983): 586-589.

⁶ Rachel Bronson, *Thicker Than Oil: America's Uneasy Partnership with Saudi Arabia*, (Oxford, UK: Oxford University Press, 2006)

⁷ Liz Sidoti, "Rudy Giuliani Assails Venezuela's Chavez," *Associated Press Online*, May 2, 2007.

⁸ *The Changing Role of National Oil Companies in International Energy Markets*, March 2007, Baker Institute Study. Available at: <www.rice.edu/energy> (accessed May 21, 2007).

⁹ Richard Gordon and Thomas Stenvoll, "Statoil: A Study in Political Entrepreneurship," in *The Changing Role of National Oil Companies in International Energy Markets*, March 2007, Baker Institute Study, 46. Available at: <www.rice.edu/energy> (accessed May 21, 2007).

¹⁰ "Foreign Investment in Myanmar Hits Record High Due to Thai-funded Dam Project," *Associated Press Worldstream*, October 17, 2006; "Myanmar Absorbs 33 Million in USD Foreign Investment in First Half of 2006-07," *Xinhua General News Service*, April 6, 2007.

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A Concert in Energy Security: Building Trans-Atlantic Cooperation to Confront a Growing Threat

by Richard G. Lugar

It is a pleasure to be here today at the American Council on Germany. As a member of the Council's Congressional Advisory Committee, I applaud the effort that brought this group of leaders together to discuss the challenges that we face and the need for a unified response.

In today's geo-strategic environment, few threats are more perilous than the potential cutoff of energy supplies. The use of energy as a weapon is not a theoretical threat of the future; it is a current reality. Those who possess energy are using it as leverage against their neighbors. In the years ahead, the most likely source of armed conflict in the European theater and the surrounding regions will be energy scarcity and manipulation.

We all hope that the economics of supply and pricing in the energy market will be rational and transparent. We hope that nations with abundant oil and natural gas will reliably supply these resources in normal market transactions to those who need them. We hope that pipelines, sea lanes, and other means of transmission will be safe. We hope that energy cartels will not be formed to limit available supplies and manipulate markets. We hope that energy-rich nations will not exclude or confiscate productive foreign energy investments in the name of nationalism. And we hope that vast energy wealth will not be a source of corruption within nations whose people desperately ask their governments to develop and deliver the benefits of this wealth broadly to society.

Unfortunately, our experiences provide little reason to be confident that market rationality will be the governing force behind energy policy and transactions. The majority of oil and natural gas supplies and reserves in the world are not controlled by efficient, privately owned companies. Geology and politics have created oil and natural gas superpowers. According to PFC Energy, foreign governments control up to 79 percent of the world's oil reserves through their national oil companies. These governments set prices through their investment and production decisions, and they have wide latitude to shut off the taps for reasons of politics and power.

Richard G. Lugar is a United States Senator from Indiana and the ranking member of the Senate Foreign Relations Committee. This text is a revised version of a speech delivered at the American Council on Germany during the EU-US Summit in Washington, DC on April 30, 2007.

The vast majority of these oil assets are afflicted by at least one of three problems: lack of investment, political manipulation, and the threat of instability and terrorism. As recently as five years ago, spare production capacity exceeded world oil consumption by about 10 percent. As world demand for oil has rapidly increased in the last few years, spare capacity has declined to 2 percent or less. Thus, even minor disruptions of oil supply can drive up prices. Last year, a routine inspection found corrosion in a section of BP's Prudhoe Bay oil pipeline that shut down 8 percent of US oil output, causing a \$2 spike in oil prices. That the oil market is this vulnerable to something as mundane as corrosion in a pipeline is evidence of the precarious conditions in which we live.

Because natural gas is traded regionally and because Europe is dependent on a few suppliers, the risk that natural gas supplies will be used as political leverage against an individual country is even greater than that of oil.

It would be irresponsible for the European Union and NATO to decline involvement in energy security when it is apparent that the jobs, health, and security of our modern economies and societies depend on the sufficiency and organization of diverse energy resources. Energy may seem to be a less lethal weapon than military force, but a sustained natural gas shutdown to a European country in the middle of winter could cause death and economic loss on the scale of a more conventional military attack. Moreover, in such circumstances, national desperation would increase the chances of armed conflict and terrorism.

The trans-Atlantic community must move now to address our energy vulnerability. Sufficient investment and planning cannot happen overnight, and it will take years to change behavior, construct successful strategies, and build supporting infrastructure. No issue is more likely to divide allies in the absence of concerted action.

Last November, I delivered a speech at a conference prior to the start of the NATO Summit in Riga, Latvia. I urged leaders to identify the response to an energy cutoff as an Article V commitment and develop an action plan to respond to such events. Article V of the NATO Charter classifies an attack on one member as an attack on all. Originally envisioned as a response to an armed invasion, this commitment was the bedrock of our Cold War alliance and a powerful symbol of unity, which deterred aggression for nearly fifty years. It was also designed to prevent coercion of a NATO member by a non-member state.

I am not suggesting that the Atlantic Alliance respond to energy cutoffs with military force. Rather, I am advocating that the Alliance commit itself to preparing a range of options for jointly deterring the use of energy as a weapon and responding if such an event occurs. Though I focused on NATO's role last November, I would applaud greater preparation and coordination on energy by the EU, as well. Although attention to energy security issues is expanding within NATO and the EU, neither has yet demonstrated the decisiveness and cohesion that are required.

The trans-Atlantic community must develop a strategy that includes the re-supply of a victim of an aggressive energy suspension. The identification of alternatives to existing pipeline routes, as well as financial and political support for

the development of alternative energy sources, are crucial to deterring the use of energy as a weapon. A coordinated and well-publicized trans-Atlantic response would reduce the chances of miscalculation or military conflict. Confronting this challenge will not be easy or comfortable. States will be required to tighten their belts and make hard choices. But, if we fail to prepare, we will only intensify our predicament.

In today's geo-strategic environment, few threats are more perilous than the potential cutoff of energy supplies. The use of energy as a weapon is not a theoretical threat of the future; it is a current reality.

Perhaps the most important short-term energy mission of the Alliance is to provide diplomatic and economic support for alternative energy routes from Central Asia and the Caucasus. Diversity of energy supply and transportation would be strengthened with Caspian oil and gas, yet necessary interconnections to bring the fuels directly to Europe have been stalled. The effort to establish these new connections suffered a setback in May when Russia signed an agreement with Kazakhstan and Turkmenistan to deliver natural gas from Turkmenistan to Russia, so that Moscow may continue to control Turkmenistan's gas exports to Europe. It would be far preferable, in terms of diversity of supply, if Turkmenistan could be persuaded to sell its gas directly to the Europeans through a pipeline under the Caspian to Azerbaijan and Turkey. Meanwhile, individual European countries are tempted to reach bilateral deals with energy suppliers. Though the impetus to do so is understandable, these bilateral deals must not prevent unified action. Each of our political and economic bargaining positions is strengthened when we act in concert.

The Atlantic Alliance also should cooperate in expanding the global strategic petroleum reserve coordinating system. Global reserves are coordinated through the International Energy Agency. Membership in the current system is limited and should be expanded to include major consumer nations, such as India and China. Given that oil is a globally traded commodity, a strategic reserve system that lacks the participation of major consumer nations will never be as effective as it should be. In addition, Alliance countries should expand their own oil reserves and ensure that they are at least meeting treaty obligations to maintain prescribed levels of petroleum products.

A greater challenge is the creation of a coordinating system for the supply of natural gas in case of emergency shortages. Such a system would require the resolution of many political and technical questions regarding how reserve natural gas would be stored, transported, and shared. It would likely require additional infrastructure to transfer alternative gas supplies. We would also have to plan for rapid transitions to alternative power sources where practicable. Despite the demands of this challenge, a natural gas emergency coordinating mechanism would provide incalculable value in preventing or responding to a crisis.

As we strive for Alliance unity in meeting these challenges, the United States and Europe must narrow the gaps between our national energy priorities. Europeans have demonstrated more political will than Americans in dealing with climate change, while Americans have been more concerned with geopolitical factors in the international energy debate. I am optimistic that trans-Atlantic views are converging. There is an increasing recognition, for example, that we must rapidly deploy alternative energy and energy efficiency technologies, and that such a deployment will be enhanced by international cooperative endeavors.

Recently, Secretary of State Condoleezza Rice and German Foreign Minister Frank-Walter Steinmeier convened the “US-EU Energy Technology CEO Forum” in order to find common areas of action. This meeting brought together energy technology company executives from both sides of the Atlantic. The group is developing recommendations for cooperative action to ease trans-Atlantic energy vulnerability. Beyond the group’s contributions, this exercise is a testament to the need for multi-national public-private partnerships in the energy field.

It would be irresponsible for the European Union and NATO to decline involvement in energy security, when it is apparent that the jobs, health, and security of our modern economies and societies depend on the sufficiency and organization of diverse energy resources.

Earlier this year, I wrote to German Chancellor Angela Merkel and urged her government to focus on energy security during Germany’s presidency of the European Union. I argued that Germany is uniquely situated to provide leadership in this area. Berlin can play a key role in bridging the gap between those capitals that are facing aggressive tactics against their energy infrastructure and those governments that are rushing to secure long-term contracts. The US-EU Summit in Washington offers Germany and the United States an important opportunity to underscore issues related to emergency energy preparedness, diversification of supply routes, and harmonization of policies on biofuels and other renewable energy sources.

Beyond constructing strong policies related to energy, a united trans-Atlantic community must engage Russia and other energy-rich nations. We must speak clearly with Russia and other energy producers about our concerns and our determination to protect our economies and our peoples. We should ensure that competition, transparency, and antitrust rules form the basis of international energy transactions—an objective endorsed at the St. Petersburg G-8 Summit. In the best case scenario, Russia would comply with the Energy Charter Treaty of 1994 and the Transit Protocol. More broadly, we should outline the clear benefits of a future in which Russia solidifies consumer-producer trust with the West and respects energy investments that help expand and maintain production capacity. The fickleness of

energy markets affects not only consumers, but producers as well. Energy is a two-way relationship and will remain so even as Europe and the United States diversify their energy resource base.

By their nature, alliances require constant study and revision if they are to be resilient and relevant. They must examine the needs of their members and determine how the freedom, prosperity, and security of each member can be safeguarded. For more than a half century, the trans-Atlantic community has prospered while meeting common threats and expanding the zone of peace and security across Europe. Nevertheless, if we fail to reorient the trans-Atlantic relationship to address energy security, we will be ignoring the dynamic that is most likely to spur conflict and threaten the well-being of alliance members.

If the trans-Atlantic community stands together, we have significant leverage. If we are divided, then one EU or NATO member can be played off against another. The stakes are high—if we wait even a few years, we are likely to find our security in further jeopardy. Leadership by the United States and Germany is essential in this process. I look forward to working closely with the American Council on Germany, friends in Berlin and Washington, and each of you here today to provide this leadership.

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The North Atlantic Treaty Organization's Future Role in Energy Security

by Thierry Legendre

Energy security is a broad and evolving concept. In the seventies, it was primarily linked to enhancing conservation and developing political strategies to secure guaranteed Western energy supplies in the Middle East. Today the term has widened to include risks such as underinvestment in infrastructure, which can lead to massive power outages, and poorly designed markets, as well as disruption to energy supplies due to natural disasters, accidents, and international terrorism. Unlike thirty years ago, there is a much greater number of suppliers and consumers in play on all five continents, whose interests must be balanced. The issue has become truly globalized.

With the North Atlantic Treaty Organization's (NATO) November 2006 summit in Riga behind us, there is no question as to whether or not energy security is a relevant topic for NATO. Indeed, during the Riga summit, the NATO heads of state all agreed that energy security was an issue of critical importance that NATO should address.

Energy security is not entirely new to NATO and the organization's agenda, however. In a more or less direct manner, the Alliance has regularly dealt with the issue. NATO's Strategic Concept from 1999,¹ which is the overall strategic document for NATO's activities, for example, speaks of the "...disruption of the flow of vital resources."² Furthermore, there are references to energy supplies in a number of internal NATO documents, such as the Comprehensive Political Guidance, as well. Member states have routinely exchanged intelligence and information on energy security, especially in the Economic Committee and within the International Military Staff. Military fuel supplies have been an integrated component in the Alliance's defense planning, and a number of related activities have been organized within NATO's Partnership framework, including with Russia (i.e. on surveillance and protection of energy infrastructures). Finally, activities related to energy security have also been taking place within fields like industrial planning, work on defense against terrorism, and civil emergency planning. It should be highlighted, however, that these activities have neither been a part of a consistent policy, nor have they constituted a coherent NATO approach to the issue of energy security.

Thierry Legendre is a Policy Adviser at the Private Office of the Secretary General at NATO's Headquarters in Brussels, Belgium. This article reflects Legendre's personal views and does not constitute an official NATO position.

It is in the Riga Communiqué that the Alliance, for the first time in its history, is explicit about the issue of energy security. An internal debate among the members of the Alliance paved the way for this development, originally ignited by Russia's decision to cut off gas supplies to Ukraine and the subsequent effects on many European countries. While some countries contended that the Alliance had no role to play within the energy security field, arguing that it would undermine NATO's core business, others supported an active role for NATO in ensuring the security of energy supplies for the allies. The result was a limited, but significant, mandate.

A CRITICAL ENERGY SITUATION

NATO member states are facing many challenges and share common vulnerabilities that must be overcome. Certain countries in the world have a "disproportionate" role in supplying oil and gas to the global market. For instance, 56 percent of the world's gas reserves derive from three countries: Russia, Iran, and Qatar.³ As with many other energy-producing states, Russia and Iran are experiencing difficulties in increasing production, due to underinvestment and aging infrastructure. In contrast to many other areas of the economy, world oil and gas production and reserves are, to a very large extent, state-owned with often little incentive for increasing production. At the same time, both North America and Europe are becoming even more heavily dependent on imported energy. The European members of the Organisation for Economic Cooperation and Development (OECD), for instance, currently imports 44 percent of its natural gas; 50 percent of this figure comes from Russia alone.⁴ Partly as a result of the regional aspects of the gas market, as opposed to the global oil market, the shift in consumption from oil to natural gas will increase the dependency of certain states—not least in Europe. As a general trend, the current members of the Alliance, with a few exceptions, will find themselves more heavily dependent on energy-producing countries, especially as production falls in the West and demand dramatically increases in the East—particularly in India and China. Not surprisingly, the current tightness in the market has reignited the debate over alternative energy sources, such as biofuels, wind and solar power, clean coal, and even nuclear power. However, experts agree that these alternative approaches can only attenuate the consequences of changing fossil fuel markets.

Other vulnerabilities are directly linked to the lines of communication and transportation. More oil and gas is either being transported over long distances through continental, and even intercontinental, pipeline systems, or increasingly carried in tankers over vast oceans. Production of Liquefied Natural Gas (LNG) will grow further and will be transported on supertankers over long distances as well. With 40 percent of global oil supplies produced in the Middle East,⁵ transit through the Strait of Hormuz and the Persian Gulf represents a substantial choke point. The Hormuz Strait, as well as other choke points, is not only vulnerable to international terrorism, but also to disruption by piracy or belligerent states. Furthermore, terrorists could attack infrastructure bottlenecks such as refineries, loading terminals,

or offshore platforms, as well as pumping and pipeline infrastructure in member and partner territories. Finally, the potential for international conflict as a result of regional political upheavals, as well as for increased instability in oil and gas producing countries, also threaten energy security.

WHY IS NATO INTERESTED?

NATO's explicit interest in energy security cannot simply be explained by the threats of natural disasters or terrorist attacks, which have existed for quite some time, nor by changing market trends and today's arguably critical energy situation. Energy crises have occurred before (e.g. oil crises in 1973 and in 1979) and yet, they did not provoke a NATO reaction. Therefore, the explanation for NATO's explicit interest in energy security may be found within the Alliance and its immediate political environment.

Three fundamental reasons for NATO's strengthened concern over, and relevance to, energy security can be identified. First, since the Cold War's end, NATO has expanded to include a number of new Central and Eastern European members, which do not necessarily share the same security concerns as the Alliance's "old members." These new members arguably possess different threat perceptions because of their histories, infrastructures, geopolitical neighborhoods, and economic structures. Additionally, their dependency on imports, particularly Russian gas, is often greater than that of the Alliance's "Western" members. Hence, energy security has become a substantial component in their respective foreign and security policies and some of these "new" members, in fact, have supported the proposal for an energy solidarity clause among the allies. This idea has actually been backed by some officials within older member states, including United States Senator Richard Lugar. However, such approaches do not necessarily add value, as they can imply a confrontational discourse where the need, historically speaking, is engagement, i.e. with Russia and the Middle East. Nonetheless, the concerns raised by these nations are both real and legitimate, and should be seriously addressed within the Alliance.

Second, NATO has developed various partnerships with Russia, Ukraine, South Caucasus, Central Asia, North Africa, the Middle East, and the Gulf. In addition, NATO is developing closer relations with more distant countries, such as South Korea, Japan, Australia, and New Zealand (these latter countries are named Contact Countries). Such widening and deepening of relationships means that, with a few exceptions in Africa and Latin America, NATO has increasingly connected, or linked, itself to a number of the globe's energy providers, transit countries, and critical costumers.

Third, NATO has gradually become a security provider in a broader sense. Since the end of the Cold War, the organization has moved towards a broad and comprehensive Strategic Concept, where identified threats are more diverse and multidimensional than in the past. NATO is continuously transforming itself, striving to adapt to the world's changing security environment. In a tight market characterized by heavy reliance on oil and gas, disruptions to energy supplies have

naturally become a concern for the Alliance. From technical accidents to natural disasters, terrorist attacks, and the outbreak of war, the potential for energy supplies to be disrupted is certainly high.

The conjunction of these three elements—a strategic environment that places energy at the core of both international and national security, partnerships with key energy actors, and the new strategic landscape of the Alliance—explain why energy security has become a relevant issue for NATO.

NATO'S POTENTIAL ROLE

Responding to market-linked economic challenges, political friction, and military threats to energy supplies requires a broad combination of robust and multifaceted policies, which embrace all key global players. Market-related and geostrategic changes call for integrated and comprehensive strategies. NATO is not entirely in command of its own destiny in this environment. Nonetheless, the Alliance must defend its vital strategic interests.

This brings us to NATO's potential role in energy security. The Riga Summit Declaration describes the agenda for energy security efforts before the next summit in 2008:

As underscored in NATO's Strategic Concept, Alliance security interests can be affected by the disruption of the flow of vital resources. We support a coordinated, international effort to assess risks to energy infrastructures and promote energy infrastructure security. With this in mind, we direct the Council in Permanent Session to consult on the most immediate risks in the field of energy security, in order to define these areas where NATO may add value to safeguard the security interests of the Allies and, upon request, assist national and international efforts.⁶

Two words in the excerpt above are important: *disruption* and *infrastructure*. The Alliance recognizes that its security interests can be affected by the interruption of the flow of energy resources. This was previously stipulated in the Strategic Concept. In addition, governments support a coordinated, international effort to assess risks to energy infrastructures and to promote energy infrastructure security. The term, *add value*, is also important, meaning that NATO should avoid duplicating the actions of other actors in the international system.

Overall, the excerpt's wording indicates that NATO's future work should have a particular focus on energy infrastructures. There is no mandate, at present, to deal with the broad array of energy security issues that exist. Although a specific focus on infrastructure narrows the spectrum of energy-related issues for NATO, the scope in which energy matters can affect security is quite large. In order to determine how the Alliance can "add value," a logical point of departure is to identify the organization's present capabilities and existing operational experiences that could be used in future efforts to secure the free flow of energy resources.

Four areas in particular should be considered in the future work of the Alliance. The first is political dialogue, which would include the monitoring and assessment of energy security. NATO could establish a permanent monitoring and assessment

mechanism that would involve regional consultations with allies and partners, based on joint political, military, and intelligence reports. Some of this work might be done by the internal NATO Task Force on Energy Security—a working group established after the Riga Summit. This task force could prepare the reporting and risk assessment for the North Atlantic Council, NATO's highest decision making organ. Furthermore, it could include external experts such as the International Energy Agency (IEA), as well as major energy companies. Closer coordination with other international organizations such as the United Nations and the European Union should also be established. Overall, the Riga tasking is quite clear in its support of such internationally coordinated approaches.

Responding to market-linked economic challenges, political friction, and military threats to energy supplies requires a broad combination of robust and multifaceted policies, which embrace all key global players.

In addition, the alliance's partner countries should also be involved. Many existing partner countries are either important suppliers of oil and gas or important transit countries. Russia, for example, is an important energy supplier, and the topic of energy security could, rather logically, be placed on the meeting agenda for the NATO Russia Council (NRC). Energy security is also an obvious topic for enhancing Euro-Atlantic Partnership Council consultations, which involve all twenty-six member states and twenty Partnership for Peace countries. Furthermore, as many of the partners within the Istanbul Cooperation Initiative (ICI) and the Mediterranean Dialogue are among the world's leading suppliers of oil, it would make sense to establish consultation mechanisms with these states as well. NATO's partners should, in general, be integrated as much as possible in NATO's work on energy security and, aside from consultations, they should be invited to participate in training, exercises, and civil emergency rescue missions. At the same time, NATO should avoid creating the impression that it is developing a "fortress" around Russia, the Middle East, and transit countries. Building trust and confidence is truly the key to success in securing energy.

Second, NATO should consider providing a security assistance package to one or more allies, or even conducting military operations to secure vulnerable energy infrastructures during a time of need. Such packages could be tailored specifically to the ally in question, and could consist of: reinforcement of maritime and aerial patrols, national communication and intelligence networks, and assistance in disaster response, including the protection, relief, and management of resulting consequences. Various assistance missions, such as NATO's support in providing security during the 2004 Olympic games in Athens, could be applied as models. The command and control arrangements NATO provided through its defensive contingency support to Turkey, in connection with "Operation Display Deterrence" in February 2003, is another source of inspiration.

Third, NATO's involvement in maritime surveillance and the development of maritime situational awareness should be considered. States retain ultimate responsibility for protecting their own territorial waters, but maritime lanes of communication and transit are more vague, and thus need to be addressed. Regarding the success of the ongoing "Operation Active Endeavour"—a counterterrorist operation designed to increase maritime security in the Mediterranean post-9/11—this looks increasingly like an area in which NATO could develop a capability. A multinational maritime task force, involving partners where appropriate, could be created to deter attacks on oil or LNG (Liquefied Natural Gas) tankers. Although in practice it is impossible to protect entire oceans, NATO could focus its efforts on certain critical choke points. Such operations could be launched when faced with a high or increased level of threat and would require an intelligence and threat-based approach, as well as a quick response capability.

Finally, NATO could be engaged in interdiction operations as part of its energy security measures. These types of operations are designed to secure supplies. Multinational and multiservice in nature, a NATO role would necessitate an impressive amount of operational planning. Interdiction operations would have to be carried out involving air, maritime, and ground elements. An example of such operations is "Operation Earnest Will," which was carried out by the US during the Iran-Iraq war in 1987–1988 in order to protect Kuwaiti oil tankers. A NATO maritime interdiction operation could involve short-term escort operations and the protection of critical infrastructure, such as rigs and terminals.

THE FUTURE WORK

To flesh out a few areas for further investigation is not the same as implying that the Alliance should carry out all of the suggestions outlined here. Instead, it implies that the Alliance should consider a number of areas where it can truly make a contribution to elements of security and that, consequently, concepts and plans are developed accordingly. It is the core business of NATO, and for most security and defense institutions, to craft plans in order to encounter new challenges, new risks, and new threats. If the twenty-six Allies agree to go further and "above" existing capabilities in order to secure the flow of energy supplies, this would, of course, have consequences for the planning, and maybe even for the doctrinal complex, of the Alliance. This would, quite logically, raise the question of resources—as securing energy flows would imply the acquisition of new capabilities.

However, the lack of resources cannot be used as a definitive argument against the role of NATO in energy security. First, this would be an argument of bureaucracy. Few organizations wait for money, or the guarantee of funds, before defining its tasks. Most would define tasks first, prioritize goals, and then allocate adequate resources. Hence, if the twenty-six Allies agree that energy security is a significant challenge of high priority that should be addressed, the necessary resources would be sought.

Above all, it must first be seen that NATO can add value to the field of energy security. A coherent approach to energy security must also be a political one. NATO's strategy must be careful to avoid duplicating the efforts of other international organizations, as well as national efforts. The Alliance's role in energy security must involve the development of relationships with other organizations and partners interested in the issue. For instance, although the EU is developing a strategy based on diversification of suppliers and sources, as well as promoting its internal market, it might also want to be active in protecting critical infrastructure. NATO and the EU will clearly have to create an interface for their future work on energy security, and identify each other's respective actions in order to avoid the duplication of efforts and capabilities. However, both institutions would benefit even further by going beyond the avoidance of duplication toward an ambitious, comprehensive EU policy that would strive to integrate a NATO contribution to energy security.

The mandate for the Alliance's further work is clear: "*to define these areas where NATO may add value to safeguarding the security interest of the Allies and, upon request, assist national and international efforts.*"⁷ Hence, there is a need to tie the different strands of work together into an overarching political-military concept on energy security. There is no such NATO mandate to definitively map the world at this point, but the four potential roles described above could form the core of an effective political-military approach for the promotion of energy security, as mandated in Riga last year.

NOTES

¹ The 1999 Strategic Concept remains the principal formal statement of the Alliance's objectives and of the various political and military means that constitute its strategy for achieving them. It provides the conceptual context for decisions subsequently taken by the member countries in response to new challenges, such as terrorism, and in the continuing process of adaptation and transformation of the Alliance required to enable it to undertake its full range of commitments and responsibilities. See: "The Transformation of the Alliance: The Strategic Concept of the Alliance," NATO Handbook, (Brussels: NATO Office of Information and Press, 2001). Available at: <<http://www.nato.int/docu/handbook/2001/hb0203.htm>> (accessed June 5, 2007).

² NATO Strategic Concept of 1999, Para 24

³ *World Energy Outlook 2006*, International Energy Agency, 114

⁴ *Ibid.*, 118–119

⁵ *Ibid.*, Chap 3

⁶ "Riga Summit Declaration," Issued by the heads of state and government participating in the meeting of the North Atlantic Council in Riga on November 29, 2006. Available at: <<http://www.nato.int/docu/pr/2006/pr06-150e.htm>> (accessed June 6, 2007).

⁷ *Ibid.*

Playing the Field: Alleviating US Energy Dependency on the Persian Gulf with Alternative Partners

by Michael Coffey

Energy security is poised to become as contentious an issue in the 21st century as ideology was in the 20th. Russian President Vladimir Putin has called for post-Soviet Russia to reclaim its great power status as an energy hegemon that doles out subsidized energy to friendly states and allies, implying that unfriendly states will find themselves short of such supplies in times of crisis. Chinese state-owned oil companies are on a procurement spree worldwide, as Beijing acquires oil and gas from rogue states otherwise ostracized by the world community, buying up stakes in future developments to ensure a long-term flow of energy. President George Bush committed the United States to energy independence (and even self-sufficiency) in his 2006 State of the Union address to Congress when he expressed a desire to make US reliance on Middle Eastern oil “a thing of the past.”¹ Despite the president’s optimism, the goal of eliminating America’s dependency on Persian Gulf oil remains far-fetched. Energy independence for the United States will require as-yet undeveloped technologies and resources and, until these goals are realized, the United States must counterbalance current energy consumption trends by boosting supplies from non-Middle East producers.

What follows is an assessment of countries outside of the Middle East that will have a direct impact on Washington’s energy security as the United States works to alleviate its Persian Gulf dependency. Some potential secondary producers of oil and gas that are expected to alleviate US dependency are illustrated in case studies on Azerbaijan, Nigeria, Venezuela, and Trinidad & Tobago. Many of these energy partners share key aspects of insecurity common to developing states; they are often engaged in two of Charles Tilly’s four characteristic state activities.² Extraction, primarily conducted through energy rents, allows these regimes to acquire the resources necessary to battle internal rivals. Eliminating internal threats, or state making, is a common preoccupation of developing states. The current international system usually obviates (or precludes) war making against external rivals. Thus, US security assistance to these countries can play a crucial role in supporting the state

Michael Coffey is a former linguist and intelligence analyst for the US Navy, as well as editor for *Military Periscope*. He recently completed an MA in European and Eurasian Studies at George Washington University.

making process. Support for states that have a limited capacity to deal with internal threats, precisely because they are rentier states in a formative phase, will help the United States and its energy partners achieve their ultimate security goals.³ Development aid and military training in the Caucasus will likely prove beneficial to US interests; security/intelligence cooperation with Trinidad and Tobago will help safeguard energy in the Caribbean against terrorist threats; US policymakers will face tougher challenges in Venezuela and Nigeria, where President Hugo Chavez seems willing to cut off US oil and the resource-rich Niger River Delta region threatens secession.

Nigeria is a significant supplier of oil to the United States and, as a member of the Oil Producing Export Countries (OPEC) cartel, it is already in the top tier of oil-producing nations in the world. Nevertheless, Nigeria is the least secure producer analyzed in this paper. Nigeria risks complete collapse if the government cannot ease religious conflict, repair divisions along ethnic lines, and lessen the rancor between federal centers of power and oil-rich regions.

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The opening of the Baku-Tbilisi-Ceyhan (BTC) pipeline on July 13, 2006, punctuated US energy diversification efforts in the Caucasus and Central Asia.⁴ The South Caucasus Pipeline (SCP) could also help meet US energy needs. However, Baku may risk renewed war with Armenia thanks to boosted pipeline revenues. Even without another war in the Caucasus, criminality, thievery, ethnic conflict, corruption, and a revanchist Russia all threaten stability in the region. Chechnya exemplifies the risk to energy security in the region if these threats are not resolved.

Venezuela and Trinidad are situated in America's "backyard," though this does not guarantee local stability. Trinidad is still host to Islamic organizations that attempted a coup in the 1990s. Neighboring Venezuela's support for Columbian terrorists is leading the country toward roguery, rather than democracy. Populist politics and labor relations have already proven turbulent issues for Caracas.

Broadly speaking, the United States must tamp down unrest in Nigeria, maintain peace in the Caucasus, curb disruptive policies in Venezuela (that exacerbate market spikes), and promote economic development and counterterrorism practices in Trinidad if the United States expects to dent its Middle East energy dependency with the help of these (and other) alternative energy suppliers. Collectively, these efforts to provide internal stability can be understood as preemptive security sector reform (SSR). Traditional SSR entails providing security, bolstering the control of force, and developing capable organs in partner states.⁵ However, rather than apply SSR in a

post-conflict environment, this paper argues that, in most of these cases of weak energy states, military and security-strengthening operations, fostered by the US Department of Defense, should play a leading role prior to state collapse or civil war.⁶

AZERBAIJAN

US economic interests reaped a significant victory when Caucasus leaders decided to build the BTC pipeline, despite cheaper alternatives. However, regional stability and a peaceful Azerbaijan are key to exploiting the full potential of the BTC pipeline. Security along the Russian periphery is a concern, as evidenced by the explosions that damaged the Mozdok-Tbilisi gas pipeline in North Ossetia, cutting supplies to Georgia and Armenia on January 22, 2006.⁷ Power lines in Karachayevo-Cherkessia, providing electricity to Georgia, were also cut the same day.⁸ Moscow blamed terrorists, while Tbilisi blamed Russian security services. Either possibility poses a threat to the BTC pipeline component of US energy strategy.

President Ilham Aliyev is a friendly authoritarian who has aligned Azeri oil production with US consumption interests. However, in 2004, Azerbaijan's former National Security Minister, Namiq Abbasov, warned that Baku believed members of al-Qaeda were plotting to sabotage the BTC.⁹ Gal Luft, co-director of the Institute for the Analysis of Global Security (IAGS), worried that internal conflicts involving Nagorno-Karabakh, South Ossetia, and Abkhazia, or external conflicts between Georgia and Russia or Azerbaijan and Armenia, could upset regional peace and energy security.¹⁰ Baku significantly increased defense spending in 2005, leading some to worry that a new Nagorno-Karabakh war was in the offing. In a 2005 speech in Quba, Aliyev promised that the military, after a 76 percent increase in funding, "will be able to liberate our lands at any time."¹¹ Armenia's army Chief of Staff, General Mikayel Harutiunian, responded, "That will create a certain tension in the region."¹²

In 2005, the Chechen Interior Ministry reported that criminal rings stole at least one-third of the oil produced and refined in Chechnya.¹³ Thieves can siphon or "bunker" from pipelines or steal directly from oil wells – both profitable rackets. "Everybody does the former, while the latter is the business of Kadyrovtsy," said one Chechen Interior Ministry official.¹⁴ The Chechen experience is instructive because ethnic conflict and widespread corruption are also present along the routes of new pipelines being built in the southern Caucasus. Transparency International ranked Azerbaijan and Georgia—thoroughfares for Caspian and Central Asian oil and gas—as two of the world's most corrupt states in its 2006 Corruption Perceptions Index.¹⁵

With the successful completion and inauguration of the BTC pipeline, energy will flow from the Caspian Sea to Western markets, including the United States, while avoiding Russian- and Iranian-controlled infrastructure. Stability and international investment will allow the Caspian Sea region to overtake Venezuela's annual output of oil, producing up to 5.9 million barrels per day (bpd) in a best-case outcome. The

revenue from the BTC pipeline will allow President Aliyev to solidify his authoritarian rule and avoid genuine democratic reform. However, Aliyev's balance against Iranian or Russian interference will continue to shield him from US interests in democratization.

There is also a legitimate concern that new energy wealth in the Caspian will lead the southern Caucasus down the path followed by Chechnya, mimicking the territory's endemic conflict, criminality, corruption, thievery, and strife. In such a worst-case scenario, Baku could renew conflict with Armenia if leaders believed new oil revenues and Western dependence on the BTC pipeline would proscribe diplomatic outrage. Fresh interstate conflict would exacerbate the threat mafias and militants pose to pipeline security in the region. The outbreak of war among any of the southern Caucasus states, and Azerbaijan in particular, would annul the benefits of authoritarian rule in Baku for US energy security.

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The United States needs to safeguard the completed BTC pipeline and prevent destabilizing moves by any of the independent polities (Nagorno-Karabakh, South Ossetia, Abkhazia, Azerbaijan, Armenia, or Georgia) in the region that could lead to renewed conflict and increased pipeline/energy insecurity. Diplomats must make clear that, for example, Baku's energy policies favoring the West will not excuse renewed aggression against Armenian populations. A new shooting war between US-trained and -equipped Georgian forces and Russian-backed separatists in Abkhazia would be equally unfortunate for US energy security. The BTC pipeline hub located near Tbilisi would certainly present a powerful lure for anti-government forces. The State Department should support a policy of Georgian integrity, but make clear to President Mikheil Saakashvili that unification efforts must proceed along peaceful, negotiated lines. Conflict that embroils Russian peacekeeping forces threatens Caucasus sovereignty, regional security, and US energy interests.

US training programs calibrated to teach good civil-military relations, human rights, and other aspects of modern liberalism in the south Caucasus will cultivate a security force better equipped to handle conflicts between various ethnic and religious groups that could destabilize the Caucasus and threaten energy infrastructure. NATO's Partnership for Peace is an important launching pad for such cooperation. The recently concluded Stability and Sustainment Operations Program for Georgia's 32nd Light Infantry Battalion, III Infantry Brigade, is one example of a Georgian-American program that has seen hundreds of soldiers trained to US standards.¹⁶ Military exchanges are also convenient gateways for more complex and invasive nation-building efforts.

Nation-building, including political and economic development, will improve US energy security across the Caucasus. The Westward orientation of Caspian (and Kazakh) oil output and new governments—like the one headed by Saakashvili in Georgia—are significant first steps toward improving Washington's regional energy security outlook. To guarantee the longevity of these developments, the United States must work to improve the Caucasus nations' security and help them disengage from both Russia to the north and Iran to the south. Increasing transparency, political openness, citizens' rights, and economic dynamism will gradually help bring the region into the Western fold of nations. The Organization for Security and Cooperation in Europe (OSCE) is an ideal platform for European countries to project soft power and foster these ideals. Partnerships between Tbilisi, Yerevan, and Baku, including security agreements with the European Union, NATO, and the United States, should be encouraged wherever possible.¹⁷ The October 2006 agreement between Paris and Tbilisi that provided for French military instruction, military exchanges, and mountain warfare training in 2007, is the type of budding security partnership that US planners should encourage among allies.¹⁸

NIGERIA

Nigeria currently produces 2.5 million bpd of oil.¹⁹ In 2004 and 2005, Nigeria supplied the United States with more than 400 million barrels of oil, an amount exceeded only by Canada, Mexico, Saudi Arabia, and Venezuela. As Africa's largest oil-producing nation, Nigeria is an established provider of oil for Europe and the United States. Therefore, Nigeria is central to reducing US dependency on the Persian Gulf, and the outbreak of civil war would seriously hinder such diversification efforts. Most of Nigeria's oil is located along the coast in 250 small fields, containing less than 50 million barrels in each field.²⁰ Regional conflict, piracy, and theft threaten these deposits. In January of 2005, ChevronTexaco announced that it was losing 140,000 bpd because unrest in the Delta forced it to close several facilities.²¹ Like the Caucasus, Nigeria faces a separatist movement in and around energy-producing regions. Specifically, unrest in the River Delta threatens continued production. Corruption is significant in the country; mismanagement is so endemic, Nigeria buys refined oil from non-producing nations like Spain at a markup, according to Lionel Beehner of the Council on Foreign Relations.²² Transparency International's corruption ranking placed Nigeria 142nd out of 163 countries in 2006.²³

In January of 2006 the rebel Movement for the Emancipation of the Niger Delta (MEND), which had previously focused its attacks on the Royal Dutch Shell Company, said it would widen oil-related attacks.²⁴ On January 18, the rebels promised to attack Agip, Total, and Chevron facilities as well. In late January, a band of thirty armed men stormed the offices of Italian oil company Agip in Port Harcourt in southern Nigeria, killing nine, including eight police officers.²⁵ A few days later, on January 29, 2006, gunmen raided a compound operated by South Korean oil producer Daewoo.²⁶ In mid-February, militants took nine foreign

hostages and attacked two pipelines, as well as Shell's Forcados offshore oil terminal.²⁷ In October of 2006, a band of seventy militants attacked several dozen Nigerian soldiers, killing three, stealing a barge of crude oil, and kidnapping twenty-five Shell contractors in the process.²⁸ That same month, the US consulate warned that militants could be targeting the liquefied natural gas (LNG) plant on Bonny Island, the world's third largest such facility.²⁹ The past year has been rife with insurgent attacks on infrastructure, security forces, and foreign nationals in Nigeria.

Organized criminals, through bunkering and theft, also contribute to Nigeria's underperformance as an oil producer. In October 2003 the Nigerian navy stopped the Greek-owned ship MT African Pride and discovered 11.3 metric tons of crude oil allegedly stolen from pipelines.³⁰ In late September 2005 a joint task force near Sapele seized a barge carrying tens of thousands of tons of stolen crude oil.³¹ Oil pipeline thievery near the city of Warri in October 2005, resulted in a pipeline explosion and a major fire. A dozen bunkerers, using heavy machinery to siphon oil from a Pan Ocean Oil Corporation pipeline, were gunned down by Nigerian troops on January 2, 2006.³² In August 2006, suspected oil thieves in Rivers State started an oil well fire that lasted forty-two days, casting a pall over neighboring regions before the damage was repaired.³³ The Nigerian National Petroleum Company (NNPC) estimates that hundreds of attacks on pipelines and oil facilities occur every year. Some 30,000 barrels of oil are believed to be lost to fuel smugglers every day.³⁴

The government has established more policing, but given pervasive corruption, it is questionable whether increased enforcement will have a positive effect. Nigeria recently established three additional naval formations in the oil-producing Niger Delta, to better police the area. The naval units, identified as forward operating bases (FOBs), were situated in Bonny in Rivers State, Forcados in Delta State, and Egueme in Bayelsa State, according to Sunday Baje, officer in charge of the Eastern Naval Command.³⁵ Previously, the Nigerian government established two naval formations in Ibaka in Akwa-Ibom State and Igbokoda in Ondo State.³⁶ The FOBs will be equipped with fast-moving rapid-response boats to patrol creeks and channels leading to the sea.

Militants and criminals are not the only threats posed to Nigeria's oil facilities. Government security forces, ostensibly deployed to protect infrastructure against damage and theft, have colluded with criminals to steal oil. In September 2005, three policemen—part of a team specifically created to combat large-scale fuel theft—were arrested for committing crimes they were meant to stop.³⁷ Also in 2005, two top-ranking naval officers—Rear Admiral Francis Agbiti, chief of training and operations, and Rear Admiral Babatunde Kolawole, chief of the Western Naval Command—were found guilty of “colluding with a criminal mafia syndicate involved in the oil bunkering business.”³⁸ The government, at all levels of authority, is corrupt and complicit in robbing the state. In November 2005, the federal government froze the flow of funds to the oil-rich Bayelsa state, charging the governor with corruption. Governor Diepreye Alamieyeseigha was charged a month earlier in Britain with laundering US\$3.2 million, stolen from Nigerian government coffers.³⁹

Because the government cannot check insurgent forces, many companies have considered pulling out of on-shore drilling, calling into question Nigeria's ability to meet the production goals of 3 million bpd in 2006 and 4 million bpd in 2010. For example, Shell responded to insurgent attacks in mid-February 2006, by shutting down Nigerian production on February 18, halting 455,000 bpd-operations in the country—20 percent of Nigeria's daily output.⁴⁰ Shell's decision temporarily pushed world oil prices up a dollar, to over \$61 per barrel.⁴¹

In late March, 2006, insurgents suspected of connections with MEND attacked an Agip pipeline in Nigeria, leading the Italian company to shut down 60,000 bpd of production in the western Delta region.⁴² This fulfilled a promise by the Delta separatists to widen their offensive against foreign multinationals. If the government and military are unable to eliminate separatism across the country, Nigeria could eventually resemble the North Caucasus in terms of geographical partitioning and prolonged low-intensity warfare. If events unfold in this manner, Nigeria will likely be unable to increase oil production and could even be hard pressed to maintain current levels of output.

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There is also a possibility that Nigeria could fall into civil war. This worst-case scenario envisions the Christian south and Muslim north battling each other while oil-rich regions attempt to assert independence from the central government. In such a threatening environment, many multinational companies could leave the country. Consequently, oil production would plummet, world energy prices would spike, and the country would be unable to serve as a key partner in the US energy strategy.

The US government is already engaging Nigeria and other countries in the region on diplomatic and military fronts, attempting to forestall significant conflict and improve local security. In March of 2006, Admiral Henry Ulrich, commander of the Allied Joint Force Command Naples, met with Nigeria's Chief of Naval Service, Vice Admiral Ganiyu Adekeye, and announced a plan to send more US ships to the Gulf of Guinea to improve regional maritime security.⁴³ Ulrich noted a repair/training ship was already in the area conducting counterterrorism training with local African forces.⁴⁴ The United States needs to continue military-to-military cooperation and other programs that inculcate good civil-military relations and democratic norms of behavior with the Nigerian security apparatus, in addition to basic training exercises that teach surveillance, patrolling, and counterinsurgency tactics.

The State Department recognizes that Nigeria is vital as a regional peacekeeping power and US energy supplier, but funded activities do not reflect acknowledged interests. In 2005 and 2006, the State Department funneled more than \$100 million into the Global HIV/AIDS Initiative (GHAI) and Child Survival and Health (CSH) programs.⁴⁵ Over that same period Nigeria only received slightly more than \$3.2

million for law enforcement programs.⁴⁶ Security forces need more training, including human rights instruction, and support. Diplomats should encourage discussions that are aimed at reducing conflict between the government and MEND. Funding from the State Department for social programs targeted at rebellious regions could help alleviate some local grievances. Once terms of discourse are established between separatist groups and the government, this groundwork will hopefully provide the parties with the means to achieve long-term settlements.

A reasonable best-case outcome in Venezuela, with Chavez still in power, would allow for continued political tension without significantly altering economic relations between Washington and Caracas.

The United States needs to prevent the total collapse of Nigeria, and over the long term, strengthen and bolster the legitimacy of the central government. Diplomats should work to achieve lasting settlements between various independence movements, insurgents, and the federal government. The US military should continue training Nigerian naval forces and consider establishing joint patrol agreements that could allow US forces—perhaps with intelligence or even more forceful capabilities—to assist or advise local security contingents responding to situations involving foreign nationals and offshore oil facilities.⁴⁷ The long-term health of the nation depends on the health of the population; thus, GHAI and CSH funding should remain at current or near-current levels (to at least act as levers). Finally, the United States should predicate increased security cooperation on reciprocated efforts by the central government to fund social programs for disaffected regions and populations.

In February 2007, the Bush administration officially announced the creation of a military command for Africa (AFRICOM).⁴⁸ Unlike other combatant commands, AFRICOM is being touted as a solution to the array of soft power security issues present in Nigeria (and elsewhere on the continent): preemptive conflict management, providing security to ungoverned regions, responding to refugee flows, confronting corrupt and weak governments, combating widespread poverty, and treating HIV/AIDS and other epidemics, are all potential AFRICOM responsibilities. According to Principal Deputy Undersecretary of Defense for Policy Ryan Henry, AFRICOM's mandate will include the development of "a stable environment in which civil society can be built and that the quality of life for the citizenry can be improved."⁴⁹

Such an organization, staffed with US Agency for International Development (USAID) and State Department personnel, and even a civilian deputy commander, will be able to marshal the resources of the Pentagon alongside the development expertise of other civilian government agencies. This synergy, with the military positioned to play a leading role rehabilitating the security apparatus, is exactly what is demanded for preemptive SSR in a rentier (US partner) state like Nigeria.

VENEZUELA

Venezuela is a significant supplier of oil to the United States, providing more than half a billion barrels of oil annually to American markets. Only Canada, Mexico, and Saudi Arabia provide the United States with more. The United States imported 68 percent of total Venezuelan oil exports in 2003.⁵⁰ Continued government repression, closer ties with narco-terrorists, and a possible alliance with Beijing will threaten Venezuelan stability; activities unrelated to the oil industry could still destabilize oil markets and, by extension, US energy security.

Caracas has not had to counter domestic militants, as in the Caucasus, or corruption akin to that of Nigeria, though instability in the region is still a concern. Events in 2002 demonstrated Venezuela's political instability. A March 2002 coup attempted to oust Chavez, and a November 2002, general strike, followed by a two-month shutdown of the oil industry, resulted in a global spike in the price of oil. Chavez is using oil wealth to support other leftist political leaders in South America, attempting to counter US influence in the region. Meanwhile, Chavez's "Bolivarian" foreign policy supports multi-polarity by courting Cuba, Iran, Russia, and China.⁵¹

While, ultimately, "Chavez's ability to challenge the United States is severely limited... [and] the occasional threat to cut off oil exports to the United States is fairly meaningless," Chavez can still foment unrest at a regional level.⁵² Colombian terrorists use Venezuelan territory as a place to train, equip, base operations, and retreat, according to a *US News and World Report* 2003 expose.⁵³ The National Liberation Army (ELN) and the Revolutionary Armed Forces of Colombia (FARC) are receiving support from Venezuelan military and intelligence officials.⁵⁴ Former Joint Chiefs of Staff chairman, General Richard Myers, has likened Venezuela's support for terrorists in Colombia to Syria's support for terrorists in Iraq.⁵⁵ The FARC has a base near Resumidero (inside Venezuela) able to support 700 troops, as well as a second base near Machiques with Internet access and other training facilities.⁵⁶ FARC also operates a radio and communications station from Venezuelan territory.⁵⁷

More specifically similar to Syria, Venezuela also allows Middle Eastern terrorist groups to operate within its territory. Margarita Island serves as a base for Islamic terrorist groups, including Hamas and Hezbollah, to conduct money-laundering and drug-trafficking operations worth millions.⁵⁸ The Venezuelan government has also provided Syrians, Egyptians, Pakistanis, and Lebanese with visas and other documentation, potentially enhancing terrorist mobility.⁵⁹

In an area that the IAGS considers the soft underbelly of the United States, Trinidad, Venezuela, and transiting tankers all present tempting targets for terrorists. Creating bases of operation for foreign terrorists could inoculate Venezuela against attacks on its own infrastructure, but this may not protect others in the Caribbean Sea. Furthermore, militant activity in Colombia could spill over the border or lead to regional clashes if Caracas's culpability becomes too obstreperous.

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between Washington and Caracas. Chavez will continue to maintain his popularity and authority by pursuing a domestic policy of semi-rentiership, thanks to the high price of oil.⁶⁰ It is unlikely that US diplomatic persuasion will dissuade Chavez from hostile and destabilizing foreign policies, such as his support for FARC, unless South American nations act collectively. Nevertheless, as Chavez depends on oil revenues to purchase arms, fund rebel movements, and mollify his supporters, he is tied to the United States in the near-term. He cannot halt shipments of oil to the United States and, at the same time, pursue a “Bolivarian” foreign policy—dependent upon those revenues—throughout South America. Thus, the United States can expect continued antagonism from Caracas, with little change to its oil policy.

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An alternative worst-case scenario includes Chavez sealing a deal with Beijing to deliver nearly 100 percent of Venezuela’s exported oil to China. Meanwhile, leftist movements supported by Chavez could reach a tipping point in the region and begin unseating conservative US allies, such as Colombia’s President Alvaro Uribe. This unlikely confluence of events would disconnect the United States from an important reservoir of international support and redirect needed energy supplies to a strategic competitor. China cannot immediately absorb Venezuela’s oil production, but any moves that redirect Venezuelan exports or retain energy supplies within South America—such as the proposed trans–Latin American pipeline—would hamper US plans to mitigate its Persian Gulf dependency.

Washington should ignore Chavez as often as possible. His reach, even with record-high oil prices, is limited. Pressure from states in South America that are decidedly democratic will curb Chavez’s foreign policy more efficiently than many US efforts. Diplomats should draw attention to Venezuelan connections to terrorism, especially when those links show Caracas is interfering in the domestic affairs of its neighbors. Indeed, some analysts with Stratfor, a private intelligence firm, believe Chavez’s influence is already on the wane.⁶¹ However, undue American pressure against Chavez could bolster his popularity at home, delaying a possible domestic backlash against his authoritarian rule.

Steps the United States can take to counter Chavez in Venezuela, which will produce positive results immediately, may be few. The South American public has a low opinion of US foreign and economic policies, in part because many in the region have not benefited from globalization. However, the State Department could lead a public campaign tracking Chavez’s anti-democratic policies that cast him in an unfavorable light compared with his political role model, Simon Bolivar.

Looking beyond Chavez’s ranting in international forums, Washington can emphasize continental ties over regional alliances or, given opposition to more pacts like the North American Free Trade Agreement, emphasize bilateral agreements

between South American countries and the United States. Chavez has admitted that either direction away from regional blocs effectively limits his ability to oppose US policies.⁶² The Venezuelan president bemoaned that, “the very moment...some countries...[sign bilateral accords], unity is finished.”⁶³ Chavez recognizes that bilateral deals effectively circumscribe his influence in the near-abroad. Greater integration with the US will diminish the role of regional Mercosur-type (Southern Common Market) blocs and decrease the likelihood Chavez’s \$20 billion trans–Latin American pipeline—meant to supply energy throughout South America to the exclusion of North American consumers—will ever come to fruition.⁶⁴ Security cooperation between Washington and Caracas is limited by politics, according to former Southern Command head, General Bantz Craddock. Thus the military is pursuing a dual policy of engagement and containment: the military is engaging Venezuelan forces through continuing education programs in the US and invitations to participate in regional training exercises; simultaneously, the military is attempting to contain the “exporting of instability coming out of Venezuela,” by training Colombian police and military forces.⁶⁵ Current relations allow for little more.

TRINIDAD AND TOBAGO

Trinidad does not provide oil to the United States, but the tiny country is responsible for providing 80 percent of America’s liquefied natural gas (LNG).⁶⁶ Including all natural gas imports, Trinidad ranks only behind Mexico and Canada as a supplier to the United States. The main security concern in Trinidad and Tobago is the presence of Islamic extremism. Waajihatul Islaamiyyah (The Islamic Front) and Jamaat al-Murabiteen (The Almoravids), supporters of al-Qaeda and Jemaah Islamiyah, are both present on the islands.⁶⁷

In July 1990, there was an attempted coup; 114 members of the Jamaat al Muslimeen, led by Yasin Abu Bakr and Bilal Abdullah, stormed the Red House parliament and captured the national television station.⁶⁸ The army and other officials declared martial law and negotiated an end to the attempted putsch. More than a decade later, Prime Minister Basdeo Panday warned that opposition groups were plotting to forcibly seize power. Panday announced that “groups [were] amassing arms, recently smuggled into the country, for what [was] believed to be a violent attempt to take control of the country.”⁶⁹

In recent years, Trinidad’s Minister for National Security, Martin Joseph, has proven to be an effective leader. Security services are well trained and equipped and the country’s Joint Operations Command Center, set up in the late 1990s, has led the way in fighting maritime crime and arms smuggling. However, Candyce Kelshall, Director of Bluewater Defence and Security Ltd., doesn’t believe the vulnerabilities of LNG tankers and the danger they pose to port cities are threats that can be handled by local security forces.⁷⁰

Trinidad does not face grave security threats. The island nation has poverty, crime, and religious extremists, as well as ethnic divisions, but these problems are at manageable levels. If events transpire along a reasonably positive track, Trinidad will

continue to provide the United States with significant energy supplies disproportionate to its small size.

However, Trinidad may not have the resources or capabilities to detect and thwart terrorists using the island as a conduit or base of support for their operations. Conceivably, the island's insignificance could attract terrorists looking for vulnerabilities in US energy security. Terrorists interested in using LNG tankers as weapons of destruction and terror could easily find the island's security is a weak link. Successful attacks on Trinidad's government, energy infrastructure, or LNG tankers themselves would represent a worst-case scenario for the island and US energy interests.

Trinidad encompasses the smallest range of security concerns presented here in this essay, but the United States can help train its security forces and provide development aid through programs supported by the State Department and charitable organizations. Last year, for the first time, Trinidad received foreign operations funding from the State Department, but the \$5 hundred thousand it was given is clearly inadequate, given the danger of active al-Qaeda-related groups on the island.⁷¹ The Department of Defense has the resources to provide much more assistance.

The United States suspended International Military Education and Training (IMET) and Foreign Military Financing (FMF) funds in 2003 because Trinidad had not signed an exception to its adherence to the International Criminal Court (ICC) with the United States, which would protect US servicemembers from potential prosecution.⁷² Concluding an agreement that will protect the US armed forces would allow renewed funding for IMET and FMF programs.⁷³ Both Congress and the President acted to eliminate these restrictions in late 2006.⁷⁴ In September, Congress passed an amendment repealing IMET restrictions on states adhering to the ICC that had not signed separate bilateral agreements with the United States.⁷⁵ Just weeks later, President Bush instructed that waivers to IMET funds restrictions be issued for several close allies, including Trinidad and Tobago. Should the issue of IMET and FMF funding resurface, Washington might look to alternative means for training and supporting Trinidad's security apparatus, such as hiring contractors or bringing in experts from outside of the Pentagon, to lessen the island's terror-related risk.

No systemic problems related to energy security currently affect Trinidad, which would require prolonged US attention. However, Trinidad's importance as a provider of LNG suggests the United States should increase its counterterrorism presence on the island. The US government's promise of \$1.6 million in February 2005, in addition to \$5 million spent since September 11, 2001, for all Organization of American States members seems woefully inadequate.⁷⁶ Funding for the Inter-American Committee Against Terrorism should be increased, as well as funding for the Federal Bureau of Investigation's (FBI) permanent office on the island, established in August 2004. The branch office was placed on the island in order to track down al-Qaeda terrorist Adnan El Shukrijumah, but the agency should now cast a wider net.⁷⁷ The broad range of intelligence and surveillance capabilities

available to the Pentagon may be required to uncover potential terrorist threats to Trinidad's energy infrastructure and LNG tankers. The June 2007 arrest of four terrorism suspects, accused of plotting to blow up the John F. Kennedy (JFK) International Airport in New York, served as a reminder that even a little-known group such as Jamaat al Muslimeen deserves the continued vigilance of US intelligence agencies and their overseas partners.⁷⁸ The suspects reportedly traveled to Trinidad to make contact with Jamaat al Muslimeen's leader Abu Bakr, requesting assistance for an attack that was to involve placing explosives on JFK's jet fuel arteries.

CONCLUSION

In most cases, cooperation between the US military and partner nations should play a leading role in US energy security policy. In nations closest to the liberal ideal, such training can cement close alliances and indoctrinate finer points of civil-military relations and respect for human rights among armed forces personnel. In Georgia, strengthened military cooperation could ease the way for eventual North Atlantic Treaty Organization (NATO) membership. Such close security ties will ensure stability, sovereignty, and a Western orientation—important factors for the uninterrupted and ample flow of oil and gas to the United States. In countries where democratic principles are lacking and instability threatens oil production, military cooperation can play a dual role. In Azerbaijan and Nigeria, for example, military cooperation will improve foreign militaries' abilities—build capacity—to secure their own energy infrastructure. The governors of semi-rentier states value the ability to protect their most valuable assets. Such assistance could be leveraged to encourage other beneficial steps by those governments. The promise of military aid to Ajuba may convince the central government to widen negotiations with separatists, alleviate regional impoverishment, or allow the US State Department a greater diplomatic and humanitarian role in conflicted regions. The assistance rendered by the Department of Defense will have then proved doubly useful; linking military assistance to overall governmental efficacy will allow foreign governments to better safeguard their energy resources while pressuring those capitals to deal with the social problems that threaten their energy resources. The newly-created AFRICOM should provide the ideal mix of capabilities for such an approach. In states with less apparent security concerns, such as Trinidad, Department of Defense intelligence agencies could provide a needed buffer against terrorist threats.

European allies and other security agencies—ranging from the OSCE to the FBI—can play important secondary roles securing foreign energy assets. States such as Trinidad and Georgia could benefit from finer instruction and training in policing and intelligence collection techniques. These moderately stable and democratic nations are better positioned to take advantage of Western economic development aid and policing & intelligence techniques. With relatively minimal assistance, these Western-oriented nations can fulfill promises of increased energy production for Western consumption because only minimal SSR is required.

The countries highlighted in this paper all face varying energy security threats. States with lesser security concerns require instruction in the military's more specialized capacities, such as intelligence, surveillance, and civil affairs operations. In states at the other end of the stability spectrum, such as Nigeria and Azerbaijan, military aid, in the form of surveillance, new hardware, direct action, and counterinsurgency tactics—while seen as the primary tool for security in this paper—is alone an insufficient band-aid. Helping Nigeria reach a potential output of 4 million bpd in 2010 will require a comprehensive effort aimed at bolstering military proficiency and federal legitimacy, while also mitigating the unrest that is contributing to falling production in the first place. Attacking MEND's *casus belli* through humanitarian and diplomatic efforts, headed by the State Department, could prove as valuable as flotillas of new coastal patrol boats for the Nigerian navy. But barring a sharp reversal in US government funding priorities for the State Department, the military, rather than the diplomatic corps, must take the lead implementing US energy security and complementary SSR abroad.

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Energy, Cities, and Security: Tackling Climate Change and Fossil Fuel Risk

by Peter Droege

Our ignorance is not so vast as our failure to use what we know.

M King Hubbert

The world economy is based on cities: cities are its very home. Global financial flows are structured within urban systems; city networks physically articulate national and international markets. Historically, cities have been built around markets, too. Founded on trade routes, they formed growing economies in themselves; they gave rise to and nurtured the dynasties and institutions that manage the decisions that guide national economies. Cities are settings of political command and control, and centres of culture. Here society's leading images and messages are produced and packaged, shaping social reality and articulating aspirations. The great urban centers of yore were the main stages of their respective political settings. Democracy was developed by urban societies, and it was shaped and supported in the public spaces and institutions of major cities.

Today, most population growth occurs in urbanized areas, with half of the world's population dwelling here. But cities, their form, economies, and growth dynamics have also been very much defined by the energy systems dominating their eras. The manner of this interaction helps define the security profile of an age, a nation, or the balance of global relations. Global trade, sprawling cities, or periods of large-city formation are not new historical phenomena. The stories of hegemonic urban networks involving Babylon of the 18th century BC, Angkor of the 12th century AD, or London of the late 18th century are testimony to this fact. But the speed and sheer mass of the current urbanization wave, and the formation of super and mega-sized cities as a widespread, simultaneous, indeed, global phenomenon is unprecedented; it has only been acknowledged as a significant force during this past half-century. While rampant urbanization had not found wide recognition prior to

Peter Droege is an international expert on energy and water in development, infrastructure, and urban design. He has served at major universities in Australia, Japan and the United States, and currently holds professorial positions at the Universities of Newcastle, Australia, and Beijing. He is a Chair of the World Council for Renewable Energy, representing Asia Pacific, and directs Epolis, a Sydney-based advisory service active in sustainable urban change. His publications include *Intelligent Environments*, *The Renewable City*, and, forthcoming, *Urban Energy Transition*.

the 1970s, it has also not been particularly well understood in the time since. The massive explosion of the world's urban population is relatively new, gathering momentum in the first half of the 20th century and accelerating from the 1950s on. From the 1970s, a burgeoning research literature genre formed to give meaning and voice to this phenomenon.¹ Since then, these urban centers have been described as world cities, global cities, megacities, or referred to broadly as the global urban system. Regardless of the label used, this conception connotes primacy of global markets, corporate control, seats of national power, homes to regional security apparatuses and, above all, the agency and relevance of technological innovation in surface, air & sea transport, defense, and the advent of advanced telecommunications.²

If the global urban system is the skeleton of the world economy, then fossil fuels are its lifeblood.

Cities mushroomed during the 20th century, and this trend has continued into the 21st century, and been recorded across many metropolitan regions. However, broader population increase could not serve as more than a secondary driver for this growth, as urbanization rates far outstrip general population growth rates. Other powerful dynamics are at work, boosting the primacy of cities, including expansion in global trade and the concomitant structural changes in many agrarian states. No other common denominator underlying most, if not all of these, can explain urban growth better than the agency of the all-dominant global fossil fuel economy, and the global network of production, distribution, and consumption underpinning it.³ Overwhelming oil dependency and abundant, cheap coal power have boosted the drive to urbanization, transforming regional economies, revolutionizing urban supply lines, and increasingly disconnecting cities from the agrarian hinterlands. The circumstantial evidence—the prima facie case—suggests that global city formation is a phenomenon of the fossil fuel age. While this characteristic has remained virtually unsung in either the urban or energy literature, it is self-evident that the major risks to global security, markets, and prosperity faced in the 21st century stem not from the much studied occurrence of urban expansion and primacy, but from the very driver of this expansion: pervasive fossil fuel use at low prices.

Indeed, while the fossil-fuel driven revolution has powered an unprecedented level of prosperity across industrialized—or better, *fossilized*—states, the finite and geographically limited nature of terrestrial fossil fuel, and uranium, sources poses a major threat to both the viability of markets and global security. 40 large oil fields supply 60 percent of the global oil consumption, with 75 percent of these in risky, contested, or war-torn regions.⁴ More than three-quarters of the world's proven oil reserves are in the hands of national oil companies, capable of being used as foreign policy tools or weapons. The United States produces only 40 percent of its domestic consumption. And geo-physically speaking, oil, gas, and coal are preciously limited resources: natural gas and oil only marginally more so than coal. Additionally, high-

grade uranium is an extremely limited resource as well; if it were to have to replace oil and gas, it would be depleted within a decade, using current technology.

PETROLEUM-DEPENDENT CITIES: THE CIVIC FACE OF GLOBAL SECURITY RISKS

If the global urban system is the skeleton of the world economy, then fossil fuels are its lifeblood. With a share of 85 percent, the global commercial energy supply largely consists of fossil fuels.⁵ Within the Organization of Economic Cooperation and Development member states, three-quarters of this flow is consumed by cities for stationary and transport use.⁶ Global transport is essentially fossil fuel-based, with almost all commercial transport in the air, on sea, road, or rail petroleum driven.⁷ The global dependence on urban systems in itself constitutes a massive energy risk, but the present energy crisis is deeper than infrastructure dependencies. Global poverty levels are structurally tied to the global fossil fuel regime; a mounting nuclear crisis is looming due to an opportunistic and misguided call for an atomic renaissance; a global water depletion crisis exacerbated by the primary thermal power generation systems; a global health crisis brought about by fossil-based air, water, and soil pollution; and an agricultural crisis brought about by the global dependence on petrochemical fertilisers, pesticides, and wider processing systems—these only add to the twin risks of petroleum peaking and climate change.⁸

Oil peak and fossil fuel depletion

While all constantly consumed, finite resources follow the classic bell curve of depletion, the architecture of oil and gas wells and their deposits explains why fuel production peaks across Europe, Asia Pacific, and the Middle East have occurred in such a sequential nature. While liquid fuel supply reserves may stretch to the middle of this century, the historical plateau of global oil production—the composite super-peak of all wells' life cycles—could well occur within the next decade. Price hikes now make steam injection, tar sand, and oil shale production financially feasible, as environmentally costly and/or water—and energy—intensive practices are increasingly utilized. Indeed, projections of global oil production plateaus have not shifted significantly since American geophysicist Marion King Hubbert publicized his compelling model fifty years ago,⁹ correctly predicting that US oil production would peak by 1970. Furthermore, he predicted that the horizon for a global peak would occur by 2000,¹⁰ though a recent estimate has placed it at 2010.¹¹

Regardless of the precise year, this is the era of the looming super-peak, while fossil fuel consumption continues to increase, and the global population has become accustomed to the illusions of limitless supply. The clear and present risk is the opening up of a massive and rapidly widening gap, triggering price hikes and adding further to military confrontations around the globe. The present drive toward more costly, risky, and polluting recovery methods in so-called non-conventional and speculative areas, made attractive by rising prices and profits, only confirms that we have entered an unsettling era, in the shadow cast by the looming super-peak.

If current trends could be projected forward, then 85 percent of the increase in global energy demand to occur by 2030 would be attributed to oil, gas, and coal. However, this is unlikely, given impending supply costs and risks. Nevertheless, this myth is still used to keep alarmed minds placated, as evidenced in the 2004 World Energy Outlook, issued by the International Energy Agency.¹² Oil supply is so preciously limited that, had any strategic planning taken place in lieu of merely “managing strategic oil reserves,” it would be treated as a rare commodity and not squandered at such a precipitous rate. Instead, modern civilization has been lured onto a dangerous path, through its linear, ad-hoc, incremental pursuit of thriving “energy markets,” the euphemism for unfettered oil, gas, coal, and, to a lesser extent, uranium flows. Indeed, most estimates on the size of “conventional” global oil reserves—those that are known and reasonably accessible—average around two trillion barrels. This figure has remained essentially unchanged since the 1960s. Furthermore, the era of oil discovery is waning as well: the annual number of new discoveries has declined steadily since the 1970s.

At the present degree of fossil fuel dependency, the risk of catastrophic supply disruption to cities and urban markets is sizeable. The vast bulk of oil resources is limited to a shrinking number of brittle regions: the Middle East, Africa, and the Caspian Sea. And like natural gas, coal is geographically limited: 90 percent of coal reserves exist in only six countries. The literature supporting the likelihood of an imminent global fossil fuel supply peak—especially of natural gas and oil—and its consequences is as large as it is persuasive.¹³

Urban risks from climate change

Even if fossil fuel supplies were to be unlimited, their end is nevertheless in sight, due to the need to slow climate change. Neither the speculative and at best distant “clean-coal” technologies, nor costly new nuclear power systems—two dangerous illusions—can change this fact. The epochal phenomenon of fossil fuel technology has brought modern cities to life and, at the same time, to the brink of unprecedented calamity. One risk is posed by the ephemeral nature of supply alluded to above; the other, by the devastating effects of its combustion. It is accepted by many that human activities, largely fossil fuel burning and, to a lesser extent, deforestation, are the cause of the current warming trend of the earth’s biosphere.¹⁴ It took an astonishing 111 years to come to this realization, after Swedish physicist Svante Arrhenius published his theory of the greenhouse effect as resulting from the widespread venting of carbon dioxide through fossil fuel incineration.¹⁵

Cities, towns, and villages along the base of mountainous regions, across the Alps, Andes, Rockies, and Himalayas, from Afghanistan to Canada, to India and Peru, all exhibit unmistakable symptoms of fresh water depletion, exacerbated by rapidly retreating glaciers and snow cover. Elsewhere, urban areas face an uncertain future as well; aquifers and surface water resources have begun to fail because shifting precipitation patterns stress fresh water resources, which are already stretched by generations of inefficiency, pollution, and abuse. The early victims of

this pandemic include cities in regions of the world as diverse as Australia, China, and the United States. Unsustainable modes of consumption, evident in agricultural, industrial, and mining practices, have only compounded the underlying freshwater challenge posed by the fossil fuel and nuclear power regime. The immense demand for water from electricity-generating plants—coal, oil, and nuclear—epitomise their inherent wastefulness. As a rule of thumb, the freshwater uptake of a standard 500-megawatt coal fired power plant equals that of 100,000 households.

Some urban regions affected by climate change risk slow decline through the gradual erosion of their economic base while others face more dramatic and cataclysmic damage. Inundation, flooding, storm damage, and coastal erosion—these are some of the already visible effects of climate change on cities. Indeed, greenhouse impact costs are not merely a distant possibility, but a historical fact, long chronicled in the statistics of many reinsurers, such as Munich and Swiss Re. Severe weather-related damage has increased globally ten-fold since 1950, with much of the recorded economic damage occurring in urban areas. Insured damage rose 60-fold in the United States, during the same period, to \$6 billion annually.¹⁶ Islands like Tuvalu have begun to disappear, while compensating measures for sea-level rise have focused on urban assets, from China to the Maldives and Italy, absorbing significant capital planning and construction budgets. By contrast, poorer, exposed island nations, such as the Philippines, or low-lying countries such as Bangladesh—and their populous cities and towns—are financially incapable of such adaptation measures. Those least able to adapt are also those least culpable for the climate's destabilization, as their emission levels are the lowest.

Indeed, cities in coastal regions, on low-lying islands, and in river deltas around the world are most immediately at risk, with extreme weather, storm surges, and hurricanes posing the most tangible threat. The spectacular drowning of New Orleans in late 2005 throws a spotlight on the most recent victim of hurricane-driven storm surges. Such failures in infrastructure are bound to inundate large cities in the future, and not only the easy prey, like the Big Easy, weakened by poor engineering and even worse environmental management. Most low-lying, even inland cities are under short- and long-term threat.

CLIMATE RISKS TO URBAN MARKETS AND GLOBAL SECURITY

Physical changes such as retreating shorelines are most frequently mentioned as urban and infrastructure threats. However, these do not represent the gravest impending danger to the fragile balance of urban life. While many adaptation programs for climate change focus only on the most obvious emergency response techniques, the risks, and costs already incurred, of the social and economic impact is far more profound. Examples of the potential economic impact include the chance of dramatic shifts in oceanic, agricultural, trade, and industrial productivity. Social costs would include health threats, such as heat stress, dehydration, malaria, dengue fever, and other tropical diseases. Furthermore, psychosocial damage and disruptive demographic shifts, such as migrational pressures from the hundreds of

millions of climate-change refugees, must also be taken into consideration. The precise dynamics and range of these potential global shifts are not known. Much will also depend on agency of feedback mechanisms and the behavior of warm ocean currents—the thermohaline conveyor—considering the massive amount of cold, fresh water released into the Atlantic. For example, it is feared that this may be bound to trigger an abrupt climate change to more Arctic conditions in the northern hemisphere, with the result of equatorial drying and a further shrinking of rainforest cover.¹⁷

Although many urban priorities and threats have been discussed since at least the mid-1980s and early 1990s, the urban planning community is only slowly becoming aware of the dangers. Planners have begun to develop notional adaptation measures, but many still studiously avoid climate change mitigation as *the* millennial adaptation challenge. It is clear, however, that all climate change adaptation must involve mitigation: the immediate and sustained move from coal, oil, and even natural gas to the massive deployment of renewable energy.

The question is sometimes raised of whether petroleum decline may be, in fact, good news, as its combustion is the main culprit in climate degradation. Nevertheless, the limits in the global supply of oil and natural gas do not promise to lead to rational action: following the logic of the market, dips in oil supply are followed by price hikes, which then allow for increased marginal-oil resource production and coal conversion. Furthermore, nuclear power is neither a good short- or long-term option, as high-grade uranium in known reserves could serve as a substitute for global fossil energy production for only a few years. There is also a risk that rising carbon costs will not sufficiently restrict fossil fuel in order to successfully combat climate change. Nor is there sufficient evidence that carbon trading and clean development agreements alone will lower emissions significantly.¹⁸

Renewable energy means security

The only persuasive response to the twin threat of fossil fuel depletion and climate change is world-wide, focused action to de-fossilize and de-nuclearize the global economy, urban infrastructures, and regional development dynamics, and embrace a framework of freely available and distributed renewable power. The most significant urban development challenge is to boost the supply of sun, wind, water, and biomass energy, while simultaneously improving efficiency and conservation practice in both stationary energy use and transport. Urban regeneration impulses will be triggered by a broad emancipation from fossil and nuclear dependence. Regional industrial and agricultural assets have been put to the service of a globalized marketplace in which the energy cost of production is grotesquely discounted in a regime of risk-externalization, paired with massive hidden and overt subsidies.

Current fossil fuel costs have begun to rise for three powerful reasons: (a) actual petroleum prices rise due to mounting shortages, particularly worrisome for global security due to the massive pressure exerted on the poorest countries—some 40 nations already spend more on petroleum imports than their export earnings; (b)

structural outlays increase due to higher prospecting, production, and processing costs in increasingly marginal fields; and (c) inexorably rising carbon penalties and the long-awaited internalization of fossil fuel's enormous health and environmental costs, such as cancer, cardiovascular disease, and oil spills, in analogy to the partial cost internalization that occurred with tax increases on tobacco and alcohol products. There are powerful reasons for this; for example, China's air pollution has given rise to \$50 billion in annual health costs.¹⁹ Both conventional energy-cost increases and risk internalization measures can help create local renewable energy production markets, regional development of renewable energy infrastructure, and a widespread boost in conservation and efficiency if paired with regulations and incentives. The move away from fossil fuel systems triggers powerful growth in local and regional employment in renewable, more labour-intensive energy industries.²⁰ A liberation from fossil fuel dependence boosts regional economic strength, as is beginning to be evident in a growing number of countries. Nevertheless, such forces and trends will require a careful allocation of local and regional renewable-energy production space and food supply systems.

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On the spatial planning front, a number of important improvements will reduce the risk of climate change. These involve regional planning measures, agricultural reform, and institutional changes, in order to prepare cities and regions for an era in which extreme weather events will become an everyday occurrence. Notoriously ineffective crisis response modes will give way to strategic planning, and will result in dramatic, though necessary, institutional reform. This is a time when enhanced regional autonomy in energy, water, food, and trade capacity will be rewarded by long-term viability and prosperity. To avert an epic calamity, urban civilization must be steered from its short-lived single-resource energy addiction toward a path of innovation in sustainable diversification, including energy independence and emission-mitigating forms of climate change adaptation. The key is to cut reliance on high-risk global fossil fuel supply lines and begin to foster local and regional systems of resource autonomy instead.

Twenty-seven years ago, the US Federal Emergency Management Agency issued a report calling for transcending the fossil-fuel regime for reasons of national security.²¹ It was quickly ignored, and profound security concerns were sacrificed to safeguard vast, if short-term, profits for a relatively small but powerful group of beneficiaries. During a generation of relative inaction, these national security concerns have now escalated into global threats, and expanded from fuel import-induced economic and military risks, to far-reaching climate change hazards, more deeply entrenched global poverty problems, and a host of other security challenges. All of these can be traced back to continued fossil fuel dependency, while misleading

and inappropriate technological answers are being offered, in the form of terrestrial carbon sequestration or boosted nuclear generation.

In cities and towns around the globe, new policy and practice frameworks are beginning to be shaped, in the hope to steer urban economic, social, and technological development toward a more secure and promising path of innovation. Such developments almost always imply a move toward more autonomous, locally powered forms of development, founded on renewable energy supplies, sourced locally or regionally. Increasing numbers of community leaders begin to pursue such paths. They understand that this is not a conventional engineering challenge or urban planning problem; it is foremost an issue of social equity, community development, and economics. Indeed, the prevailing system of subsidies favored monopolistic fossil fuel regimes over the broadly shared, incomparably more secure, and less costly sources of the sun, wind, water, biomass, and geothermal power. There is no insurmountable physical, technological, or logistical barrier to overcoming fossil fuel dependence. This change is a cultural and political task: the hope for achieving a global energy transition rises most strongly within a human innovation that has manifested global cultural achievements more than any other: our cities.

Notes

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⁹ Marion King Hubbert, "Nuclear Energy and the Fossil Fuels," *Drilling and Production Practice*, Publication No. 95, 1956.

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¹⁵ Svante Arrhenius, "On the Influence of Carbonic Acid in the Air upon the Temperature of the Ground," *Philosophical Magazine* 5, no. 41 (April, 1896).

¹⁶ E. Mills, "Insurance in a Climate of Change," *Science* 309, no. 5737 (2005): 1040–1044.

¹⁷ P. Schwartz and Doug Randall, "An Abrupt Climate Change Scenario and Its Implications for United States Security," October, 2003. Available at:

http://www.environmentaldefense.org/documents/3566_AbruptClimateChange.pdf (accessed February 20, 2007).

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Democratization in the 21st Century: What Can the United States Do?

by Arthur A. Goldsmith

The Winter/Spring 2005 issue of this journal was devoted to “Democratization in the 21st Century” in which the consensus was that the United States should assist the unfolding worldwide trend toward democracy. The president of the National Endowment for Democracy, Carl Gershman argued, “that it is appropriate and desirable for the United States to provide moral, political, technical, and financial support to people who are striving to achieve democracy.”¹ Furthermore, Alan W. Dowd of the Sagamore Institute for Policy Research wrote of “America’s unique role” in the world and its “natural inclination to promote free government.”²

Although most of the articles explicitly or implicitly encouraged the United States to promote democracy worldwide, they did not speak to the specific means available to the United States for promoting democracy. Transitions from authoritarian rule are driven by internal forces, and the United States should not take for granted that it is capable of significantly shaping political and institutional development within another state. How large an influence the United States can have on democratic transitions is an empirical question. The democratization forum in the *Whitehead Journal* mostly cited small-N case studies, but these studies have contrary implications depending on the cases one selects.³ Large-N quantitative studies paint a generally more pessimistic picture of externally generated democracy than that of the forum’s contributors. Had the large-N literature been consulted, the democratization forum might have paid greater attention to the practical difficulty of changing repressive states from the outside-in.

This essay synthesizes the latest cross-national academic research to highlight how problematic it is for external actors—even a powerful one like the United States—to change another country’s non-democratic political system. It needs to be understood, however, that, although the evidence challenges naïve favorable assumptions about democracy promotion, this essay is not implying the international community should reject all efforts to transform authoritarian systems as futile or counterproductive. Certain targeted activities may prove effective at supporting democratic reform in countries where conditions are ripe, but the data suggest we keep our expectations modest and be prepared to learn from setbacks.

Arthur A. Goldsmith is a professor at the University of Massachusetts Boston, where he teaches in the College of Management and is senior fellow at the John W. McCormack Graduate School of Policy Studies. He has published widely on international development issues and has been a consultant to international agencies.

UNIVERSAL DEMOCRACY?

Democracy exists in many varieties. At the most general level, it is a form of government characterized by participation and contestation. Citizens participate in selecting their rulers, and rulers periodically contest for support from the majority of citizens. For participation and contestation to last and produce a workable government, they must be tempered by the right institutions. As stated by one of the world's leading democratic theorists, Yale University's Robert Dahl, essential institutional guarantees include: the freedom to form and join organizations; freedom of expression; the right to vote; the right to run for office; freedom of political leaders to compete for votes; alternative sources of information; free and fair elections; and dependence of government on votes and other expressions of society's preferences.⁴

According to Freedom House, a think tank that monitors democracy around the world, systems that approximate Dahl's criteria are now the prevailing form of government, which Freedom House classifies as an electoral democracy. In 2006, 123 countries, representing nearly two-thirds of the world's countries, were categorized as electoral democracies.⁵

While elections reveal an important aspect about democratization, they are not the final determinant. The most important piece of additional information is whether the political system guarantees civil liberties and protects individuals by law against unwarranted government interference. Freedom House counts only ninety countries as "free" in 2006, with high degrees of both political rights *and* civil liberties.⁶ This is still a large numerical increase over earlier decades. It is likely the ranks of free nation-states will continue to grow, if Stanford University's Larry Diamond is correct.⁷

Allowing that universal democracy and the rule of law may be inevitable over the long run, the question arises whether or not the United States and its allies have the capability for accelerating or consolidating that trend. Four overlapping approaches to democracy promotion will be considered in this respect: a) using military intervention to install a democratic regime; b) applying economic sanctions to compel democratic reforms; c) offering financial and military aid in exchange for democratic concessions; and d) employing targeted technical assistance to help a state implement democratic practices.

MILITARY INTERVENTIONS

Alan Dowd argued, in the Winter/Spring 2005 issue of this journal, that democratic transitions often begin with the threat or application of force.⁸ Conversely, the University of Aalborg's Trine Flockhart wrote in these pages that force rarely works.⁹ The following cross-national data confirm her doubts.

In a recent paper from the International Peace Research Institute in Oslo, a large number of military interventions between 1960 and 1996 were investigated. These were defined as the purposeful dispatch of national military personnel into another

sovereign state, separating out those where at least one of the intervening states was a democracy. Not every dispatch of military personnel the study considered was meant primarily to change the form of government in the target countries, but whatever the objectives, military interventions by democratic states often did initially result in greater democratization. Unfortunately, the target countries later tended to deteriorate into unstable semi-democracies. The Norwegian team concluded that forced democratization is a very unsure path to political freedom and self-determination.¹⁰

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Other Norway-based researchers concur that democracies imposed by outsiders are by and large unstable regimes that do not last long. The results of panel analyses (covering the period 1946–1996) indicated that military interventions in the last half of the twentieth century did have a positive effect on democratization in target states. However, if the intervention caused military defeat, the successor regime was markedly less likely to survive, all other things being equal. The implication is that major military interventions are so politically destabilizing that they can actually counteract democratic progress.¹¹

A different study by American political scientists Jeffrey Pickering and Mark Peceny confirms the Norwegian researchers' conclusions concerning unilateral military interventions. Pickering and Peceny's multivariate analysis of over 200 events involving the United States, Britain, France, and the United Nations since the Second World War, found little evidence that interventions by democratic nation states help foster democracy. While a few countries have become more participatory and inclusive, following hostile US military interventions, the small number of cases makes it difficult to draw conclusions. Pickering and Peceny found some evidence, however, that interventions involving the UN may have a favorable impact on democratization, possibly due to the fact that the UN often engages in peacekeeping missions at the request of the warring parties themselves.¹²

Thus, the consensus is that "democracy at gunpoint" may produce temporary regime improvements, but it usually lacks lasting positive effects; unilateral interventions fare the worst. Part of the reason is the inherent conflict between the interests of the intervening power and the stake the local population has in self-rule. To freeze out uncooperative political actors, the intervening power may try to manipulate post-conflict politics, obtaining the "right" results but sacrificing freedom of choice and democratic means. Such regimes are likely to be illegitimate and transitory.

ECONOMIC SANCTIONS

Even on those atypical occasions when “democracy at gunpoint” does work, it is costly. An apparently less expensive alternative may be to impose international trade and finance restrictions on the target country. Economic sanctions also have the advantage of being popular with domestic constituencies in the source country—certain business groups excepted. The problem is sanctions do not appear to have any better results than military interventions do in changing regime structure or behavior.

The most comprehensive and widely cited report on economic sanctions is sponsored by the Peterson Institute for International Economics, now in its third edition.¹³ Of all cases examined starting in World War I, only about one third were judged to be even partly successful at achieving their stated results. These cases included multilateral sanctions, unilateral embargos, and boycotts by the United States and other countries, aimed at a variety of economic and political objectives. Unilateral pressure had the worst record of success. Only one in ten US sanctions were deemed to have succeeded in the 1990s.

Since many cases in the Peterson Institute dataset had little to do with democratization *per se*, the sanctions (ending no earlier than 1972, when the Freedom House time series began) where the policy goal was listed specifically as achieving democracy, human rights, destabilization of a dictatorship, or a similar political objective, were separated for this essay. According to this count, there were sixty-seven democratically oriented sanctions imposed through 2006 (combining overlapping and concurrent incidents). Sixteen of these sanctions are ongoing or too recently finished to evaluate. Of the remaining cases, only thirteen of the target countries remained democratic (that is, rated “free” by Freedom House) five years after the end of the sanctions. Moreover, most of the newly democratic target countries had already been ranked “partly free” at the time the sanctions were imposed. The success rate in pressuring “not free” countries to become democratic is even lower.

However, economic sanctions may be more effective if they are evaluated from a regional perspective, according to Nikolay Marinov, a junior faculty member at Yale University. Working with a different cross-section time-series dataset of 137 countries observed between 1977 and 2000, Marinov finds greater democratization in regions (such as Eastern Europe) where the international community has been more willing to apply economic pressure for achieving democracy. As autocratic states in a given region are subjected to greater outside pressure, the likelihood of an individual country moving toward an open government increases. This correlation holds true even after controlling for national income, prior experience with democracy, and other factors.¹⁴ Of course, there could be reverse causality; rather than region-wide economic sanctions producing national political reform, democratic powers might be more willing to impose economic sanctions in regions that have the most promising environment for national political reform. It is notable

that neither sanctions nor democratization are common in the Middle East and North Africa, precisely the areas where dictatorship is of greatest strategic concern.

FOREIGN AID

To different degrees, both military intervention and economic sanctions are hostile actions. A more cooperative approach is to induce dictatorial regimes to open up, using development aid as the enticing factor. Foreign aid potentially hastens democratization through aid conditionality by rewarding dictators who undertake government reforms, but whether a dictator or any other type of leader is persuaded ultimately depends on the value of the aid to the recipient.

Developing countries received some \$87.3 billion in official development assistance in 2004, as indicated by World Bank figures; however, the distribution of aid varies widely. Among Muslim countries, for instance, only four recipient states received more than \$100 in aid per capita in 2004 (excluding Afghanistan and Iraq, for which the per capita numbers are not available). At the other end of the distribution, ten Muslim nations received less than \$5 in aid per capita in 2004. Viewed as a percent of gross national income, the amounts also diverge from a high of 37 percent in Afghanistan to under 1 percent in twelve countries.¹⁵ The huge disparities in development assistance suggest that aid offers little leverage for aid donors in the large number of nations that obtain minimal aid.

Considering countries that do receive significant development assistance, it remains doubtful that even large volumes of aid positively affect their political evolution. Stephen Knack, an economist with the World Bank, performed a multivariate analysis of aid's impact on political change in a large sample of recipient nations over 1975–2000. He found no support for the proposition that aid promotes democracy.¹⁶ Using alternative data for 108 recipient countries from 1960 to 1999, other World Bank researchers concluded that foreign aid has a *negative* impact on democracy.¹⁷

Could military assistance and arms agreements, as opposed to financial and economic aid, be an effective means for rewarding democratic reformers? The University of Arizona's Edward Muller looked at this question in a study published twenty years ago. Using a time-lagged linear regression, he found that US military aid has a *detrimental* effect on democratic transitions.¹⁸ A more recent paper by Shannon Lindsey Blanton of the University of Memphis indicates the situation has not changed over the years. Employing a pooled time-series cross-sectional design, she examined the patterns of arms acquisitions behavior for 1981 through 1995 and found that arms imports are significantly and negatively related to democracy. Blanton's plausible explanation is that in many developing countries, arms imports strengthen the military's capacity for using force and enhance its political position in relation to civilian authorities. As a consequence, political reform is inhibited.¹⁹ Looking just at Latin America in the 1960s and 1970s, Peter Sanchez of Loyola University Chicago, also suggests that high volumes of aid to the armed forces systematically undermined democratic governments in that region.²⁰

An exception to the harmful effect of military aid may be military exchange and training programs. Using hazard models and an original data set covering over 160 states during 1972–2000, Carol Atkinson of the University of Southern California finds that US military educational exchanges are positively associated with liberalizing trends. She contends that this confirms a process of democratic socialization of political and military elites.²¹ One can speculate, however, about how long it takes for person-to-person social and professional interactions to have positive influence on domestic political participation and contestation. Is one generation too soon? The United States is usually looking for clearer and more rapid results in foreign policy.

TECHNICAL ASSISTANCE

A final way outsiders can possibly encourage democratization is through technical assistance focusing on electoral processes, rule of law, and related activities. Democracy assistance is not meant as a bargaining chip for recalcitrant rulers, and is more narrowly intended to help countries with the practical aspects of setting up and running democratic institutions. Democracy assistance is difficult to identify because it can coincide with other types of aid, but reported amounts are modest and rising. According to the European Council, the total value of Organization for Economic Cooperation and Development (OECD) country support for democracy, human rights, judicial reform, governance and civil society was \$9.9 billion in 2004, with about half the amount coming from the United States. This is almost four times the level of democracy assistance in 2000.²² Another source using different criteria comes in with a lower figure for the United States of \$2 billion in democracy assistance in 2004, not counting Afghanistan and Iraq.²³ The previous year's spending was only half as much.

These small amounts of targeted technical aid may have disproportionate benefits to date. The US Agency for International Development (USAID) has sponsored a rigorous study of the efficacy of its democracy assistance, conducted by a research team at the University of Pittsburgh and Vanderbilt University. The study isolated USAID spending on democracy and governance activities between 1990 and 2003. These outlays were significantly related to Freedom House democracy ranking scores. The Pittsburgh/Vanderbilt team concluded that specialized USAID technical assistance has played a positive, though minor role in promoting democracy in eligible countries.²⁴

James Scott of Oklahoma State University and Carie Steele of the University of Illinois confirmed these general results. They used a different indicator of the level of democratization, covering US democracy assistance from 1988 to 2002. Like the USAID sponsored study, Scott and Steele's data reveal a positive relationship between specific democracy promotion assistance packages and advancement in the direction of democracy.²⁵ A third paper by Sarantis Kalyvitis and Irene Vlachaki at Athens University extends the analysis to include government and civil society aid

provided by all donor countries over an even longer period of three decades. Looking at five-year time horizons, they likewise report that democracy assistance is positively associated with democratic transitions in recipient countries.²⁶

While democracy assistance has been effective, its potential is probably limited. Only if the relationship between democracy aid and democratic reform is linear would massive additional technical assistance help displace autocratic regimes more quickly, but linearity is unlikely. More likely are declining returns to democracy assistance, or even negative returns in some countries once the donors' visibility exceeds some threshold level. At the current level, the United States has already lost credibility as a pro-democracy actor in many corners of the globe.²⁷ Should low-key advising and training become more ambitious, it might trigger a political backlash that would impede rather than help democratization.

Democracy and governance technical assistance is also much less effective depending on where it is going. The Pittsburgh/Vanderbilt team considered regional influences in its model. The coefficients suggest democracy and governance aid lacked a discernible effect in southwest Asia and northeast Africa—precisely where the democracy deficit is largest.²⁸ Similar results were found in the Athens University research paper, which controlled for whether a country had a majority Muslim population. The coefficient for this variable was negative and statistically significant, confirming the broad view that Muslim countries are particularly resistant to democratic reform.²⁹

CONCLUSIONS

Promoting democracy is easier said than done. As this brief review of recent large-N comparative politics and international relations studies shows, military interventions and economic pressure offer bleak prospects—especially when they lack the imprimatur of an international organization such as the UN. Financial and military aid do not appear to be very useful in democratization either, at least over the short and medium term. Targeted technical assistance seems to have the greatest beneficial effect on democratic transitions, though not in the Greater Middle East. Any democracy promotion initiative can backfire and possibly hold back the spread of democracy. Good intentions aside, changing political systems from the outside is a more imperfect science than generally acknowledged.

Notes

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⁵ Arch Puddington, "Global Survey 2007: Freedom Stagnation amid Pushback against Democracy" (New York: Freedom House, 2006), 2.

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²³ Thomas O. Melia, "The Democracy Bureaucracy: The Infrastructure of American Democracy Promotion" (Discussion paper for the Princeton Project on National Security, 2005), 14.

²⁴ Steven Finkel et al., *Effects of US Foreign Assistance on Democracy Building* (Final Report to US Agency for International Development, January 12, 2006).

²⁵ James M. Scott and Carie A. Steele, "The Democracy Mission? Democratic Sponsor States and the Extension of the Third Wave, 1988–2003" (Paper presented at the annual meeting of the International Studies Association, San Diego, March 23, 2006).

²⁶ Sarantis Kalyvitis and Irene Vlachaki, "Democracy Assistance and the Democratization of Recipients" (November 2006): Available at Social Science Research Network.

²⁷ Thomas Carothers and Marina Ottaway, eds., *Uncharted Journey: Promoting Democracy in the Middle East* (Washington, DC: Carnegie Endowment for International Peace, 2005), 252.

²⁸ Finkel et al., *Effects of US Foreign Assistance*, 80.

²⁹ Kalyvitis and Vlachaki, "Democracy Assistance and the Democratization of Recipients."

Crafting a US Response to the Emerging East Asia Free Trade Area

by Christopher Martin

Few would dispute Asia's growing economic importance in the 21st century. While China and India have held the spotlight recently, their rise may not constitute the region's most important economic shift. Japan is still by far the richest economy; while South Korea's formidable industries are the envy of many. Furthermore, the ten-country coalition that makes up the Association for Southeast Asian Nations (ASEAN) boasts such economic dynamos as Singapore and Malaysia. Together, China, Japan, South Korea, and ASEAN (commonly referred to as ASEAN+3) account for 20 percent of global output, nearly 20 percent of global trade, and hold well over 50 percent of the world's international monetary reserves. Moreover, the region is ripe for growth. It accounted for 31.4 percent of the world's population in 2005 (more than Europe and the Americas combined) and the IMF's 2008–2011 outlook figure clocked growth at 7.9 percent for Asia, dwarfing the 2.5 percent for major developed countries. How would the world's economic landscape shift if these thirteen countries were to join together in some form of economic union? More importantly, how should the United States respond to such an event? It is a question the US needs to answer today.

In January, the heads of state of the ASEAN+3 countries led the second East Asia Summit (EAS) in Metro Cebu, Philippines. Among other initiatives, ASEAN+3 countries reaffirmed their commitment to examining the possible creation of an East Asia Free Trade Area (EAFTA) between their respective economies, of which a study of feasibility is already underway. With continued uncertainty surrounding the Doha Round of multilateral trade negotiations, the summit included discussion of a regional trade agreement. Host Philippine President Gloria Arroyo declared last August that the East Asian countries must “draw up a collective response” to Doha's failure. Though the EAS includes non-East Asian nations like India, Australia, and New Zealand, much of the summit focused on hastening the emergence of agreements between ASEAN+3 countries, where trade negotiations have come the furthest.¹ The summit itself is the culmination of a variety of forces and the indicators are clear; East Asia is quietly coming together. The trend is gaining

Christopher Martin is a Policy Manager at the US Council for International Business. The views expressed in this article are his own. Mr. Martin has also served as an Irving B. Harris Fellow at the University of Chicago, and as a Global Policy Fellow at the World Trade Organization in Geneva, where he analyzed special and differential treatment mechanisms under consideration for the Doha Round of trade negotiations.

momentum in a variety of policy forums, though the economic realm demonstrates the strongest coalescence. A number of important intra-regional free trade agreements (FTAs) have already been ratified, while an array of others are in the works. According to Fred Bergsten, Director of the Peterson Institute for International Economics, “virtually every possible combination of the core Asia group—consisting of the original members of ASEAN along with China, Japan, and Korea—is already engaged in active integration efforts.”²

How would the world’s economic landscape shift if the ASEAN+3 countries were to join together in some form of economic union? More importantly, how should the United States respond to such an event?

Yet to date, the US has pursued no comprehensive policy towards the possible emergence of EAFTA. Simple disinterest, preoccupation elsewhere in the world, and the existing ties to the region have all been proposed as reasons for what has been called America’s “benign neglect” of East Asian integration.³ Tellingly, the US was not invited to attend the East Asia Summit, underscoring a strengthening East Asian independence. In economic terms, EAFTA’s possible creation is the most important aspect of this emerging trend, and America’s policy response at this juncture is critical to guiding the region in a way that enhances US prosperity.⁴ Thus the US faces several options. It could continue to do nothing on EAFTA and press ahead solely in building direct ties to East Asia through the Asia Pacific Economic Community (APEC) or through bilateral treaties. The US could also actively support EAFTA, attempt to halt the treaty, or conditionally support it on US inclusion as a member.

The best way to increase US prosperity is a hybrid policy. The US should support EAFTA while simultaneously reinvigorating talks around the creation of parallel trade treaties, either within the framework of APEC and/or bilaterally. The evidence suggests that such a course has the best chance of improving US prosperity, given the characteristics of EAFTA’s establishment and America’s position in relation to the trade group. Furthermore, even if US support of EAFTA impinged on some US economic interests, doing nothing or attempting to upset integration efforts may hurt the US even more. The upcoming analysis follows this line of reasoning.

Before moving on, critics might argue that the prospect of East Asian economic integration through EAFTA is so far off that it requires little attention. Any such conclusion is wrong. Restraints to regional integration certainly exist—they often include the history of Sino-Japanese antagonism, the difficulties in coordinating integration across such a wide range of economic levels and political systems, and the powerful agricultural lobbies throughout East Asia. But such restraints did not prevent the EU from overcoming German-French antagonism nor did they prevent NAFTA or Mercosur from uniting varying types of states. Furthermore, special

interest groups have slowed, but rarely prevented, economic integration. While some analysts have questioned the rationale for EAFTA, its unhurried but steady emergence is undeniable. Appropriate US engagement in the union's early formation will be key to securing a more prosperous and stable East Asia that serves to support America's own prosperity. Supporting EAFTA is the best option available to achieve this goal. Recognizing this requires recognizing three things: the steady increase in East Asian integration, how EAFTA's establishment affects US economic interests, and how US indifference or opposition to EAFTA would impinge on vital US interests in the region.

REMAPPING EAST ASIA

For much of the past fifty years, economic integration in East Asia was best characterized as passive and without any strong institutionalized approach or formal government direction.⁵ Some analysts have termed this type of economic cooperation, absent official treaties, "regionalization without regionalism."⁶ ASEAN, the first and only functioning institution until recently, was initially aimed at coordinating political and security affairs. Though its members did establish a preferential trade area in the late 1970s, cooperation was extremely limited.⁷ The only other initiative to speak of is the Bangkok Agreement of 1975. This particular treaty still exists, but only includes three East Asian countries (the others are South Asian), has no secretariat, is managed through the UN, and is generally considered a failed FTA.⁸

However, economic integration in East Asia is proceeding rapidly, leading some observers to suggest that a "remapping" of the region is currently underway.⁹ The proposal for the ASEAN FTA (AFTA) led the way in 1993, followed by the creation of the East Asian Vision Group by ASEAN+3 governments in 1998. It was this group that recommended the formal establishment of EAFTA in 2001. Integration efforts have only picked up speed over the last five years, with the formal ratification of AFTA, the Japanese-Singapore FTA, and the ASEAN-China FTA that will come into effect in 2010. Another fourteen bilateral and regional FTAs are either in the proposal or negotiation stage, including many that may stand as the bulwark for EAFTA, like the ASEAN-Japan, ASEAN-Korea, and China-Japan-Korean FTAs. Yet the traditional motives for regional integration—such as increased market access, efficiency, bargaining power, and strategic concerns—leave one wondering why it took East Asia so long.

A number of factors play into the increased drive for more institutionalized integration today. The Asian financial crisis of 1997 served a twofold role in uniting the region by fostering both an appreciation of East Asia's economic interdependence and disillusionment with the assistance of the US and IMF in the wake of the crisis.¹⁰ The perceived failure of an APEC free trade pact and slow movement on the multilateral front through the WTO have also sparked integration efforts.¹¹ Regional concerns over being excluded from the growing web of preferential deals, as well as using FTAs to catalyze difficult domestic reforms and

promote emerging political objectives, like engaging China, may all play a role as well.¹²

To be sure, previous East Asian integration efforts were not met with the greatest aplomb by US policymakers. The idea for a pan-East Asian economic union was first proposed in 1990 by Malaysian Prime Minister, Mahathir Mohamad. Former US Secretary of State James Baker quickly quashed the idea then, suggesting it would be akin to “drawing a line down the Pacific.” America’s short dismissal of Japan’s proposal for an Asian Monetary Fund following the 1997 crisis again illustrates US resistance to East Asian economic regionalism. These first indications of economic integration helped drive the formation and continued US commitment to APEC, an agreement founded upon US inclusion. While enhancing US economic ties to East Asia is still good policy, this time around it needs to be coupled with full support for a trade pact in East Asia. The region’s economic conditions suggest that EAFTA could greatly benefit the US

CONDITIONS FOR CREATION

Judging the economic effects that EAFTA would produce is no easy task. A great deal of debate surrounds the benefits of FTAs in general, as their effects hinge on a number of conditions. The core of the dispute centers on two related issues: how agreements affect the welfare of FTA members and nonmembers, and the effects of FTAs on the multilateral trading environment.¹³ Little theoretical convergence exists on this second issue, and studies provide little insight into the possible effects of EAFTA on the multilateral system.¹⁴ Therefore, this analysis focuses on the theory around member and nonmember welfare gains from FTAs and examines the evidence regarding EAFTA. The analysis suggests that US support for EAFTA would greatly enhance US prosperity.

The economic impacts of FTAs on members and nonmembers depend primarily on the static and dynamic effects of the agreement. Static effects focus on whether an FTA creates or diverts trade between states. An FTA can create trade if lower tariffs between members help enhance production where costs are lowest and production is most efficient. For instance, EAFTA would likely create more imports of rice to Japan and more exports of high-end semiconductors to Thailand, simply because other EAFTA countries like Thailand maintain a comparative advantage in production of rice and Japan in semiconductors. FTAs can also, however, divert trade by shifting import-export patterns towards non-efficient member producers whose costs may be higher but who can now trade more cheaply within the union due to the lower tariffs, while better and more efficient producers in nonmember states suffer from the respectively higher and exclusionary tariffs in the post-FTA environment. Extending the EAFTA example above, imagine the US produced semiconductors more efficiently than Japan and originally traded more of them with Thailand. If EAFTA drew down tariffs between Thailand and Japan so much so that imports of Japanese semiconductors actually became cheaper compared to US ones, not because they were produced more efficiently but simply because the US now

faced respectively higher external tariffs in Thailand, that would be trade diverting, because Japan would supply semiconductors to Thailand and not the US. In general, trade creation is good for members and does not hurt nonmembers, while trade diversion hurts both members and nonmembers.

Yet, even if trade diversion occurs, an FTA's dynamic effects may offset or override such concerns. The important dynamic effects for nonmembers generally center on new opportunities that larger and more efficient FTA markets create. FTAs expand economies of scale and scope, improve competitiveness, and drive technological innovation. This not only enhances investment opportunities for nonmembers, but can lead to product improvements and lower prices that benefit both members and nonmember economies alike. But how do these play out for EAFTA?

Theories to date have reached no definitive conclusions on the exact static and dynamic effects of FTAs, though the existence of certain conditions seems to point to trends that suggest that the US would gain from EAFTA. First, trade creation is more likely and diversion less likely where prospective FTA members are already natural trading partners with high trade flows, primarily because an FTA reinforces natural trade patterns rather than artificially distorting them. EAFTA economies satisfy this condition in spades. Trade volumes between ASEAN+3 countries expanded to \$317 billion in 2005, continuing the average annual 16 percent increase that has persisted since 1975.¹⁵ Including Hong Kong and Taiwan, the share of inter-regional trade stood at 52% in 2005, higher than that of even NAFTA countries.¹⁶

Economic integration in East Asia is proceeding rapidly, leading some observers to suggest that a “remapping” of the region is currently underway

Second, FTAs generally lead to less trade diversion where higher pre-FTA tariffs between members exist. ASEAN+3 countries generally fulfill this criterion as well, with average applied tariffs ranging from a low of 0 percent in Singapore to a high of 16.8 percent in Vietnam. The numbers look even more divergent when examining bound rates, which vary from 2.9 percent in Japan to 83.6 percent in Burma. These numbers lend further credibility to the claim that EAFTA will create rather than divert trade.

Furthermore, FTAs are generally less diversionary when tariffs are lower between members and nonmembers after FTAs come into effect. While it is impossible to precisely predict EAFTA's external tariff rates *ex-ante*, the point illustrates an important dynamic in gauging the economic effects of the agreement on the US. The US is the biggest trading partner and export market for many ASEAN+3 countries, enjoying relatively good trade relations and low tariffs with these nations. Two-way trade between the US and ASEAN reached \$122 billion in 2003. The US and Singapore signed a bilateral FTA in 2004, and new agreement between the US and Vietnam is paving the way for Vietnam's entrance into the

WTO. The US also serves as the leading export market for seven EAFTA member economies, including China and Japan. Given that East Asian countries maintain such close trade ties to the US, it is unlikely that the creation of EAFTA with US support would prompt any of these countries to raise barriers in a way that might threaten these interests.

Gary Hufbauer and Yee Wong support this position in a report on the prospects for regional free trade in East Asia. They note that the growing economic regionalism need not be feared given that these countries do not seem to be building a “fortress Asia” trade bloc.¹⁷ Instead, Hufbauer and Wong argue that a great number of inter-regional FTAs, including those with the US, exist alongside growing intra-regional ties. Moreover, almost all of ASEAN+3 are members of the World Trade Organization, which assures the US legal access to their markets at the lowest rates afforded to other WTO members through most-favored nation tariff regulations.

To examine every condition surrounding EAFTA that might affect US trade interests is beyond the scope of this essay, but it should already be apparent that there is, at the very least, some indication that EAFTA will not divert much trade away from the US on theoretical grounds. That leaves the question of FTA effects open to an emerging body of empirical evidence.

The most recent studies suggest that EAFTA will probably not harm—and may greatly benefit—US prosperity. A 2001 study by Scollay and Gilbert indicates that EAFTA will provide strong welfare gains to its members, while incurring only a negligible welfare loss to the US (.03 percent of GDP), a finding that is confirmed in more recent studies.¹⁸ However, these studies all acknowledge that their estimates may be rather conservative given that they do not incorporate the potentially important dynamic effects discussed above nor do they adequately model trade in services that could lead to systematic understatement of the welfare gains for the US.¹⁹ A 2004 study by Lee and Park even argues that a regional FTA in East Asia could increase nonmember trade anywhere from 8.9 to 55 percent depending on a variety of factors.²⁰ As the range of these numbers and arguments suggest, the empirics of FTA analysis are less than perfect gauges as to the effects an EAFTA might have on the US, though they seem to indicate either a very negligible negative impact or a significant positive one.

BETTER TRADE, INVESTMENT, AND MONEY

Regardless if trade flows between the US and EAFTA member countries increase, decrease, or are unaffected, the US may derive other important economic benefits from the agreement. Most importantly, a good number of US companies own or are joint partners with firms and factories operating in East Asia. From Dell computers to Nike shoes, these companies source their products through East Asian supply chains. As many of these suppliers are based in a variety of countries throughout the region, the static and dynamic trade gains will mean greater profit returns to US-based firms operating in EAFTA countries simply because of gains from more efficient internal trade flows. Such benefits may be especially significant

because EAFTA would likely not only focus on tariff reductions, but could also lead to a “deepening of trade” through facilitation measures aimed at lowering transaction costs.²¹ Enhanced customs procedures, standardization, freer mobility of labor, and increased e-commerce technology would all greatly benefit US firms operating throughout the region.

Whereas it took Europe years of discussion and a history of open regional trade before it began to candidly consider cooperation in other areas, Asian financial integration may even be preceding trade in some areas.

Another promising aspect of EAFTA concerns the increased investment opportunities that the US might enjoy. These arise not only from the dynamic gains from trade mentioned earlier, but also because of the way in which EAFTA may promote more flexible investment regulations for US firms. The recent bilateral FTA between Japan and Singapore in 2002 and the studies underway on the China-Japan-Korea, as well as the Korean-Japan, FTAs, signal a distinct shift towards investment-enhancing rules in ASEAN+3 trade agreements.²² There is little reason to believe EAFTA would depart from this trend. Entrenching more open regulatory structures throughout the region would serve the interests of both hot-money American equity investors and US companies with longer-term capital investments in fixed assets.

Investment liberalization is not the only non-trade aspect of economic integration in East Asia that could benefit the US. The region has bucked the norm in improving monetary supports, and EAFTA would strengthen these efforts. Whereas it took Europe years of discussion and a history of open regional trade before it began to candidly consider cooperation in other areas, Asian financial integration may even be preceding trade in some areas. Following the 1997 crisis, ASEAN+3 governments agreed in 2000 on a network of bilateral currency swap agreements to provide mutual protection in case of new financial emergencies.²³ Known as the Chiang Mai Initiative, these agreements originally served to provide a total of approximately \$39 billion between all the partners. In 2005, ASEAN+3 countries decided to roughly double that amount, as well as double the percentage of emergency funds available for distribution without the recipient country implementing an IMF program.²⁴ Lu Feng at the China Center for Economic Research describes these parallel movements in finance and trade as “the most noticeable feature of East Asian regionalism.”²⁵ Undoubtedly, the tandem evolution in financial stability measures alongside and within the framework of EAFTA trade negotiations serves to benefit American interests in a host of industries, both in East Asia itself, and anywhere else that might benefit from sound Asian financial markets.

While this may all be true, critics will argue that the US can do better. Particular sectors of the US economy will certainly bear the brunt of economic costs regardless of potential benefits, and studies have shown that EAFTA's creation might reduce US exports by as much as \$25 billion.²⁶ This represents a relatively small fraction of

the US economy, but it can mean high costs for particular firms and affected communities. Critics will ask why the US should support EAFTA if it could get a better deal with other options, such as an APEC FTA that includes the US, or direct bilateral treaties. Indeed, US policy has, so far, focused in these areas. Unfortunately, APEC and bilateral deals alone are not enough.

BRIDGING THE PACIFIC

The current US strategy to engage East Asia solely through APEC and bilateral trade pacts, while remaining indifferent to integration efforts that do not include the US, is perilous policy for three reasons. First, APEC is not currently a viable policy option with regard to trade. While an important forum in bringing together a wide array of powers and interests on both sides of the Pacific, the prospect of an APEC trade group faces considerable political hurdles. Hopes for a trade pact are dim abroad, and protectionist rumblings in the halls of Congress have made domestic agreement on such a large FTA unlikely anytime soon. Near failure of CAFTA in 2005, a much smaller agreement in economic terms, underscores this constraint. That is not to say that the US should jettison efforts on APEC. Rather, the US should continue to support APEC, but focus even more on bilateral deals that face fewer political obstacles and pass much more quietly through the US legislature. To its credit, the US has met with some success in this area, including completed free trade agreements with Australia, Singapore, and Korea, and ongoing negotiations with Thailand and Malaysia.

However, such ties to key East Asian trade partners are worth much less to the US without a clear position on EAFTA. US apathy to internal ASEAN+3 integration efforts have allowed these new intra-linkages to proceed without significant US input. Despite the vague US commitment to free trade in East Asia, the absence of an explicit unified policy towards any regional integration not crossing the Pacific has muted the US voice in shaping EAFTA, what may become the strongest economic union in the world. Indifference rarely makes for good foreign policy.

Lastly, the US can no longer afford to ignore either the imminent regional momentum towards integration or the potential benefits that a wide-spread East Asian trade pact could bring the US. Increasing US ties through APEC and bilateral agreements is laudable policy, but only if it accompanies a clear US message on EAFTA. The best message the US can offer is its full support. Not only is the current disinterested policy undesirable, it now seems that any attempt to halt movement toward the agreement would hurt the US. Given the pace of economic integration and emerging political dynamics in ASEAN+3 countries, the negative repercussions that US disapproval of EAFTA might entail are grave. Any US efforts to either completely disrupt EAFTA, or quash it should the US not be included as a member, may serve to only slightly detour East Asian integration at the cost of US prosperity.

SITUATIONAL CONSTRAINTS

The past two US administrations actively worked against any formalized East Asian economic integration exclusive of the US, but the circumstances suggests that such a policy is unworkable today. Efforts against EAFTA could certainly slow any formalized treaty, as the agreement is in its preliminary phases and the US still maintains great influence in East Asian affairs. Undercutting EAFTA, however, would be folly. Not only may such efforts be in vain, attempting to crush the agreement could also significantly hinder US prosperity goals by sapping valuable diplomatic resources and undermining ever more tenable regional perceptions of the US.

American opposition to EAFTA is a costly proposition because it would drain political capital needed to meet other important economic and security threats in East Asia. The surging economic regionalism that some predicted would soon subside has not done so. Therefore any opposition to it would demand diplomatic resources and political capital that are in short supply given the array of challenges facing the US throughout the region. Dealing with a nuclear-armed North Korea, calls by China to rein in Taiwanese independence, and coordinating responses to an avian flu pandemic are difficulties that the US has no choice but to confront. Furthermore, America's war on terror requires that it maintain constructive relations with all its East Asian partners, especially those in largely Muslim countries like Indonesia, who may greatly benefit from EAFTA. Instructing East Asian countries to shun EAFTA (or the smaller bilateral and regional pacts that will become the backbone of the agreement) contradicts standing US policy on free trade, and does little to promote the critical US-Asian bilateral deals mentioned earlier.

US resistance to the union may not only be futile and dear in terms of opportunity costs lost on other vital interests, it may also directly damage US influence that is already under fire in the region. Like many other places, the US faces a public image problem in East Asia.²⁷ Disenchantment stemming from scandals involving American troops stationed in Korea and Japan has only been inflamed by post-9/11 American foreign policy in places like Iraq. Such sentiment is beginning to encroach on heretofore staunchly pro-American positions in the region. The Philippine withdrawal of its small contingent of troops from Iraq ahead of schedule in exchange for the safe return of a kidnapped Filipino truck driver is one such worrying example of a decline in US clout. Muslim states in particular, such as Malaysia and Indonesia, have broken with the US publicly on issues ranging from Israel-Palestine to US offers to patrol the Strait of Malacca.²⁸

Thus US opposition to EAFTA could be costly whether the agreement comes forth quickly or not. Trying to squelch EAFTA, even if successful in the short-run, would embolden opponents of the US within East Asian governments to fan regionalist and anti-American flames by highlighting continual US meddling in national affairs. Were EAFTA to go forward anyway despite US objection, opposition would inhibit the potential for the US to influence the development of

treaty provisions. The US would forfeit its ability to bend the agreement towards its economic interests in a number of important areas. Pushing down the union's bound external tariff rates on important US exports, decreasing the prevalence of non-tariff barriers like customs procedures and other transaction costs to US business, and easing paths for American investors might all suffer from the US losing the ears of its allies within ASEAN+3 governments.

It can be argued that if the benefits of an EAFTA crafted towards US interests makes its passage more attractive, then the US should neither completely obstruct nor support EAFTA as is, but go one step further and use its powerful position in East Asia to force US inclusion as a member of the union.²⁹ Inclusion in EAFTA would provoke much of the same response by opponents of the US within East Asian governments, and could prove even worse. US insistence on inclusion in a regional FTA not only smacks of economic imperialism, but its very notion is counter to the idea of a regional pact. The idea of the US joining the EU or Mercosur sounds a little ridiculous. Would EAFTA be a credible exception? US inclusion in EAFTA is somewhat illogical because the US is already committed to APEC. Shifting priority to EAFTA inclusion would falter for the same political reasons as APEC, and signal a final end to any successful use of APEC as a vehicle for building economic and political ties between the East and West.

Given the momentum towards regionalism, the potential benefits to the US from EAFTA, the need for a clear US policy, the array of other important challenges, and shifting perceptions of the US in East Asia that effectively constrain US opposition to integration, neither outright obstruction nor conditional acceptance of EAFTA make for good policy. The US should resolutely support EAFTA. This is not to say that support is without problems, but it is the best option available.

A LITTLE LESS INFLUENCE AND A LITTLE MORE TRADE

The US is currently the sole undisputed economic and military power, both in the world and in East Asia. It will remain so in the world for some time, but its role in East Asia is changing. In 2004, China surpassed the US as Japan's largest trade partner. This change portends a trend that the US need recognize. It is not a quick or drastic shift, but one that is slowly but surely occurring: America's economic dominance is waning in East Asia. And this is not a bad thing.

EAFTA's emergence is just one outgrowth of this shift, one that need occur everywhere if healthy foreign economies are to grow and become solid economic partners with the US. Europe's early economic integration is a good example of how a union like EAFTA may one day lift American prosperity to new and greater heights. According to a Congressional Research Services report issued in May, "Not only is the US-EU trade and investment relationship the largest in the world, it is arguably the most important. Agreements between the two economic superpowers have been critical to making the world trading system more open and efficient."³⁰

While East Asia is not Europe, both regions encompass the largest economies outside of the US. The size and strength of the EU's integrated market aided

American trade and investment opportunities immensely. In 2004, annual two-way trade flows of goods, services, and investment between the United States and the EU exceeded \$1.3 trillion.³¹ With every large American investor and business involved in some way in East Asia, the further integration of Asian markets could prove an incredible boon to US prosperity.

Today, South Korea presents the perfect avenue toward implementing the hybrid policy suggested here of pushing EAFTA alongside parallel US trade agreements. The US should declare its outright support for EAFTA with encouragement and pressure to conclude a critical precursor FTA underway between Korea and Japan. Simultaneously, the US Congress should follow up on the successfully negotiated bilateral deal with Korea and pass the treaty by the end of 2007. Effecting this dual strategy with Korea and other important ASEAN+3 partners will enhance US economic access to the region and best position the US to make the most of budding East Asian integration.

While EAFTA's emergence may further reduce America's economic influence in the region, that does not mean it will hurt US economic interests. On the contrary, if EAFTA is to follow the path of the EU in any measure, the benefits to US prosperity could be immense. There is little that the US can do to stem its waning economic influence in the long-run. To partake of the rise of Asia in the 21st century in a way that best helps America, the US should support EAFTA and further develop America's economic bonds with its neighbors across the Pacific. A little less influence may go a long way.

Notes

¹ The Chairman's Statement of the Tenth ASEAN+3 Summit on January 14, 2007 "welcomed the East Asia Free Trade Area (EAFTA) as a fruitful avenue of integration." While the ASEAN+3 summit leaders noted the possibility of other EAFTA configurations that include other EAS members, the most important trade commitments agreed to in Cebu involved those of ASEAN+3 members, including an agreement on trade in services between ASEAN and China, and Japan's proposal to create an Economic Research Institute for ASEAN and East Asia (ERIA). Furthermore, the current difficulties to win the ASEAN-India FTA negotiations suggest a larger FTA grouping, beyond ASEAN+3, may be infeasible anytime soon.

² Fred Bergsten, "Embedding Pacific Asia in the Asia Pacific: The Global Impact of an East Asian Community" (speech at the Japan National Press Club, Tokyo, September 2, 2005).

³ Bergsten, "Embedding Pacific Asia," 3. See also Simon Tay, "East Asian Community and the United States: an East Asian perspective," *Pacific Forum CSIS, Issues and Insights* 5 (2004): 24–25.

⁴ While security concerns are also vital to American interests in East Asia, EAFTA's immediate impacts center on its economic effects and are thus the focus of this analysis.

⁵ Jong-Wha Lee and Innwon Park, "Free Trade Areas in East Asia: Discriminatory or Non-discriminatory?," *World Economy* 28, no. 1 (Jan 2005): 23.

⁶ Feng Lu, Free Trade Area: Awakening Regionalism in East Asia. Working paper no. E2003010. China Center for Economic Research, Peking University, 2003. Lu makes the distinction between "top-down" government led action with reference to particular formal agendas and mechanisms as opposed to "bottom-up" integration occurring naturally in the market.

⁷ Malaysia's Prime Minister, Mahathir Mohamad, said at the First ASEAN Economic Congress in 1987 that "in its first 20 years, the main thrust of ASEAN has been political." See Lu, "Free Trade Area," 10.

⁸ Saman Kelegama, "Bangkok Agreement and BIMSTEC: Crawling Regional Economic Grouping in Asia," *Journal of Asian Economics* 12 (2001): 106.

⁹ T.J. Pempel, "Emerging Webs of Regional Connectedness," in *Remapping East Asia: The Construction of a Region*, ed. T.J. Pempel (Ithaca: Cornell University Press, 2005).

¹⁰ Simon Tay, "East Asian Community and the United States," 16.

¹¹ Ibid, 16–17.

¹² Chang Jae Lee, “Towards an East Asia Free Trade Area: A Korean Perspective,” Presentation to the Korea Institute for International Economic Policy, Seoul, September 1–2, 2004.

¹³ This analysis excludes the debate around the benefits of free trade and assumes the general consensus that free trade is positively related to economic growth and efficiency. For a recent review of many of the issues, see Jagdish N. Bhagwati, *Free Trade Today* (Princeton: Princeton University Press, 2003); and Douglass Irwin, *Free Trade Under Fire* (Princeton: Princeton University Press, 2003).

¹⁴ Jagdish Bhagwati first posed the question of whether free trade agreements serve as “building blocs or stumbling blocs” in Jagdish Bhagwati, *The World Trading System at Risk* (Princeton: Princeton University Press, 1991). Since then, a variety of articles have surfaced arguing both ways. In Jagdish Bhagwati, David Greenaway and Arvind Panagariya, “Trading preferentially: theory and policy,” *The Economic Journal* 108 (1998): 1128–1148; the authors describe how increasing bilateral and regional preferential FTAs lead to an ever more complex and difficult trading environment—a “spaghetti bowl effect”—that inhibits economic benefits and liberalization. However, a recent study of Asian FTAs suggests that this is not the case in Asia; see Patrizia Tumbarello, “Are Regional Trade Agreements in Asia Stumbling or Building Blocs? Some Implications for the Mekong Countries,” Paper presented at “Accelerating Development in the Mekong Region—the Role of Economic Integration,” Siem Reap, Cambodia, June 26–27, 2006.

¹⁵ Joint Media Statement of the Ninth Consultations between the ASEAN Economic Ministers and the Ministers of People’s Republic of China, Japan and Republic of Korea (AEM Plus Three) Kuala Lumpur, August 24, 2006; and Matsuda Iwao, “Free Trade Vision for East Asia,” (CEAC Commentary, Council on East Asian Community, April 28, 2005)

¹⁶ Chang Jae Lee, “From East Asian FTAs to EAFTA,” Paper presented at the Second Conference of East Asian Institutes Forum on East Asian Economic Integration: Progress and Impediments, organized by Korea Institute for International Economic Policy, in Jeju, on October 13–14, 2006

¹⁷ Gary Hufbauer and Yee Wong, “Prospects for regional free trade in Asia,” (Working Paper No. 05–12, International Institute for Economics, Washington, DC, 2005).

¹⁸ Robert Scollay and John Gilbert, *New regional trading arrangements for the Asia-Pacific?* (Washington, DC: Institute for International Economics, 2001), 68; Urata and Kiyota find a similarly negligible welfare loss of .06% for the US from EAFTA; see Shujiro Urata and Kozo Kiyota, “The impacts of an East Asia FTA on foreign trade in East Asia,” (NBER Working Paper No. 10173, National Bureau of Economic Research, Cambridge, MA, 2003), 10.

¹⁹ Scollay and Gilbert, *New regional trading arrangements for the Asia-Pacific?*, 86.

²⁰ Lee and Park, “Free trade areas in East Asia: discriminatory or non-discriminatory?” 35. Their analysis suggests that trade gains to countries outside EAFTA depend on how the FTA would operate, in that it might operate more like NAFTA (which would then expand EAFTA extra-bloc trade by 8.9 percent) or more like AFTA (which would increase those gains to 55 percent). Furthermore, other studies indicate that FTAs in general tend to increase trade between members and non-members, especially when FTA markets also balance FTA liberalization with other liberalization efforts. See J. Frankel, *Regional trading blocs in the world economic system*. (Washington, DC: Institute for International Economics, 1997) for a summary of FTA coefficient estimates across studies.

²¹ Lee and Park, “Free trade areas in East Asia,” 41.

²² Ibid, 20.

²³ A currency swap is an agreement to exchange one currency for another and to reverse that transaction at a specified future date.

²⁴ Victor Mallet, “Support deal could become Asia IMF,” *Financial Times*, May 6, 2005. For an in-depth discussion of the Chiang Mai initiative, see C. Randall Henning, *East Asian Financial Cooperation*. (Washington, DC: Institute for International Economics, 2002), 11–31.

²⁵ Feng Lu, “Free trade area: awakening regionalism in East Asia,” 20.

²⁶ Scollay and Gilbert, *New Regional Trade Agreements for the Asia-Pacific?*, 140.

²⁷ Simon Tay, “East Asian Community and the United States,” 18.

²⁸ Eric Teo Chu Cheow, “Strategic relevance of Asian economic integration.” (RIS Discussion Paper 90/2005, Research and Information System for the Non-Aligned and Other Developing Countries, New Delhi, 2005).

²⁹ Simon Tay, “East Asian Community and the United States: An East Asian Perspective,” 25.

³⁰ Ibid, 2.

Kosovo 1999: Clinton, Coercive Diplomacy, and the Use of Analogies in Decision Making

by Sébastien Barthe & Charles-Philippe David

The purpose of this article is to investigate and assess the role of analogical thinking, and the “Bosnia analogy” in particular, in steering the Clinton administration toward a strategy of coercive diplomacy during the crisis in Kosovo in 1998. It is our thesis that, throughout the decision-making process, key administration figures used a variety of analogies to frame the Kosovo crisis, which prompted advocacy of conflicting policy options. Specifically, activists like Madeleine Albright and Wesley Clark pushed for a full military option to complement diplomatic efforts, evoking the lessons of Bosnia as justification. On the other hand, minimalists like William Cohen and Sandy Berger invoked images of Vietnam and Somalia to keep US involvement to a minimum. Ultimately, it would appear that the Bosnia analogy prevailed, leading the Clinton administration to launch a military campaign limited to high-altitude strategic bombing, as seen in 1995.

Building on previous studies of American decision making and military actions in the Kosovo war of 1999, we will expand on the idea that the administration’s determination not to commit US ground troops to combat operations was partially responsible for the unforeseen duration of the war.¹ However, our own analysis will suggest that this stance stemmed more from a lag in the decision-making process, caused by an over-reliance on images from Bosnia prior to the military campaign, than from fears of seeing a Vietnam or Somalia repeated in the Balkans.

In order to assess the importance of analogies in the decision-making process, both prior to and during NATO’s aerial campaign against Yugoslavia, we will use an analytic model developed by Yuen Foong Khong in his 1992 book, *Analogies at War: Korea, Munich, Dien Bien Phu, and the Vietnam Decision of 1965*.² Khong labels his model of analogical reasoning the “AE framework.” In our opinion it goes a long way towards explaining how analogies operate cognitively and clarify the consequences for decision making.

In the first part of this article, we will revisit the AE framework, describe its basic tenets, and describe how analogies typically influence decision making and

Sébastien Barthe is a PhD Candidate in Political Science at the University of Québec at Montréal and a research fellow at the Center.

Charles-Philippe David is Raoul Dandurand Professor of Strategic and Diplomatic Studies and Director of the Center for United States Studies at the University of Québec at Montréal. The authors wish to thank Professor Yael Aronoff from Hamilton College, and all the staff at the Raoul Dandurand Chair, for their helpful comments on previous versions of this text.

foreign policy choices. In the second part, we will use the AE framework to discuss how conflicting analogies informed the debates inside the White House between 1998 and early 1999 about what to do in Kosovo. Finally, the third section of this article will argue that the Bosnia analogy empirically “collapsed” when air strikes proved insufficient to stop Milosevic in April and May of 1999. Consequently, the Principals Committee³ had to debate at length the use of ground forces; an option few had ever favored up to that point. In the end, we assert that this reopening of the discussion played a major role in prolonging the war; and it came to an end when Milosevic understood that the Americans and NATO had effectively decided to expand their offensive on the ground.

THE AE FRAMEWORK REVISITED

The use of analogies by decision makers to either frame the parameters of a particular situation or produce a discourse to justify decisions has been discussed at some length in international relations and foreign policy analysis literature. Concentrating on what Kenneth Waltz identifies in *Man, the State, and War* as the “first image” of international politics,⁴ foreign policy scholars actually began delving into the psychological dimensions of decision making as early as the 1940s. Authors like Harold Lasswell, Richard Snyder, H.W. Bruck, Burton Sapin, Harold Sprout, Margaret Sprout, and Herbert Simon are often considered pioneers in this field.⁵ Later works of “classical” standing in the field now include Robert Jervis’ *Perception and Misperception in International Politics*,⁶ Ole Holsti’s “The Belief System and National Images: A Case Study,”⁷ Irving Janis’ *Victims of Groupthink*,⁸ and Alexander George’s *Presidential Decision Making in Foreign Policy*.⁹

While there may be fewer studies devoted entirely to analogies, and their use by policymakers, this research agenda has proven quite fruitful since the mid-1970s. Works of importance include Richard Neustadt and Ernest May’s *Thinking in Time*,¹⁰ Glenn Snyder and Paul Diesing’s *Conflicts among Nations*,¹¹ G. Matthew Bonham and Michael Shapiro’s collection entitled *Thought and Action in Foreign Policy*,¹² Yaacov Vertzberger’s *The World in Their Minds: Information Processing, Cognition, and Perception in Foreign Policy Decision Making*,¹³ and Jeffrey Record’s *Making War, Thinking History: Munich, Vietnam, and Presidential Uses of Force from Korea to Kosovo*.¹⁴

Khong notes that much of the research in this field has concentrated on the consequences of analogies:

*The unifying theme of previous works on the relationship between the lessons of history and policy has been that statesmen frequently turn to analogies for guidance when confronted with novel foreign policy problems, that they usually pick inappropriate analogies, and as a result, make bad policies.*¹⁵

In *Analogies at War*, Khong’s thesis goes beyond this agenda. Khong tries first to demonstrate that analogizing is a normal cognitive process by which humans try to make sense of situations with unknown variables. This argument has far-reaching implications: if the use of analogies is embedded in the way humans think, then

solely normative research that attempts to discredit the policy choices of decision makers on the grounds that analogies were used in the policymaking process is misguided.¹⁶ Khong prefers a more moderate approach, one that is more interested in what exactly analogies do and how their influence on decision outcomes can be demonstrated. This is the main objective of his framework, which

...suggests that analogies are cognitive devices that “help” policymakers perform six diagnostic tasks central to political decision making. Analogies (1) help define the nature of the situation confronting the policymaker, (2) help assess the stakes, and (3) provide prescriptions. They help evaluate alternative options by (4) predicting their chances of success, (5) evaluating their moral rightness, and (6) warning about dangers associated with the options.¹⁷

Khong’s AE framework relies heavily on terms and concepts borrowed from cognitive psychology, in which analogies have been amply studied since the 1950s.¹⁸ The basic idea is that human beings try to make sense of situations they encounter by matching them with past situations they have stored in memory.¹⁹ This is necessary because, as controlled experiments have demonstrated, human beings have limited computational capacities. According to Khong, this may well explain the widespread use of analogies in policymaking. However, there may also be “identifiable and systematic biases associated with the process.”²⁰ In this connection, he notes two key findings made by cognitive psychologists. First, “people tend to access analogies on the basis of surface similarities”²¹ and, beyond the superficial similarities, an analogy is more likely to be used if it is easily “recallable.”²² The second key finding from cognitive psychology is that, once accessed, analogies “(1) allow...the perceiver to go beyond the information given, (2) process information “top-down,” and (3)...lead to the phenomenon of perseverance.”²³ This means that once humans are engaged in analogical thinking, they will tend to focus on information that confirms their preferred line of reasoning, bypassing information that is at odds with that schema. The analogy can therefore persist as the main tool of cognition even in the face of contrary evidence.²⁴

Knowing how analogies operate, and the biases associated with their use, we can develop a general model for the typical use of analogies in decision-making processes. In the first step, an analogy is invoked based on the availability heuristic—that is to say, because it is easily recalled *and* involves a past situation that appears similar to current circumstances. From that point on, the perceiver will tend to minimize the importance of any discrepant information. In debates on policy options, the analogy helps the perceiver to build a framework for action. The perceiver uses the analogy to define the nature of the situation at hand and determine what course of action may or may not work in response to the problem.

The risks associated with analogical thinking, according to the literature, apply here: if the novel situation differs in any meaningful way from the past one, as defined by the analogy, decisions leading to inappropriate policies may be taken. Furthermore, the perseverance phenomenon may induce decision makers to “stay

the course” even in the face of impending policy disaster. Furthermore, when an analogy becomes “triumphant” within a policymaking group, it can spawn groupthink.²⁵

TESTING THE FRAMEWORK: CONFLICTING ANALOGIES BEARING ON “WHAT TO DO” IN KOSOVO

a. The Bosnia Analogy

When Kosovo was identified by the White House as a problem in early 1998, many of the key foreign policy players in the Clinton administration were veterans of the policy debates that culminated in the American-led NATO intervention in Bosnia in 1995.²⁶ Madeleine Albright, Sandy Berger, Richard Holbrooke, Leon Fuerth, Sandy Vershbow, Bill Clinton, and Al Gore had all experienced first-hand the painful process through which the United States finally decided on a strategy of coercive diplomacy²⁷ to end the civil war in Bosnia-Herzegovina. Given this roster, it may not be surprising that many of them seemed to have readily identified the worsening situation in Kosovo in the spring and summer of 1998 with the events that took place in Bosnia between 1992 and 1995.

Furthermore, early on it seemed that at no point did a major player within the presidential decision-making circle consider that the Serbian leadership would not let go as easily of Kosovo as it did of Bosnia in 1995. Whether it was due to a lack of historical inclinations, which would have easily reminded the decision makers that Kosovo was intricately linked to Serbian national identity since the Middle Ages, or through an appreciation of how Russia could play the Balkans game differently in 1999 than as it had in 1995, the fact remains that there was readily available information, which could have preempted what would become an over-reliance on the Bosnia image. Already, we can observe that for those that saw Kosovo as a “second Bosnia,” the image was strong enough to act as a filter against discrepant information. This seems to summarily confirm the application of the AE framework on our case as the analogy very quickly led its perceivers to persevere in their evaluation of the situation.

From the outset, Madeleine Albright was the most adamant of the principals in relating Kosovo to Bosnia. As she wrote in her memoirs,

The killings at Prekaz²⁸ filled me with foreboding matched by determination. I believed we had to stop Milosevic immediately. In public, I laid down a marker: “We are not going to stand by and watch the Serbian authorities do in Kosovo what they can no longer get away with in Bosnia.” ...Earlier in the decade the international community had ignored the first signs of ethnic cleansing in the Balkans. We had to learn from that mistake.²⁹

Later, discussing the early days of the Kosovo crisis in an interview with Barton Gellman of the *Washington Post*, Albright would claim that in early March 1998, she “felt that there was still time to do something about this, and that we should not wait as long as we did on Bosnia to have dreadful things happen.”³⁰ To her, the lessons

of Bosnia seemed relatively clear: first, procrastinating would only play into the hands of Milosevic, allowing him to pursue his plans for ethnic cleansing. Second, a strategy relying solely on diplomatic incentives would probably not succeed in extracting concessions from Milosevic. In 1995, it was only after NATO launched strategic air strikes against Yugoslav army assets that Milosevic finally forced the Bosnian Serbs to the bargaining table.³¹ Ultimately, high-altitude bombing was instrumental in bringing about the Dayton Peace Accords.

The decision-making process for Kosovo continued to drag on through the year. In 1998, as noted by Halberstam, as well as Moskowitz and Lantis, the Lewinsky scandal turned the administration's attention towards saving Clinton's presidency. Nevertheless, at principals meetings throughout 1998, Madeleine Albright continued to push for rapid implementation of a coercive diplomacy strategy. In her mind, the goal was clear—the US should seek “a negotiated settlement between Milosevic and the Albanians that would grant a substantial measure of self-rule to the province.”³² It was always the Secretary of State's position that tyrants such as the President of Yugoslavia understood only force. Contrary to Halberstam,³³ we would argue that this was, indeed, an instance of coercive diplomacy. Armed force was, in general, perceived by the Clinton team as a means to force a diplomatic settlement from a recalcitrant party; not as a way to militarily defeat the Yugoslav army and/or other paramilitary forces, or to provoke regime change in Belgrade.

The Bosnia analogy led to the conclusion that if any measure of force was used against Milosevic in Kosovo, he would yield. Indeed, it took only two weeks before he decided to accept the American-led peace plan in 1995.

Albright was not alone in making connections between Kosovo and the events of Bosnia at the beginning of the decade. US Army General Wesley Clark, who tried on numerous occasions to influence decision making in Washington on the latest Balkans crisis, took a similar line. First, Clark tried to use his position as NATO Supreme Allied Commander for Europe (SACEUR) to bypass his Pentagon superiors, who were oblivious to the situation arising in Kosovo in early 1998.³⁴ Clark's view was that the US should exercise leadership in devising a coercive diplomacy strategy. This was an understandable stance, given that he had been personally involved in the Dayton peace negotiations during the autumn of 1995. His bias in favor of strategic air strikes as a coercive tool stemmed from a remark Milosevic had made to the effect that his armed forces would not stand a chance against NATO airpower.³⁵ Clark recalls that by late May 1998, he was trying to convince both his military and civilian superiors that “we could use a carrot-and-stick approach to bring Milosevic to the point of negotiating a political solution to the emerging conflict.”³⁶ In June, as the administration considered negotiating with Belgrade through Holbrooke and US Ambassador Christopher Hill, Clark appears to have convinced Chairman of the Joint Chiefs of Staff, Hugh Shelton, that the

military and diplomatic tracks should be linked. Clark's main argument was that this approach had worked well in 1995.³⁷ Regarding Clark's general attitude in the spring and summer of 1998, Halberstam comments, "[A]s tensions between the KLA and the Serbs escalated, he became more of an activist. To him it was a replay of events in Bosnia."³⁸

President Clinton himself seems to have linked the crisis in Kosovo with what had happened in Bosnia, to some extent. For instance, when the president met with Kosovar leader Ibrahim Rugova in the White House on May 27, 1998, Clinton reportedly assured him that the United States "would not allow another Bosnia to happen in Kosovo."³⁹ In his memoirs, Clinton claims, albeit with the benefit of hindsight, that he understood all along that "the killings [in Kosovo] were all too reminiscent of the early days of Bosnia."⁴⁰ It should be noted that the President was not an active policy advocate in 1998, as were Albright and Clark. He knew he would ultimately have to make the final decision and, seemingly at that point, he still wanted to assess his options. We might further speculate that his memories of Bosnia may have been a key factor in his later decision to accept the activists' point of view. Unfortunately the former President has been silent on this count both in later interviews and in his memoirs.

If we go back to the six diagnostic tasks that analogical thinking is said to support, we find that the comparison with Bosnia is applicable to five of the six. Only the question of moral rightness is not directly addressed by the Bosnia analogy. The idea that the Western allies had a moral obligation to intervene against massive human rights abuses was rooted in a mental scheme shared by most of the principals, which did not depend solely on that analogy.

Thus, the situation in Kosovo was defined by certain policymakers as a repeat of unwarranted Serbian aggression against an unarmed Muslim population. As seen in the Bosnia analogy, the stakes were high in the Kosovo crisis: ethnic cleansing was considered a crime against humanity by the international community. Furthermore, the crisis was likely to spark a flow of refugees that would destabilize an embattled region of the world.⁴¹ Incidentally, American troops were already deployed in the region. "Knowing" Milosevic, a strategy of coercive diplomacy had to be implemented without delay: if left unchecked, the Yugoslav President would not curb his abuses. The Bosnia analogy also led to the conclusion that if any measure of force was used against Milosevic, he would yield. Indeed, it took only two weeks before he decided to accept the American-led peace plan in 1995. Table 1 summarizes the policy options suggested by the analogy with Bosnia.

b. Analogies with Somalia and Vietnam: "Remember the Powell Doctrine"

Up until September 1998, William Cohen and the Joint Chiefs of Staff (JCS) reportedly resisted Albright's efforts to steer the United States towards coercive diplomacy in Kosovo. Interestingly enough, Cohen and the JCS invoked lessons from Somalia and Vietnam analogies to try to convince the President that US involvement in the Kosovo crisis should not extend to the threat of force. As

Diagnostic task	Result
Define the nature of the situation	Serbian paramilitary aggression against ethnic Albanians in Kosovo is akin to Bosnian Serb aggression against Bosnian Muslims from 1992 to 1995
Assess the stakes	Risk of humanitarian catastrophe if Milosevic is not firmly opposed
Provide prescriptions	Coercive diplomacy should be the preferred strategy: the US should threaten to use force to compel Milosevic to stop the aggression in Kosovo and force him to negotiate a settlement with the Kosovar civilian leadership
Predict the chances of success	In 1995, Milosevic yielded after 12 days of bombardment
Evaluate moral rightness	Not addressed directly
Warn about dangers associated with the options	Doing nothing lets Milosevic get away with ethnic cleansing. Pursuing coercive diplomacy worked in 1995: Milosevic quickly ended his involvement in Bosnia and agreed to the Dayton Peace Accords

TABLE 1: IMPLICATIONS OF THE BOSNIA ANALOGY FOR POLICY OPTIONS IN KOSOVO

a former Republican Senator from Maine, Secretary of Defense William Cohen did not share the inclination towards humanitarian intervention of his Democratic colleagues in the administration. He initially resisted the efforts of the activists in the Principals Committee, reminding the president that, as a senator, he had voted against the administration's Bosnia policy.⁴² Halberstam reports that during the committee's deliberations, Cohen raised the specter of Somalia and warned of the potentially dire consequences of another intervention in the Balkans.⁴³ The lesson usually drawn from Somalia was that humanitarian intervention was risky and might well end in failure. Furthermore, the American public would not tolerate US casualties in a humanitarian effort.⁴⁴

Chairman of the Joint Chiefs Hugh Shelton reportedly echoed this view. According to several sources, he was opposed to any “faultily designed” use of force, due to his organizational background.⁴⁵ In this regard, Shelton was representative of the American military; traumatized by the Vietnam experience and clinging to the tenets of the Powell doctrine, which had seemingly worked so well in Operation Desert Storm.⁴⁶ Clark recalls that he had to work hard to convince Shelton and the JCS that force could be employed while negotiating with Milosevic, and that minimal use of force could therefore be contemplated.⁴⁷

The desire to avoid the “mistakes of Vietnam,” which underpinned the Powell doctrine, lurked in the background of much of the discussion. Moskowitz and Lantis note that in September 1998, NATO military planners, who were largely American officers, “reported to President Clinton a worst-case scenario: 200,000 troops would be required to stop the killings in Kosovo and occupy Serbia in the event of a ground war.”⁴⁸ The planners proposed this large number of troops, required under the Powell doctrine to articulate “overwhelming force,” even though they most certainly knew that a massive ground effort would face enormous resistance in the Democratic White House. Halberstam also suggests that the Pentagon had the analogy of Vietnam in mind; he comments that, for the military, the debate over the use of force at the White House was “a reminder of the ambiguity of the Vietnam decision making, of civilians who were willing to enter a war zone without any of the hard decisions having been made.”⁴⁹ According to Halberstam, “[t]o the Chiefs, it was a replay of both Vietnam and Somalia. Start with something small and relatively innocent, then something larger and unpredictable is born of it.”⁵⁰

The analogies with Vietnam and Somalia can be analyzed using the same framework we applied to the Bosnia analogy.

The strongest advocate of a minimalist approach that would not require the threat of military strikes was probably Sandy Berger. As National Security Advisor, he had considerable influence over the administration’s approach to Kosovo. Halberstam notes that Berger

*...knew all of Clinton’s political priorities. If he was not Clinton’s political twin in his outlook toward foreign policy and what the administration might be able to do at any given moment, then no one had ever been able to tell what the perceptible differences between the two of them were.*⁵¹

According to Moskowitz and Lantis, Berger preferred diplomatic options to military ones and even rejected early attempts by the activists to muster support for air strikes as a complement to diplomatic actions. Understanding the President’s reluctance to endorse coercive diplomacy (knowing it would be a tough sell to Congress and the American public), Berger hinted in March 1998 that members of the administration (namely Albright) should be careful not to damage the United States’ leverage “by threatening actions that the president was unwilling to undertake.”⁵² Albright recalls that in a meeting on April 23, 1998, Berger exploded: “You can’t just talk about bombing in the middle of Europe...It’s irresponsible to make threatening statements outside of some coherent plan. The way you people at

Diagnostic task	Result
Define the nature of the situation	Kosovo in 1998–1999 was akin to Vietnam in the 1960s and Somalia in 1992–1993: a peripheral problem that did not threaten US core national interests
Assess the stakes	Engagement in foreign civil wars has sometimes been catastrophic for the US
Provide prescriptions	Use overwhelming force as last resort; otherwise, refrain from using force
Predict the chances of success	Poor if the civilian decision makers are not willing to use overwhelming force to defeat the adversary
Evaluate moral rightness	A botched military operation risks wasting American servicemen’s lives; no intervention preserves those lives
Warn about dangers associated with the options	Possible quagmire if level of force is augmented incrementally without ever becoming overwhelming

TABLE 2: IMPLICATIONS OF THE VIETNAM/SOMALIA ANALOGY FOR POLICY OPTIONS IN KOSOVO

the State Department talk about bombing, you sound like lunatics.”⁵³ There is no evidence that Berger’s policy preferences were strongly influenced by analogizing. It might be expected that, as a veteran of the Bosnia debates and the man in charge of the National Security Council (NSC) taskforce that extricated the Clinton administration from its Balkan predicament, Berger might have looked to the Bosnia analogy.⁵⁴ However, the record shows that he expended more time and effort impressing Clinton’s concerns on the principals than trying to convince his boss to choose an option. In his advising role to the President, Berger seems to have been more of a “poliheuristically-minded” advocate: promises of easy victory over Milosevic made by the activists could not compensate for the domestic political risks that a foreign military adventure would create for an already embattled president.⁵⁵

COERCIVE DIPLOMACY IN ACTION AND THE LIMITS OF THE BOSNIA ANALOGY

During the summer and early autumn of 1998, clashes between the Kosovo Liberation Army (KLA) and the Serbs became more frequent, and accounts of massacres began to reach the West. On September 16, twenty-two Kosovar civilians were reported killed in an attack on their village by paramilitary forces, and on September 29, a massacre was reported in Donji Obrinje.⁵⁶ Between the two events, the UN Security Council passed Resolution 1199, which “called for a cease-fire, a Serb withdrawal of forces, and the return of refugees.”⁵⁷

A Principals Committee meeting was held on September 30 to decide what to do about the deteriorating situation. Albright recalls in her memoirs that the committee’s final decision was to send Richard Holbrooke to Belgrade to deliver an ultimatum to Milosevic on NATO’s behalf, “to show [America’s] willingness to explore every reasonable alternative to force.”⁵⁸ According to second-hand accounts, the Secretary of State finally succeeded in convincing her colleagues of the need for action; she “reiterated her plea for air strikes to bring Milosevic to the bargaining table....[I]nstead of their usual debates...members of the committee supported her recommendations.”⁵⁹ Thus, the principals agreed in the end on a plan that replicated what had been done in Bosnia in 1995. The hope was that it would work just as well in Kosovo. Therefore, it could be said that the analogy with Bosnia prevailed over the analogies with Somalia and Vietnam at this early stage of the crisis.

On October 8, Albright went to Belgium to meet with Holbrooke, NATO Secretary General Javier Solana, and US Ambassador to NATO Sandy Vershbow.⁶⁰ Everyone agreed that for a military threat to be credible, NATO had to authorize the imminent use of force; this was hastily accomplished on October 13.⁶¹ Two days later, Milosevic “agreed to withdraw the majority of Serb forces from Kosovo and ordered the end to paramilitary and police repression of Kosovars.”⁶² Additionally, an unarmed Organization for Security and Cooperation in Europe (OSCE) mission would be allowed into Kosovo to supervise implementation of the deal. The international observers received weak protection from NATO reconnaissance planes, which were allowed overflight rights over Yugoslavia. Holbrooke had been able to broker this deal without the actual use of force, but the authorization for force seems to have been instrumental in getting Milosevic to acquiesce to the Americans’ terms.⁶³

The October deal survived long enough to give the Clinton administration time to deal with another foreign crisis, which arose in Iraq in December, 1998. By January, 1999, it was clear that the Serbs were not going to honor their part of the bargain. On January 15, 1999, Albright attempted to get the principals to agree that the US and its allies “should renew the threat of air strikes.”⁶⁴ Shelton, Cohen, and Berger disagreed, with Clinton ultimately favoring their position. On the same day, forty-five unarmed civilians were executed in the village of Racak.⁶⁵ When the Principals Committee reconvened on January 19, it debated the advisability of

coercive diplomacy for the last time. After heated argument, the minimalists accepted that the Racak massacre had altered the dynamics of the situation and that a more forceful posture would be needed to coerce Milosevic. According to Gellman, on that fateful evening,

...a two-part consensus evolved: ...one was to make a credible threat of military force, and the other was to demand the attendance of Serb and Kosovar representatives for a meeting at which the basic principles of a settlement would be decided in advance by the Contact Group, including Russia. These basic principles would be non-negotiable, including a NATO implementation force.⁶⁶

This proposal was an almost exact copy of the “endgame strategy” for Bosnia devised by NSC staff in July and August of 1995. As Redd notes, this consensus was obtained in Clinton’s absence, as he was preparing his testimony in his impeachment proceedings. Seemingly satisfied with the collegially devised plan, the President gave it his approval in the following days.⁶⁷ Its implementation first led to intense negotiations in Rambouillet, France beginning on February 6. The Kosovars signed the Rambouillet agreement on March 18 but the Serbs still refused to do so. After Holbrooke was sent one last time to Belgrade and was unable to sway Milosevic, Clinton finally authorized air strikes on March 24.

By the end of March, the Pentagon had prepared plans for a massive air campaign. Yet, seemingly confident that Milosevic would not hold out for long once air strikes were actually launched, the White House initially authorized only a limited list of targets.⁶⁸ That being said, Clinton and his political staff saw no harm in declaring that American ground troops might be part of an eventual peacekeeping mission but would not be engaged in combat operations in the Balkans. That statement, made at the onset of NATO’s show of force on March 24, satisfied both the military establishment and the American public. However, it may well have emboldened the Yugoslav leadership, which believed it benefited from Russian diplomatic support in defying Western demands.⁶⁹

When the limited air campaign failed to rapidly produce the desired results, decision makers faced a momentous challenge. For the first time since 1995, Milosevic had not yielded when confronted with military action. By mid-April 1999, the principals were once again divided over what to do next. Albright still believed that, given enough time, air power alone would be sufficient.⁷⁰ It would appear that, in her eyes, the Bosnia analogy still applied. General Clark was also doing all he could to persuade the key decision makers that NATO should increase its pressure from the air while the alliance prepared for an invasion.⁷¹ His view seems to have become more tactical than strategic; in order to achieve the desired political settlement, overwhelming force was now required. It should be noted that, General Shelton adamantly opposed Clark’s ideas. The JCS had accepted the idea of deploying American military personnel as peacekeepers once the war was over, but it resisted to the bitter end the concept of sending US troops into Kosovo as part of a multinational invasion force.⁷²

In the end, the matter was resolved through an *ad hoc* alliance between Cohen and Berger. They both came to the consensus that while the ground troops option was less than ideal, especially with mounting domestic and international criticism of the administration and the war, the White House would have to contemplate the possibility. As Albright put it, “if the future of Kosovo were important enough to fight in the air, it was hard to say it was not worth defending on land.”⁷³ This seems to indicate that she was convinced by Cohen and Berger that her own preferences were paralyzing the administration. Clinton finally sided with his National Security Advisor and his Secretary of Defense, and from that point on, the administration as a whole slowly inched toward the ground option.

Many factors conspired to make Milosevic accept a diplomatic settlement, but the fact that the ground option was being seriously contemplated was certainly a key consideration. On May 18, referring to the possible use of ground troops in Kosovo, “Clinton pointedly said that ‘we have not and will not take any option off the table.’”⁷⁴ On May 21, NATO “announced it would deploy 50,000 troops on the Kosovo border to ensure rapid implementation of any agreement that might be reached,”⁷⁵ underscoring the seriousness of the ground threat. During the following week, NATO members agreed to expand the list of bombing targets to include critical infrastructure in Serbia and even Serbian leaders’ residences.⁷⁶ On May 27, Cohen won agreement from the defense ministers of France, Great Britain, Germany, and Italy to start planning for an invasion.⁷⁷ Just as importantly, on June 2,

*Russia signed up along with the G-7 (sic), the seven leading industrial democracies, in backing a proposal that called for the removal of Serb troops, police, and paramilitary from Kosovo, and their replacement by genuine peacekeeping forces.*⁷⁸

On June 3, while Clinton was scheduled to meet with the JCS to assess how different ground options would play out, Russian envoy Viktor Chernomyrdin held discussions with Milosevic, accompanied by Finland’s President Martti Ahtisaari. Chernomyrdin persuaded Milosevic that NATO was about to use ground forces and Russia would not stand in the way.⁷⁹ Finally, on June 4, after eleven weeks of military operations, Milosevic accepted the G8 terms. By June 10, NATO bombardments were suspended as Yugoslav troops began withdrawing from Kosovo.⁸⁰ The war was over, although it had lasted much longer than the decision makers in Washington had expected.

CONCLUSIONS

We have tried to assess the role the analogy of Bosnia played in the Clinton administration’s decision-making process during the Kosovo crisis of 1998–1999. As we have argued, the Bosnia analogy heavily influenced the choice to use coercive diplomacy to confront Milosevic. This strategy can be understood as a major factor in explaining the duration of the Kosovo war, which lasted from March 24 to June 4, 1999. In this sense, an over-reliance on the Bosnia analogy can therefore be seen as indirectly responsible for the duration of the war.

In September 1998 and again in January 1999, Clinton clearly chose the coercive diplomacy track. This decision vindicated the analogy with Bosnia favored by Madeleine Albright and Wesley Clark, over its “rivals,” the Vietnam and Somalia analogies favored by William Cohen and Hugh Shelton. When the Rambouillet talks collapsed and NATO initiated air strikes in late March, 1999, the analogy with Bosnia dominated, especially in convincing decision makers that the war would be a short one. Unfortunately, Milosevic calculated that he could withstand the alliance’s offensive and did not yield as readily as he had in 1995. When the war did not end within the expected timeframe, the principals had no choice but to discuss the use of ground troops to achieve the war aims—an option that none had favored until that point. Only after the Western threat of ground invasion became highly credible by late May 1999, did the Yugoslav President finally yield to the demands of NATO and Washington.

Many analysts have concluded that the administration’s initial reluctance to consider committing ground troops stemmed principally from a fear of repeating Vietnam and/or Somalia. Our own analysis suggests that it was a reliance on images from Bosnia that prevented the Clinton administration from seriously considering the ground option up to May, 1999. Counterfactual analyses are admittedly fraught with risk. It might be argued that, had Bosnia not been in the decision-making equation at all, memories of Vietnam, Somalia, or even Rwanda might well have led the administration to a passive stance.⁸¹ Alternatively, it could be argued that without Bosnia, the President and his advisers would have been more inclined to consider sending in ground troops between 1998 and 1999. Without the interference of images from Bosnia, that option might have been contemplated at an earlier point in the decision-making process. In any event, images from Bosnia were, indeed, part of the equation; the evidence shows that these images ultimately misled the decision makers to think that diplomacy, backed by strategic air strikes, would avert a humanitarian catastrophe and quickly restore peace in Kosovo. The testimony of key decision makers, along with second-hand accounts from scholars and journalists, indicate that ground troops became a serious option only in May, 1999, when the air campaign was proving ineffective against Milosevic.

In the final analysis, decision making on Kosovo was heavily informed by the lessons learned in Bosnia. It is likely that the Bosnia analogy, and the coercive diplomacy approach it taught, inadvertently prolonged the war in Kosovo, further aggravating the humanitarian situation on the ground.

Yuen Foong Khong’s AE framework has proven extremely useful for investigating how analogical thinking influenced decision making on Kosovo. It showed why decision makers relied on various analogies, and how this reliance on past experiences inhibited their capacity to adapt to a rapidly changing situation. Following Khong’s principal findings, we should remember that analogical thinking is natural to human beings. In this sense, analogies should not be viewed by political scientists solely as rhetorical tools, a sign of intellectual laziness, or a lack of imagination on the part of decision makers. If, indeed, analogies are a normal

mechanism by which decision makers confront new situations, then the Clinton administration's handling of the Kosovo crisis can be seen in a different light.

Notes

¹ These include Eric Moskowitz and Jeffrey S. Lantis, "The War in Kosovo: Coercive Diplomacy," in *Contemporary Cases in US Foreign Policy: From Terrorism to Trade*, ed. Ralph G. Carter (Washington, DC: CQ Press, 2002), 59–87; Ivo H. Daalder and Michael E. O'Hanlon, "Unlearning the Lessons of Kosovo," *Foreign Policy* 116 (Fall 1999): 128–140; Ivo H. Daalder and Michael E. O'Hanlon, *Winning Ugly: NATO's War to Save Kosovo* (Washington: Brookings Institution Press, 2001); Michael Mandelbaum, "A Perfect Failure: NATO's War Against Yugoslavia," *Foreign Affairs* 78, no. 5 (1999): 2–8; Javier Solana, "NATO's Success in Kosovo," *Foreign Affairs* 78, no. 6 (1999): 114–120; Adam Roberts, "NATO's 'Humanitarian War' Over Kosovo," *Survival* 41, no. 3 (1999): 102–123; David Halberstam, *War in a Time of Peace: Bush, Clinton, and the Generals* (New York: Touchstone Books, 2002), especially 360–480; Wesley K. Clark, *Waging Modern War: Bosnia, Kosovo, and the Future of Combat* (New York: Public Affairs, 2002), especially 107–161, 261–344; Madeleine Albright with Bill Woodward, *Madam Secretary* (New York: Hyperion, 2003), especially 378–428; Daniel L. Byman and Matthew C. Waxman, "Kosovo and the Great Air Power Debate," *International Security* 24, no. 4 (2000): 5–38; Barry R. Posen, "The War for Kosovo: Serbia's Political-Military Strategy," *International Security* 24, no. 4 (Spring 2000): 39–84; Arnaud Martins Da Torre, "Les illusions dangereuses d'une victoire aérienne," *La revue internationale et stratégique*, no. 36 (1999–2000): 103–121; Sean Kay, "After Kosovo: NATO's Credibility Dilemma," *Security Dialogue* 31, no. 1 (2000): 71–84.

² Yuen Foong Khong, *Analogies at War: Korea, Munich, Dien Bien Phu and the Vietnam Decision of 1965* (Princeton: Princeton University Press, 1992). The development of his analytical framework can be found on pages 19–68.

³ The Principals Committee is an informal body of the National Security Council (NSC) that includes the key players involved in foreign policy decision making. In 1998–1999, its usual members were President Bill Clinton, Vice-President Al Gore, Secretary of State Madeleine Albright, Secretary of Defense William Cohen, Chairman of the Joint Chiefs of Staff Hugh Shelton, National Security Advisor Samuel Berger, and Director of Central Intelligence George Tenet. Richard Holbrooke (first as consultant to the State Department in 1998, then as US Ambassador to the United Nations in 1999) and Vice-Presidential National Security Advisor Leon Fuerth also were present at various times when options concerning Kosovo were debated. General Wesley Clark (US Army), NATO's Supreme Allied Commander for Europe (SACEUR), was also involved in the American decision-making process. Deputy Secretary of State Strobe Talbott and the President's Representative for Dayton Implementation Robert Gelbard worked closely with Albright and were sometimes invited to the meetings.

⁴ See Kenneth Waltz, *Man, the State and War* (New York: Columbia University Press, 1959).

⁵ A (non exhaustive) list of the major books and articles by these authors should include Harold Lasswell, *World Politics and Personal Insecurity* (London: Whittlesey House/McGraw-Hill, 1935); Richard C. Snyder et al., *Foreign Policy Decision Making (Revisited)* (New York: Palgrave Macmillan, 2002), which was previously edited in 1954 and 1962; Harold Sprout and Margaret Sprout, *Man-Milieu Relationship Hypotheses in the Context of International Politics* (Princeton: Princeton University Press, 1956); Harold Sprout and Margaret Sprout, *The Ecological Perspective on Human Affairs with Special Reference to International Politics* (Princeton: Princeton University Press, 1965); Herbert Simon, *Administrative Behavior* (New York: Macmillan, 1959). For an overview of the psychological research agenda in *Foreign Policy Analysis*, see Valerie M. Hudson, "Foreign Policy Analysis: Actor-Specific Theory and the Ground of International Relations," *Foreign Policy Analysis* 1 (2005): 1–30.

⁶ Robert Jarvis, *Perception and Misperception in International Politics* (Princeton: Princeton University Press, 1976).

⁷ Ole Holsti, "The Belief System and National Images: A Case Study," in James Rosenau, ed., *International Politics and Foreign Policy*, ed. James Rosenau (New York: Free Press, 1969), 543–550.

⁸ Irving Janis, *Victims of Groupthink* (Boston: Houghton-Mifflin, 1972).

⁹ Alexander L. George, *Presidential Decision-Making in Foreign Policy* (Boulder: Westview Press, 1980).

¹⁰ Richard Neustadt and Ernest May, *Thinking in Time* (New York: The Free Press, 1986).

¹¹ Glenn Snyder and Paul Diesing, *Conflicts among Nations* (Princeton: Princeton University Press, 1977).

¹² G. Matthew Bonham and Michael Shapiro, ed., *Thought and Action in Foreign Policy* (Basel: Birkhauser, 1977).

¹³ Yaacov Vertzberger, *The World in Their Minds: Information Processing, Cognition, and Perception in Foreign Policy Decisionmaking* (Stanford: Stanford University Press, 1990).

¹⁴ Jeffrey Record, *Making War, Thinking History: Munich, Vietnam, and Presidential Uses of Force from Korea to Kosovo* (Annapolis: Naval Institute Press, 2002).

¹⁵ Khong, *Analogies at War*, 9.

¹⁶ The authors of these works focus their attention almost exclusively on cases that they label "foreign policy

failures.” It is thus not surprising that they would find that the use of analogies leads to unfortunate consequences for decision makers. Khong’s framework, by probing the cognitive use of analogies, also allows students of decision making to detect and assess the influence of analogies in cases that are considered “foreign policy successes.”

¹⁷ Khong, *Analogies at War*, 10.

¹⁸ Khong notes that, while there are formal differences between analogies and cognitive “schemas,” the two terms have become interchangeable for many psychologists and political scientists. While schemas refer to any form of generic concept stored in memory, analogies are more specific and relate to specific ideas. See *Ibid.*, 26. Our research is solely interested in analogies, understood in the stricter sense.

¹⁹ Khong, *Analogies at War*, 24.

²⁰ *Ibid.*, 14.

²¹ *Ibid.*, 14.

²² *Ibid.*, 35.

²³ *Ibid.*, 14.

²⁴ For an introductory level discussion of the mental mechanisms presented by Khong, see Robert Sternberg, *Cognitive Psychology* (Fort Worth: Harcourt Brace, 1996).

²⁵ See Janis, *Victims of Groupthink*.

Also see Paul T Hart, *Groupthink in Government: A Study of Small Groups and Policy Failure* (Amsterdam: Swets & Zeitlinger, 1990); Paul T Hart, *Beyond Groupthink: Political Group Dynamics and Foreign Policy-Making* (Ann Arbor: University of Michigan Press, 1997); Paul Kowert, *Groupthink or Deadlock: When Do Leaders Learn from Their Advisors?* (Albany: State University of New York Press, 2002).

²⁶ Important contributions to the study of the decision-making process on Bosnia include Ivo H. Daalder, *Getting to Dayton: The Making of America’s Bosnia Policy* (Washington: Brookings Institution Press, 2000); Richard Holbrooke, ed., *To End a War, Revised* (New York: Modern Library, 1999); Halberstam, *War in a Time of Peace*; Albright and Woodward, *Madam Secretary*; Bob Woodward, *The Choice* (New York: Simon & Schuster, 1996); Samantha Power, *A Problem From Hell: America and the Age of Genocide* (New York: Basic Books, 2002).

²⁷ Throughout, we understand the concept of coercive diplomacy as it was classically articulated by Alexander George. Contrarily to “usual” diplomacy, which seeks to avoid military confrontations, coercive diplomacy involves the use of credible threats to have one’s adversary understand that his refusal of one’s terms will be met with punishment. See Alexander L. George et al., *The Limits of Coercive Diplomacy* (Boston: Little, Brown & Co., 1971); and Alexander L. George, *Forceful Persuasion. Coercive Diplomacy as an Alternative to War* (Washington: US Institute of Peace Press, 1991).

²⁸ A reference to an event usually associated with the small town of Drenica. On February 28, 1998, supposedly in retaliation for the killing of two Serb policemen by “Kosovar nationalists”, Serb paramilitary units killed dozens of suspects and their families. See Albright and Woodward, *Madam Secretary*, 381.

²⁹ *Ibid.*, 381.

³⁰ Barton Gellman, “The Path to Crisis: How the United States and Its Allies Went to War,” *Washington Post*, April 18, 1999. Albright is also cited in Eric Moskowitz and Jeffrey S. Lantis, “The War in Kosovo: Coercive Diplomacy,” in *Contemporary Cases in US Foreign Policy: From Terrorism to Trade*, ed. Ralph G. Carter (Washington: CQ Press, 2002), 67.

³¹ See Alvin Z. Rubinstein et al., *The Clinton Foreign Policy Reader: Presidential Speeches with Commentary* (Armonk: M.E. Sharpe, 2000), 168.

³² Albright and Woodward, *Madam Secretary*, 384.

³³ Halberstam, *War in a Time of Peace*, 376.

³⁴ Wesley Clark, *Waging Modern War: Bosnia, Kosovo, and the Future of Combat*, (New York: Public Affairs, 2002), 107–112.

³⁵ Clark, *Waging Modern War*, 116.

³⁶ Clark, *Waging Modern War*, 117; Moskowitz and Lantis, “The War in Kosovo: Coercive Diplomacy,” 68. Report that many NSC staffers believed, like Clark, that “Milosevic [was] a man who, however odious his behavior, however wrong his policies, if you deal with him with the right kind of carrots and the right kind of sticks, you get a deal.” The opinion is attributed to Ivo Daalder, who was no longer working at the NSC at the time.

³⁷ Clark, *Waging Modern War*, 118.

³⁸ Halberstam, *War in a Time of Peace*, 396.

³⁹ Moskowitz and Lantis, “The War in Kosovo,” 69.

⁴⁰ William J. Clinton, *My Life*, (New York: Alfred A. Knopf, 2004), 849.

⁴¹ We could further argue that, at the time, the White House ascribed to Europe an important geostrategic value for US global security. Indeed, the fact that the conflict was taking place in Kosovo may have stimulated intervention. However, as we have tried to demonstrate, the location of the conflict alone did not automatically lead the decision makers to favor the particular course of action wished for by the activists’

stance.

⁴² Halberstam, *War in a Time of Peace*, 441.

⁴³ *Ibid.*, 442.

⁴⁴ See Albright and Woodward, *Madam Secretary*.

⁴⁵ Halberstam, *War in a Time of Peace*, 420–425; Moskowitz and Lantis, “The War in Kosovo,” 68.

⁴⁶ Daalder and O’Hanlon, “Unlearning the Lessons of Kosovo,” 133.

⁴⁷ Clark, *Waging Modern War*, 117–118.

⁴⁸ Moskowitz and Lantis, “The War in Kosovo,” 69.

⁴⁹ Halberstam, *War in a Time of Peace*.

⁵⁰ *Ibid.*, 465.

⁵¹ *Ibid.*, 409.

⁵² Gellman, “The Path to Crisis;” Moskowitz and Lantis, “The War in Kosovo,” 68.

⁵³ Albright and Woodward, *Madam Secretary*, 383.

⁵⁴ Daalder, *Getting to Dayton*, 102.

⁵⁵ Steven B. Redd makes a sensibly similar point when he says that “In the early stages of the Kosovo crisis in 1998, Berger’s advice to the president was also based on political calculations. The president was hesitant to use force because of the possible negative political repercussions. Berger knew that in the early stages of the crisis military options were less feasible, and he counseled the president against even threatening the use of force”. For Redd’s complete analysis of the decision-making process concerning Kosovo, see Steven B. Redd, “The Influence of Advisers and Decision Strategies on Foreign Policy Choices: President Clinton’s Decision to Use Force in Kosovo,” *International Studies Perspectives* 6, no. 1 (2005): 129–150.

⁵⁶ See Moskowitz and Lantis, “The War in Kosovo,” 70.

⁵⁷ See *Ibid.*, 70.

⁵⁸ Albright and Woodward, *Madame Secretary*, 388.

⁵⁹ See Moskowitz and Lantis, “The War in Kosovo,” 70.

⁶⁰ Vershbow had worked at the NSC in 1995 and was part of the team that devised the “endgame strategy” during the summer of that year.

⁶¹ Albright and Woodward, *Madame Secretary*, 389–390.

⁶² See Moskowitz and Lantis, “The War in Kosovo,” 71.

⁶³ According to Moskowitz and Lantis, on the same day President Clinton “hailed the deal as a triumph of coercive diplomacy—a carrot-and-stick diplomatic approach backed by threat of force.” See Moskowitz and Lantis, “The War in Kosovo,” 71.

⁶⁴ Albright and Woodward, *Madame Secretary*, 392.

⁶⁵ See Moskowitz and Lantis, “The War in Kosovo,” 74.

⁶⁶ Gellman, “The Path to Crisis”, quoted in Moskowitz and Lantis, “The War in Kosovo,” 76.

⁶⁷ Redd, “The Influence of Advisors,” 140–142.

⁶⁸ Barry Posen makes the same link as we do between the endgame strategy for Bosnia and the activists’ perception that the war for Kosovo would be short. See Barry R. Posen, “The War for Kosovo: Serbia’s Political-Military Strategy,” *International Security* 24, no. 4 (2000): 59–60.

⁶⁹ This is the interpretation favoured by Daalder and O’Hanlon in both “Unlearning the Lessons of Kosovo” and *Winning Ugly*. The best account of Serbia’s strategy in 1999 is probably provided by Barry Posen. See Daalder and O’Hanlon, *Winning Ugly: NATO’s War to Save Kosovo*; Posen, “The War for Kosovo: Serbia’s Political-Military Strategy,” 59–60.

⁷⁰ Albright and Woodward, *Madame Secretary*, 414–415, 418.

⁷¹ Clark, *Waging Modern War*.

⁷² Clark postulates that the Joint Chiefs opposed the ground option not only from fear of a repeat of Vietnam and Somalia, but also because this plan clashed with the Pentagon’s overall defense program, which called for greater reliance on air power and high-technology weaponry. For many military planners, the conflict in Kosovo thus became an opportunity to prove that air power alone could work, making it the “war to end all ground wars” for America. Halberstam contends that only “some senior air force people [were] eager to show what airpower, without ground troops, could do.” See Clark, *Waging Modern War*, 306, 422.

⁷³ Albright and Woodward, *Madame Secretary*, 415.

⁷⁴ Daalder and O’Hanlon, *Winning Ugly: NATO’s War to Save Kosovo*, 131.

⁷⁵ *Ibid.*, 131.

⁷⁶ Posen, “The War for Kosovo: Serbia’s Political-Military Strategy”, 72.

⁷⁷ Daalder and O’Hanlon, *Winning Ugly: NATO’s War to Save Kosovo*, 132; Halberstam, *War in a Time of Peace*, 475.

⁷⁸ Halberstam, *War in a Time of Peace*, 477.

⁷⁹ This episode is recounted, with minor differences, by Daalder and O’Hanlon, *Winning Ugly: NATO’s War to Save Kosovo*, 132; Halberstam, *War in a Time of Peace*, 477.

⁸⁰ Albright and Woodward, *Madame Secretary*, 421.

⁸¹ Regarding Rwanda, some people have argued that remorse, a result of the decision to do nothing to stop the genocide in the spring of 1994, may have conversely led some decision makers, including President Clinton, to favor intervention in Kosovo. We should remember, however, that at no point since 1994 has Clinton or his administration taken full responsibility for what they have continued to consider a multinational policy fiasco. Clinton's recognition in 1998, during a trip to Rwanda, that the West's inaction became an aggravating factor in the ethnic cleansing should not be confused with an admission of guilt.

Thinking About Rogue Leaders: Really Hostile or Just Frustrated?

by Akan Malici

When the Cold War came to an end almost two decades ago, scholars contemplated that we might soon miss it.¹ The reason for such a counterintuitive feeling is simple: with the move from bipolarity to unipolarity, security threats no longer emanate from the rivalry of two superpowers but rather from the existence of rogue states. Rogue states are said (or partly known) to sponsor or practice international terrorism and to engage in the acquisition and proliferation of weapons of mass destruction.² Their leaders are said to be genuinely belligerent and hostile, and sometimes they are even described as crazy.³

In thinking about rogue states and their leaders, scholars, security analysts and observers of international politics have two fundamental options. The first option is to join the conventional wisdom, which is attractive because of its apparent plausibility. However, there is also a danger to this option. Judgments are often made on a purely descriptive basis without sufficient effort towards critically asking why rogue leaders behave in the ways they do. Simply asserting that they are crazy or irrational is too simple and, indeed, wrong. Too often labels and slogans are substituted for reflection and actual analysis. This, in fact, helps perpetuate our crises with rogue states rather than ameliorate them.

Thinking about rogue leaders more deeply than is conventionally done is more important than ever. This is my main contention in this paper. The predominant strategy of the US towards rogue leaders takes the forms of containment or isolation. These strategies have proven to be fundamentally ineffective. The threat emanating from rogue states has increased, rather than decreased, over the last years. What is needed is a better informed and more context-sensitive strategic approach towards rogue leaders. This leads to the specification of the second option scholars and security analysts have.

The second option is to leave the door open for the conventional wisdom, while simultaneously attempting to understand the crucial *why*, i.e. why rogue leaders behave the way they do. *Understanding* a leader means dwelling into his psychology. In a well-known article in peace and conflict scholarship, the renown political psychologist Philip Tetlock problematized the foreign policy decision-making

Akan Malici is an assistant professor at Furman University in South Carolina. His research specialization is in peace and conflict studies, political psychology, and foreign policy decision making. He is the author of two forthcoming books titled *When Leaders Learn and When They Don't* (SUNY Press) and *The Search for a Common European Foreign and Security Policy* (Palgrave Macmillan Press).

process as he asked “What do we [psychologists] have to contribute?”⁴ The obvious answer is “a lot” and it follows from the recognition that politics is an inherently sociopsychological affair. A close attention and investigation of leaders’ psychology, their subjective beliefs and perceptions, is thus of absolute necessity.

This is what I intend to do in this paper by specifically focusing on the psychology of rogue leaders. It is important to emphasize that my goal is not to justify the words and deeds of rogue leaders, but simply to try and understand them. Understanding does not mean approving or agreeing with what rogue leaders say or do. It is simply an effort to “come to grips” with them and thereby contribute to the identification of peaceful methods of conflict resolution that subsequently can be reflected in US foreign policy and diplomacy towards rogue leaders.

UNDERSTANDING ROGUE LEADERS

Scholars working in the tradition of foreign policymaking have long argued that, in order to understand the foreign policy behaviors of leaders, one must concentrate on their “psychological milieu” and their “attitudinal prism.”⁵ These psychological areas of human existence are of enormous importance because it is here where cognitive distortions, motivational biases, and subjective beliefs for subsequent action are situated.⁶

These biases and beliefs lend subjective legitimacy to a leader and his foreign policy actions. It is important to recognize this and to take it into account in the analytical effort regardless of how illegitimate these subjective beliefs appear to an outside observer. In order to understand the cognitive processes of leaders and how and why these processes compel them to certain actions, it is important to engage in what the preeminent peace researcher Ralph White has labeled “realistic empathy.”⁷ As “the great corrective for all forms of war-provoking misperception,” it has arguably become a very important factor in the guidance of international policy and diplomacy.⁸ White defines empathy as:

[S]imply understanding how a situation looks like to another person (or group). It does not necessarily imply sympathy, or tolerance, or liking, or agreement with the person—but simply understanding. In many contexts the word “understanding” can be substituted for empathy, but empathy implies especially a focus on the other’s situation—trying to look out at his situation through his eyes rather than at him as an individual.⁹

Thus, the task in thinking about rogue leaders is not to proceed deductively as it is commonly done. More specifically this means that one should avoid drawing absolute and firm conclusions about a leader’s personality dispositions on the basis of his behavior. The result of such reasoning tends to condemn the situation into deterministic hopelessness: a leader acts aggressively because he is genuinely hostile. Therefore, short of containing and isolating such a leader, nothing can be done to manage the threat more effectively. However, such a strategy is unproductive. It only reifies the conflict and, in fact, bears the danger of further escalation. The recent experiences of the US with rogue states are a convincing testimony to this assertion.

For the sake of attempting more peaceful or, at least, more stable international relations, it might be much more productive to proceed inductively when thinking about rogue leaders. One must, of course, acknowledge the aggressive behavior of rogue leaders. However, at the same time, one may not assume away *a priori* that this behavior results necessarily from a genuine hostile predisposition of the rogue leader. Instead, one must work from the bottom up and examine a variety of potential factors that may lead to aggressive behavior. Genuine hostility may certainly be one of these factors. However, equally certain is that it is not the only possible factor. Psychologists argue that a very prominent alternative factor, which causes individuals to behave aggressively, is their level of frustration.

FRUSTRATION AND AGGRESSION

More than six decades ago a research group at the Yale Institute of Human Relations published a study that proved to have a fundamental impact on a variety of behavioral sciences.¹⁰ The group aimed at accounting for “virtually all of human aggression with a few basic ideas.”¹¹ The title of the study, *Frustration and Aggression*, suggests indeed a very basic hypothesis: frustration in individuals leads them to act aggressively towards the outside world. It is important to recognize that, in this formulation, aggressive behavior is not motivated by genuine hostility, but by frustration—a psychological configuration of an individual’s subjective perceptions and beliefs.

From a psychological perspective frustration can formally be defined as (a) an individual’s perception of a hostile environment, coupled with (b) his pessimism about the realization of goals and (c) the perception that the fate of these goals is in the hands of others.¹² In conventional terms, if a person is frustrated he feels, “It’s a dark world out there, I am not getting what I want, and worse, I can’t even do anything about it.” Anybody who has ever experienced frustration will be able to trace this psychological experience to some form of these three interrelated statements. This is true for common people and it is, of course, also true for state leaders.

Early on, psychologists adopted an absolute view of the frustration-aggression hypothesis and they argued that “the existence of frustration always leads to some form of aggression.”¹³ Subsequently, the linearity of this assertion was revisited and scholars concluded that aggression is not the necessary and only behavioral manifestation of frustration, but that other behaviors than aggression are possible as well.¹⁴ However, aggression does become more likely as the number of frustrated response sequences increases, that is, as an individual is pushed into deeper levels of frustration.¹⁵ In this case the individual’s perception of a hostile environment and his pessimism about the realization of his goals worsen. In addition, his perceived level of control decreases. As a result, according to the frustration-aggression hypothesis, this individual becomes more dangerous as aggressive behavior becomes more imminent.

FRUSTRATION, AGGRESSION, AND ROGUE LEADERS

Proceeding inductively in their analysis about rogue leaders, a small group of peace and conflict researchers have applied the frustration-aggression hypothesis to rogue leaders.¹⁶ These researchers utilize newly developed methods of belief system and personality assessment. The methods are sophisticated, and computerized techniques of content analysis and their reliability and validity have been demonstrated and underlined in various recently published books and articles.¹⁷

It will be valuable to illustrate these procedures through two simplified examples. The first aspect of frustration is an individual's perception of his level of control in a social situation. The underlying assumption is that researchers can determine this perceived level of control by paying close attention to what this individual says and how he says it. On the basis of locus-of-control literature, this perceptual belief is operationalized as the ratio of self attributions to self-plus-other attributions. It follows that "as the ratio increases, the speaker's rhetoric demonstrates that self is doing more than others in the political universe, indicating that self is more in control."¹⁸

Another defining aspect of an individual's frustration is his view of the political universe and others in it: is it cooperative, mixed, or conflictual? Researchers answer this question by aggregating the individual's verb constructions made about others in the political universe in positive/cooperative and negative/conflictual terms. The underlying assumption here is that researchers can assess how the individual thinks about the nature of the political universe by aggregating those things he or she says about others. This belief is operationalized as the percent of positive other attributions minus the percent of negative other attributions.¹⁹ The end product of these procedures are quantified results of a leaders' belief systems.

Coding rules such as these are applied through a software program called Profiler+ and concrete evidence has been set forth for historical and contemporary leaders that have been described as rogue leaders. Among the latter are for example Kim Il Sung, Kim Jong Il and Fidel Castro. Specifically, the findings demonstrate convincingly that rogue leaders are not necessarily genuinely hostile but rather frustrated. More specifically, in accordance with the definition of frustration provided above, they a) perceive the political universe to be hostile and they are b) pessimistic about the realization of their political goals. Moreover, c) these leaders perceive themselves as having a lack of control over the ensuing events.

There have been many assertions about the psychology of these leaders in public and scholarly discourse. However, these are often speculations and they are based on anecdotal evidence. What distinguishes the above described studies is the application of valid and reliable procedures and methods to the study of leaders resulting in systematic evidence. To date the empirical scope of these studies is limited to the leaders mentioned above, as well as to some historical examples. However, there is good reason to assume that similar results might be obtained for other rogue leaders because they find themselves in similar geopolitical

predicaments. The findings that do exist have far-reaching implications for the conduct of US foreign policy and diplomacy towards rogue leaders of the present and the future.

CONTAINMENT VERSUS ENGAGEMENT

Containment and engagement are two fundamentally distinct strategies a state has at its disposal towards a target state. The strategy of containment was central during the Cold War and, in fact, many observers of this period consider it to have contributed to the retreat of the Soviet Union from the stage of superpower competition.²⁰ Whether this is indeed the case is questionable. Good evidence exists to the contrary, namely that the Cold War ended the way it did because of a strategy of graduated dyadic engagement by both Ronald Reagan and Mikhail Gorbachev.²¹ The strategy of containment must also be questioned with regard to rogue regimes.

The goal of a containment strategy is to shun away the opponent and to marginalize him to the extent possible. In the case of rogue regimes, the underlying assumption is that they “cannot be engaged and by virtue of their international isolation they should be left to collapse on their own accord.”²² Moreover, there is also the argument that a strategy of containment “would be more consonant with the US’s normative inclinations not to reward or condone rogue behavior and thereby discourage” such regimes in the future.²³ In contrast, the immediate goal of an engagement strategy is to work towards the stabilization of relations with the target state. A more long-term aspiration of this strategy is to integrate the opponent into the existing rule-based, institutionalized, and normatively guided international system.

The strategies of containment and engagement are generally well-known and they need no further elaboration here. What is of special interest and relevance in the context of this paper is the psychological effects these distinct strategies can have on a target leader. It is important to recall again that a leader’s frustration is constituted through his a) hostile worldview, b) pessimistic outlook, and c) perceived lack of control. The strategies of containment and engagement have two fundamentally different effects on the frustration level of a leader. Examining these effects is important towards developing a better informed, more context-sensitive and, therefore, more effective strategy towards rogue regimes.

The strategy of isolation is a conflict strategy and the actor practicing it aims at dominating the opponent through means, such as coalition building against the target state, political & economic sanctions, and even embargos. The strategy of containment is, therefore, contributing to and increasing the target leader’s hostile and pessimistic perception of the political environment. Because the strategy is aimed at domination, the target leader will also perceive a lack of control. This is especially the case when a disproportionately strong state aims at isolating a relatively small state. In the end, the strategy of isolation has the effect of increasing the target leader’s level of frustration and, along with it, his propensity to act aggressively towards the outside world.

The strategy of engagement is a cooperative strategy and the practicing actor aims at a settlement with the opponent primarily through means of diplomacy and incentives, rather than sanctions. In contrast to a strategy of containment, it contributes to the decrease of the target leader's hostile and pessimistic perception of the political environment. Moreover, because the strategy is aimed at mutual settlement, the target leader will also experience an increased level of control over ensuing events. In the end, the strategy of engagement has the effect of decreasing a leader's level of frustration and along with it the propensity to act aggressively. In the final section of this paper I will draw conclusions and implications based on the discussion and analysis presented to this point.

CONCLUSIONS AND IMPLICATIONS

In deciding on foreign policy and security strategies, American decision makers as well as the American public tend to personalize conflicts between the United States and its security contenders. This appears to be an appropriate tendency, particularly in cases in which the leader or a small ruling elite in the target country is not constrained by systems of checks and balances or veto points.²⁵ This is, of course, the case for rogue leaders. Paraphrasing the French King Louis XIV, we can say that "they are the state." Therefore, their subjective beliefs and perceptions play a crucial role in the foreign policy behavior of the states that they rule. Attention to such factors is an analytic mandate.

Based on the foregoing discussion about the psychology of rogue leaders, a clear prescription for US foreign policy and diplomacy follows, namely a strategy of sustained engagement. This strategy runs counter to much of the foreign policy conduct of the Bush administration towards rogue states. High-level officials in the administration repeatedly articulated the apparent failure of engagement and the promise of a strategy of isolation. The argument against engagement is that such a strategy would be equal to giving into blackmail by rogue leaders and that any cooperative gestures would ultimately be exploited. Engagement, in short, is judged to be fruitless.

Such arguments are often based on a distortion of historical facts. A brief but critical look at US-North Korean relations will illustrate the point. At the beginning of the 1990s the US experienced an intense crisis with North Korea. As the crisis deteriorated, the regime in Pyongyang threatened to withdraw from the Nuclear Non-Proliferation Treaty (NPT) and a military confrontation seemed likely. Ultimately war was avoided and this outcome was due to a series of bilateral diplomatic efforts, which included the engagement of former US President Jimmy Carter. In 1993 the two governments reached a settlement known as the North Korea-US Agreed Framework. Within this framework Pyongyang agreed to freeze its nuclear weapons programs and to remain part of the NPT. The US agreed to a provision of fuel oil and the construction of two light-water reactors as a substitute for nuclear reactors.

However, in more recent years the relationship between the US and North Korea has deteriorated again. The conventional wisdom in the US is that “North Korea abrogated the Agreed Framework by restarting its nuclear weapons program.”²⁴ Putting the blame for the renewed worsening of the relationship solely on Pyongyang defies historical accuracy as it denies the lack of commitment by the US toward the Agreement. If the goal is to resolve the crisis peacefully, analysts need to be more accurate and policymakers more honest. One North Korean specialist points out correctly, “the Clinton administration was never eager to implement its side of the bargain, and both US administrations have violated both the letter and the spirit of the agreement.”²⁶ A point in case is the building of the promised light-water replacement reactor which was scheduled to become functional in 2003. However, already in 1998 it was clear that this reactor would be far behind schedule, “due to US reservations and hesitance.”²⁷

Scholars working in the tradition of foreign policymaking have long argued that, in order to understand the foreign policy behaviors of leaders, one must concentrate on their “psychological milieu” and their “attitudinal prism.”

In contrast, at the same time observers have also pointed out that North Korea had by and large adhered to the terms of the 1994 Agreed Framework with the US. This assessment was even confirmed by former CIA director George Tenet who gave a retrospective testimony to Congress on March 19, 2002. Before 2002, when South Korea initiated the conciliatory “Sunshine Policy” toward Pyongyang, the situation surrounding North Korea was indeed rather calm. Several commentators have pointed out, for example, that North Korea abstained from provoking major border incidents with South Korea. Also in 1999, the North Korean leadership declared that all test-flight launches of ballistic missiles would be suspended.²⁸

The strategy of engagement should not be simply discarded as has largely been done by the Bush administration. To be fair, in some instances the US has been open to multilateral discussion conducted at lower levels. However, this is not sufficient. What is needed to successfully break the frustration of rogue leaders is the direct engagement of high-level officials. The implications of the frustration-aggression hypothesis and the analysis presented here suggest that a strategy of sustained and direct engagement may decrease rogue leaders’ sense of frustration, and dampen their inclination towards hostile behaviors. Scholars have also proposed various forms of engagement as they see value in this strategy. What distinguishes the analysis in this paper from the arguments of other scholars is that it provides rationale for engagement based on psychological insights. Humans are psychological beings and this is not different for state leaders.

In this paper I have problematized the psychology of rogue leaders and my goal in doing so was not to justify them, but to understand them. This has nothing to do with being soft. It has to do with safeguarding the national security of the US in

effective ways. Matters of national security are always confronted with the same question, namely how to ensure stability and peace. The answers should not be guided by intuition. The intuition is that rogue leaders are genuinely hostile and must be treated accordingly. Intuition can be a poor advisor and it is my contention that it, indeed, is especially so in the case of rogue leaders. The answers to questions about national security are sometimes counterintuitive. My intention in this paper was to tap into this counterintuition in an effort to contribute towards deeper thinking about methods of peaceful conflict resolution with rogue states.

Notes

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A Period of Turbulent Change: Spanish-US Relations Since 2002

by Manuel Iglesias-Cavicchioli

The purpose of this essay is to show the dramatic shifts that the Spanish-US relationship has undergone from 2002 to date, by trying to explain their causes, implications, and consequences. The following text offers a critical vision of Spanish foreign policy in the last four years and suggests some possibilities to redefine the current relationship with the US Government in a more constructive way.

A BRIEF INTRODUCTION TO SPANISH FOREIGN POLICY

The international landscape between 2002 and 2006 has been particularly intense and convulsive. According to this unstable and unpredictable scenario, Spanish foreign policy, and particularly the relationship of Spain with the US, has undergone a series of dramatic changes.

From 2002 until 2004, the relationship between Spain and the United States was at its strongest in history; the Atlantic Summit, held in the Portuguese Azores Islands on March 16, 2003, in the framework of the Iraqi crisis, demonstrated this fact.¹ The dynamics of the relationship began to change drastically when the Socialist Party (PSOE) won the last general elections on March 14, 2004, from which time no meetings have taken place between the current Spanish prime minister, José Luis Rodríguez Zapatero, and the US president. This trend seems likely to continue for the next two years, a contrast to Prime Minister José María Aznar's last two years in office, during which several meetings took place with President Bush; as such, Rodríguez Zapatero might be the first Spanish prime minister who has not had any summit with an American president in the last thirty years. Obviously, such a radical shift between two consecutive administrations demands an analysis that attempts to explain the wide range of factors that have caused this swing.

Before discussing the changes that occurred within the last four years, it is useful to highlight the most recent history of Spanish foreign policy, namely focusing on the Spanish-American relationship in the last twenty-five years.²

Until the beginning of 2002, it is possible to assert that there was a basic agreement between the main political parties of Spain, the Popular Party, and the

Manuel Iglesias-Cavicchioli was a visiting scholar at the Institute for Global and International Studies, The Elliott School of International Affairs, George Washington University (October–December 2006). He holds a Master's degree in International Studies from the Diplomatic School of Spain. Currently, he is a Ph.D. candidate in international relations and a researcher at the Department of Public International Law and International Relations of the Political Science School, Universidad Complutense de Madrid, Spain

Socialist Party, concerning the main tenets of Spanish foreign policy. The September 11 terrorist attacks brought together the Spanish government and the opposition to discuss the necessity of the war in Afghanistan, under the protection of the right to self-defence, as proclaimed in the UN Charter. With several relevant nuances, Aznar's foreign policy generally remained constant until 2002, and the main grounds of his predecessor, Felipe González, sustained his foreign policy from 1982 to 1996.

Since 1986, the foreign policy of Spain has been based on four pillars: the European, the Latin American, the South-Mediterranean, and the Atlantic.³ In fact, in 1986, the standard that foreign policy would be based on political consensus was crystallized; Spain became a member of the European Community, and the Spanish population decided to remain in NATO by means of a national referendum.

1976 to 1986 are considered the formative years in democratic Spanish foreign policy, as a process of defining the national interests within the international framework was underway.⁴

The most controversial point of contention between the Spanish political parties was Spain's membership in NATO, which was strongly opposed by the Socialist and the Communist Parties.⁵ In fact, Spain joined NATO in 1981 against the opinion of the left-wing parties, although it did not become a member of the Atlantic Alliance military structure.⁶ The main reason for this social and political division was the anti-American sentiment generated by the continuous American support of the Dictatorship of General Francisco Franco for almost 20 years.⁷

Aznar probably thought of the Iraqi crisis as a unique opportunity to improve Spain's relationship with the US to the highest possible level, and thus, achieve an international status of great power.

During the electoral campaign of 1982, the Socialist Party called for a referendum to decide Spain's future in NATO. Once elected, the Socialist prime minister, Felipe González, began to shift his original position on NATO, and in a risky political maneuver that carried out its electoral compromise, the Spanish government asked for the favorable vote in order to keep Spain in NATO; the government won its daring wager. González understood that withdrawing from the Atlantic Alliance would have hindered the international insertion process of Spain.⁸ The leader of the Socialist Party realized that leaving NATO would have damaged Spain's credibility within the international community, including the potential for joining the European Community.

The most resounding example of this political reversal, is Javier Solana, current High Representative for the Common Foreign Security Policy of the European Union, an ardent opponent of NATO at the beginning of the 1980's, who became NATO Secretary General ten years later. The statesmanship of Gonzalez's government, which envisioned foreign policy as a *politique d'Etat*, made possible the birth of a national consensus with the main opposition party. Since then, Spanish

foreign policy has been based upon the Atlantic pillar, and the values shared by the main political parties of the country. The 1988 military-defensive agreements between Spain and the US confirmed a new period of understanding in the bilateral relationship, leaving behind the American relationship with Franco's regime.⁹

Political consensus was forged slowly and arduously between the two main political parties of Spain, but it was achieved and upheld for sixteen years, creating stability and cohesion for Spanish foreign policy.

THE LAST TWO YEARS OF JOSÉ MARÍA AZNAR'S SECOND TERM (2002–2004): A BREAK-UP IN SPANISH FOREIGN POLICY

Bush and Aznar continue to have an excellent personal relationship, but more importantly, they also share a deep ideological agreement; Aznar shares Bush's unipolar vision of the world, asserting the necessity and the intrinsic goodness of a hegemonic US foreign policy.¹⁰ Therefore, based on this iron belief of unipolarity, Aznar decided to give an absolute priority to the bilateral relationship with the US over any another political consideration.

According to Aznar, the new international scenario required an unshakeable adherence to Washington's positions. In this respect, the most controversial issue enhancing Atlanticism was Spain's support of the war in Iraq. It is necessary to take into account that Spanish public opinion was overwhelmingly against the war in Iraq.¹¹ Although most Spaniards believed that Saddam Hussein's regime had ties with terrorist networks and that it possessed WMD, almost the 90 percent—according to several polls—was strongly opposed to a US attack even if the military intervention was supported by the UN Security Council.¹² The cause of this mass popular opinion against the Iraq war lies on the fact that the Spanish society is deeply pacifist,¹³ an issue that Aznar did not appreciate enough in making his decision.¹⁴

During the management of the Iraqi crisis at the UN Security Council, Aznar and Spanish Foreign Affairs Minister Ana Palacio—currently Senior Vice President and World Bank Group General Counsel—played an active role in supporting and promoting the US position. The Spanish prime minister travelled from the US to Mexico and Chile in order to persuade Mexican President Vicente Fox and Chilean President Ricardo Lagos to support a new UN Security Council resolution which would have authorized the express use of force in Iraq; nonetheless, these attempts were unsuccessful. Due to these trips to Mexico City and Santiago, Aznar lost the relative autonomy that had characterized the Spanish–Latin American relationship in the last twenty-five years.¹⁵

Aznar and Palacio tirelessly maintained that a new resolution was not necessary from a juridical point of view, and that it was only politically desirable.¹⁶ The Spanish government, like the governments of the US and Great Britain, obstinately defended that Security Council resolution 1441, passed in October, 2002, was enough to justify the use of force against Iraq in accordance to the UN Charter. Yet, this opinion contradicted the reports of the head of the international legal department of the

Ministry of Foreign Affairs of Spain, who warned the Government on the necessity of achieving an express Security Council authorization to legally use force against Saddam's regime.¹⁷ Moreover, the Spanish Association of Professors of International Law and International Relations (AEPDIRI) showed an unusual cohesion by publicizing a manifest against the use of force in Iraq on the basis of resolution 1441.¹⁸ Indeed, the Spanish internationalists almost unanimously denounced the illegal military action against Iraq as a violation of the UN Charter Article 2 (4). The debate concerning the legality of the war in Iraq seemed to close, once and for all, with the declaration of UN Secretary General Kofi Annan, who a year after the invasion, recognized that the war was not under the protection of international law.¹⁹

There were strong arguments in Spain for the reasons why the Spanish government supported the war.²⁰ From a realist point of view, the national interests of Spain were not at all in danger. Several authors point out that support of the invasion was the clear culmination of the Atlantistic vision that Aznar began to develop in 1996,²¹ though this opinion is subject to argument. It is true that Aznar's foreign policy focused more on Atlanticism than the former cabinet had, but Aznar always worked within the framework of the bipartisan consensus with the Socialist Party. For example, the integration of Spain into the military structure of NATO in 1998 was supported by the Socialist Party.²² Therefore, the support of the Iraqi war cannot be considered a culmination of a process, but a radical change of the general principles that have inspired Spanish foreign policy since 1986.

Spain was a temporary member of the United Nations Security Council from 2003 until 2005, which could explain the high political role the Spanish government played during the Iraqi crisis. Yet, this objective fact is not enough to explain the protagonist profile that Aznar decided to assume in supporting the attack and the overthrow of Saddam Hussein's regime.²³ In fact, it is difficult to understand why Aznar wanted to be in the political forefront while other European leaders, such as Italian Prime Minister Silvio Berlusconi, remained in a more discreet and less risky position.²⁴ As we are going to see, only strong personal convictions based on ideological reasons can explain this decision.²⁵

Aznar probably thought of the Iraqi crisis as a unique opportunity to improve Spain's relationship with the US to the highest possible level, and thus, achieve an international status of great power.²⁶ Nonetheless, it is quite possible that Aznar supported the Iraq war, not only because of pragmatic reasons, such as sharing great power status with the US, but primarily because of ideological principles. In this sense, the neoconservative thinking was the ideological basis of his policy decisions. As in the US, the Spanish prime minister assumed the viewpoints of his neoconservative advisers, especially those of Rafael L. Bardají—current Director of International Politics at FAES, a Popular Party think tank—and his personal friend, William Kristol.²⁷ Bardají is regarded as the most influential neoconservative ideologist in Spain.²⁸ During the Iraqi crisis he played an important role supporting

the military action as Deputy Director of the *Real Instituto Elcano de Estudios Internacionales y Estratégicos*, a Spanish think tank of international affairs financed by public and private funds.²⁹ Bardají had been an advisor of the Minister of Defence for four years until he began to work for the *Real Instituto Elcano* in 2002. In March 2004, he decided to resign after the electoral victory of the Socialist Party.

Likewise, one has to highlight that Aznar supported the war using exactly the same arguments provided by the US and Great Britain, without having his own sources of intelligence. Through an uncritical alignment, he continuously asserted that Saddam Hussein's regime posed an imminent danger for international security because of its alleged possession of weapons of mass destruction and its ties with al Qaeda.³⁰

Moreover, supporting the war on Iraq was a personal decision made by Prime Minister Aznar because he decided to carry out this radical change in Spanish foreign policy without consulting the Parliament, government, or even his own party. As Aznar recognized in his memoirs, he made the final decision that was assumed later by the government and his own party,³¹ that is to say, a reverse decision-making process according to the exceptional seriousness of the situation.³²

The radical shift initiated by Aznar consisted of giving preference to the privileged relationship with the US, over the inherent European orientation of Spain. Aznar's preference broke the balance between the European and Atlantic pillars of Spanish foreign policy. In this respect, in October, 2003, Aznar impelled the Spanish version of the September, 2002 National Security Strategy of the US. In an official speech before the Spanish Military Academy (ESFAS), he spoke of the necessity of preventive actions in order to defeat current national and international security threats, namely the connection of terrorism with weapons of mass destruction.³³ Likewise, Aznar asserted his predisposition to collaborate with the coalitions-of-the-willing, led by the US.³⁴ Only a few months before legislative elections, Aznar wanted to proclaim a strategic thinking very close to the unilateral style of the American NSS, with a notable neoconservative influence.³⁵

The strategy stated by Aznar did not take into account the European Security Strategy.³⁶ The so-called "Solana Document" allows us to distinguish the different perceptions of international threats and their response between Europe and the US. As a remarkable example of these divergences, the European prescription for conflict prevention can be highlighted in contrast to the American prescription for pre-emptive, more precisely preventive, actions.³⁷ Between the EU Strategic Document and the American NSS, Aznar chose the latter. In his speech, Aznar made it clear that the US was the most important ally of Spain, above the EU itself, insinuating also that the US unilateral use of force was above the authority of the UN Security Council.³⁸

Following his own personalistic style that characterized his last two years in office, Aznar made this important change of strategic doctrine, without even informing the Parliament. The Aznar Doctrine was completely rejected by all the political parties of the Spanish opposition who denounced his lack of dialogue and

debate with the government concerning vital affairs of the state, such as foreign and defence policies.

After leaving the government, Aznar's public speeches and contributions to the *Wall Street Journal* offer a better insight into his foreign policy decisions than his time as prime minister.³⁹ Therefore, his conferences at Georgetown University, as an honorary professor,⁴⁰ at the American Enterprise Institute,⁴¹ and at the Hudson Institute,⁴² reveal a strong neoconservative influence in his political thinking, which is now even easier to perceive than during the 2002–2004 period. In these speeches, he has constantly supported the policies of the Bush administration, especially the war on terrorism. Regardless of the false pretexts against Saddam's regime, and the disastrous situation in Iraq, he has always asserted that the American strategy is on the right path. Like his friend President Bush, Aznar strongly believes that Iraq, the region, and the world are now safer without Saddam Hussein.⁴³ He also believes that the main obstacle against the effectiveness of the war on terror is the lack of cohesion among western countries, accusing several European leaders of not believing in the West.⁴⁴ In this sense, Aznar thinks that western values are the best in the world, and, therefore, they must be energetically defended and exported, though he acknowledges that, unfortunately, this is not a common viewpoint in Europe.⁴⁵ Likewise, Aznar believes that western civilization is in danger from Islamic radicalism, as it was in danger in earlier decades from the Soviet Empire during the Cold War.⁴⁶

As mentioned earlier, the Iraqi crisis culminated in the Atlantic Summit of the Azores Islands, where Bush, Blair, and Aznar issued an unprecedented ultimatum to the UN Security Council members, demanding them to assume their responsibility to pass a new resolution in accordance to the Spanish-Anglo-American proposal. This summit was a clear challenge to the international legitimacy of the Security Council and a demonstration of the unilateral will of the US and its allies.

Taking stock of this time, it is true that Aznar's foreign policy improved the Spanish-American relationship to an unprecedented extent, but it is also necessary to remember that he did it by supporting an illegal war with Iraq, a decision based on spurious suppositions and exaggerations.

The alignment of Spanish foreign policy with US positions was, not only in relation to the war in Iraq, but also the Spanish perspective of Latin America and the Middle East conflict. At the end of his term, Aznar gave up Spanish neutrality in this conflict. In fact, Aznar accused Palestinian terrorism of being the main cause of the conflict and accused the terrorists of being the most detrimental obstacle to reaching a peace agreement. In addition, Aznar supported the political ostracism of Yassir Arafat, impelled by the neoconservative ideas.⁴⁷

Regarding Latin America, Aznar substantially agreed with US policies toward Cuba and Venezuela.⁴⁸ Yet, Aznar's position was misguided because it did not take into account the particular ties and interests of Spain in these countries, giving rise to a loss of political independence and moral authority across the region. The role played by the Spanish government after the frustrated coup d'état in Venezuela of April, 2001 has been especially controversial. It must be clear that Spain had in no way organized nor supported the coup, though the Spanish Ambassador, together with the American Ambassador in Caracas, were the only foreign representatives who implicitly recognized Pedro Carmona as the new President.⁴⁹ In this case, the Spanish alignment with US positions reached an excessive point that put the independence of Spanish foreign policy at risk.

One of the most serious consequences of Aznar's Atlanticist foreign policy, which entailed backing an illegal action under international law, was the damage to the international image of Spain as a peace-loving state that respects international law. Prior to Aznar's actions, Spain was strongly committed to the collective security system that is legitimately represented by the UN Security Council.⁵⁰

Spain had no significant military resources to contribute to the Anglo-American coalition; therefore, Spain's influence during the Iraq crisis was minimal. In fact, the only country that was able to influence US decision making was Great Britain, because of their so-called "special relationship." Coincidentally, Tony Blair and Colin Powell had the same perspectives about the role of the UN Security Council in the management of the conflict. As a middle power, Spain could not contribute troops to the military action against Iraq, but instead sent two ships filled with medical equipment. In this respect, the strong political support given to the Anglo-American invasion of Iraq contrasted sharply with the meager military contribution made by the Spanish government. This was a clear demonstration that the political will of Spain was not proportional with its economic means and military capabilities. The proportionality between means and goals must be the basis of a serious and well-balanced foreign policy. On the contrary, carrying out a disproportional foreign policy generates false expectations and harms the country's international credibility. In this respect, the above-mentioned Atlantic Summit held in the Azores was a paradigm of lack of proportionality between political goals and military means. With a conspicuous lack of realism, Aznar tried to demonstrate that Madrid was deciding the course of international politics together with Washington and London. According to Aznar's viewpoint, the Atlantic Summit was a qualitative jump for Spain, a turning point in achieving a new international status; yet, a critical analysis allows for the recognition that this was more of a mirage than a reality, as the political will for greatness is not enough to create a great power *per se*.

In the most unilateral moments of President Bush's first term, the US treated its friends—maybe with the sole exception of the United Kingdom—more like vassals than genuine allies. Bush simply informed his friends about US decisions, expecting unconditional adhesion. In a strong relationship between allies, the highest level in the decision-making process is joint decision making. Taking into account the

military *décalage* between the US and its allies, joint decision making is arguably unrealistic and exaggerated, but given the critical international circumstances, the US administration should have at least consulted its allies before pursuing important policy prescriptions.

Taking stock of this time, it is true that Aznar's foreign policy improved the Spanish-American relationship to an unprecedented extent, but it is also necessary to remember that he did it by supporting an illegal war with Iraq; a decision based on spurious suppositions and exaggerations. Since its return to democracy in 1978, Spanish foreign policy has been characterized by the respect of international law and international cooperation through multilateral institutions. This feature has been empowered by the Spanish membership in the European Communities, culminating with being one of the most definitive values of Spanish foreign policy.

According to the unilateralist nature of the foreign policy carried out by Aznar in his last two years in office, it was condemned to be ephemeral. Aznar gave up the aspirations of constructing a foreign policy based on consensus, consequently making the formulation of a long-lasting foreign policy almost impossible. Even if his successor in the Popular Party and Prime Minister candidate, Mariano Rajoy, had won the 2004 elections, he probably would have had to alter the foreign policy of Spain by looking for a more balanced perspective. As we are going to see in the next section, the victory of José Luis Rodríguez Zapatero will hurry the changes in Spanish foreign policy, but without giving stability to it.

THE FIRST TWO YEARS OF JOSÉ LUIS RODRÍGUEZ ZAPATERO (2004–2006): A DOUBTFUL FOREIGN POLICY

In order to understand the current distancing between Spain and the US, it is necessary to take into account the following factors, namely: it began from an anomalous situation in which Aznar broke the existing consensus through his drastic foreign policies, and the new Spanish government's lack of international experience, as well as its vague conception of foreign affairs.

Effectively, the relationship between Prime Minister Rodríguez Zapatero and President Bush began at a very complicated point. The new prime minister of Spain had promised his constituency the withdrawal of troops from Iraqi soil in conformity with his total opposition to the invasion of Iraq. The Aznar foreign policy was simply untenable for the new government, and the relationship with the US was destined to deteriorate, to a certain extent. However, the strain in the relationship between both states has not been well managed by the Spanish government, consequently increasing the damages with a series of unfortunate acts.

Moreover, the Bush Administration, and specifically its neoconservative advisers, has shown little tolerance for criticism from its allies. During these years, it has proven very difficult to deal with an administration that has implemented a foreign policy based on an assertive, unilateral will, a state of affairs especially exacerbated during Bush's first term. According to neoconservatives' moral

absolutism, the political disagreement is comparable to treason, and critical allies are seen as treacherous.⁵¹

This delicate situation was aggravated by the inappropriate management of the Spanish government. In fact, Rodríguez Zapatero's first mistake was made before he became prime minister of Spain. On the National Day of Spain, October 12, 2003, he remained seated as the American flag passed by during the parade, which was considered an offensive act by the US government. The following year, when Rodríguez Zapatero was already the prime minister, George Argyros—former US Ambassador in Madrid—refused to participate in the celebration.⁵² It is possible that Rodríguez Zapatero did not seek to offend the American symbol, because his act was a protest against the position held by Aznar's government and, in this respect, was primarily a domestic affair. Regardless, his actions were not suitable of a candidate for prime minister, who must always respect the fundamental rules of diplomatic courtesy.

The withdrawal of troops, a sovereign right of any state, could have been carried out in better conjunction with the American Command in Iraq. Yet, the withdrawal was carried out quickly; two months before the foreseen date,⁵³ because the Spanish government decided not to wait until the new UN Security Council resolution in order to avoid the pressures from Washington.⁵⁴ Nevertheless, it is clear that more prudent decision making and execution of the withdrawal would have irritated the Pentagon less and it would have reduced the political cost of this decision.⁵⁵

A few months after the withdrawal of Spanish troops, on September 10, 2004, Rodríguez Zapatero travelled to Tunisia and stated that every country should follow the example of Spain.⁵⁶ Obviously, Spain had the right to withdraw its troops, but this declaration seemed like a public invitation to desertion. Unquestionably, this was an erroneous declaration that fed the accusations of betrayal, showing the lack of international experience of the new prime minister. During the US presidential campaign in October, 2004, Prime Minister Rodríguez Zapatero made another clamorous strategic mistake by publicly expressing his preference for John Kerry over George W. Bush.⁵⁷ This was unwise and un-diplomatic as it set to strain the relationship with the White House for the next four years, especially as President Bush was re-elected.

Together, with the previously mentioned mistakes, the appointment of Miguel Ángel Moratinos—an experienced diplomat who served as EU special envoy for the Middle East peace process for seven years—as minister of foreign affairs of Spain has not been beneficial for reconstructing the relationship with the US. From the perspective of the neoconservatives, Moratinos was a pro-Palestinian politician, an unfair accusation as he has always maintained a neutral approach in the Middle East conflict.⁵⁸ From the neoconservative defensive position, anyone that holds a neutral point of view toward the Israeli-Palestinian conflict is immediately accused of being pro-Palestinian.⁵⁹

Moreover, the new relationship between Spain and Venezuela, as well as Spain's new policy toward Cuba, have further irritated the Bush administration. Concerning

Hugo Chávez, the current Spanish government has shown a lack of political ability and international inexperience by giving him an excessive personal prominence in several high level summits. The Spanish neoconservatives have taken advantage of this fact, asserting that Castro and Chávez are the main allies of Spain in the region in an attempt to accuse the government as radical and anti-American.⁶⁰

Furthermore, the sale of armaments to Venezuela has caused tensions between Madrid and Washington, because the aircrafts that Spain planned to sell to Venezuela had American technological equipment. The current American ambassador in Madrid, Eduardo Aguirre, warned the Spanish government that the US would not agree with the sale.⁶¹ Eventually, the US vetoed the sale of twelve aircraft with Americans components.⁶² According to American and Spanish neoconservatives, Chavez's regime is practically the same as Castro's.⁶³ To equate both regimes' nature is simply wrong, as it does not take into account the different political, juridical, and historical circumstances of each country. And it is cynical as well, because the US keeps its commercial relations with Caracas, despite Chavez's anti-American discourse.⁶⁴

In spite of his anti-Americanism, as well as his absolute lack of diplomatic courtesy, Chávez has been elected several times by the means of free and democratic elections, as the OAS, the EU electoral observers, and the Carter Foundation have confirmed.⁶⁵ As such, he is the legitimate representative of Venezuela, and it is necessary to continue dialogue with him, instead of seeking his removal. In any case, the Spanish government, and the European Union, must be more assertive with Caracas on such issues as rule of law and civil rights. Both Spain and the EU are committed to democracy and good governance in Latin America and, therefore, must watch attentively the political course of the region.

One must take into account that Spain has strong cultural and historical ties with Venezuela and Cuba, as well as important economic interests in both countries. Consequently, having a foreign policy in these countries that follows US guidelines is far from optimal. The hard-line policy of isolating Cuba, held by the US throughout the last fifty years, not only failed to weaken Castro's regime, but has only increased the suffering of the Cuban people. Paradoxically, as the past decades have shown, a more flexible policy of dialogue with Havana would not open the regime towards the democratic path, but at the very least, contact with the outside world would serve to mitigate the hardship of the Cuban people.⁶⁶ Differences between Cuba and Venezuela must be taken into account, in order to demand proper democratic advances from each regime.

Rodríguez Zapatero has formulated a new foreign policy, which has rejected the main lines of the model proposed by Aznar in his last two years as primer minister. Likewise, Rodríguez Zapatero's model has generated tensions with the US administration in several fields, without placating the domestic disputes concerning Spanish foreign policy. Therefore, it would be advisable to carry out some rectifications in the close future without waiting until the elections of March, 2008.

CONCLUSIONS: TOWARD A NEW CONSENSUS IN FOREIGN POLICY

It is obvious that Zapatero will never be able to reach the level of understanding that Aznar had with Bush, but he should make all necessary efforts to achieve a well-balanced relationship. This does not mean that the Spanish government must give up its ideals, but it has to at least avoid hostile gestures toward the US administration.

The international vision of Rodríguez Zapatero is different from Bush's vision, but it is clearly not anti-American. That US Secretary of State Condoleezza Rice has given her support to the "Alliance of Civilizations,"⁶⁷ proposed by the Spanish and Turkish governments and endorsed by the United Nations, serves as a good example. It is very likely that the Bush administration and the Spanish government have different interpretations of this Alliance. While the US Department of State is interested in the aspects concerning Middle East democracy promotion, the Spanish government is focused on cultural dialogue and poverty, in order to fight against terrorism.⁶⁸ Nevertheless, this initiative represents an opportunity for dialogue between both countries, which should be seized in order to leave aside the differences over Iraq.

In effect, the current government in Spain does not believe the change-of-regime doctrine is a valid way of spreading democracy in the Middle East and across the Muslim world.⁶⁹ This approach is not proactive, and it has incited neoconservative criticism, asserting that it endorses the option of appeasement, comparing it with the Munich Conference of 1938, an *idée fixe* of the neoconservative ideology.⁷⁰ This charge must be rejected because the Spanish government is firmly committed to fighting global terrorism, but it does not share the militarist approach of the Bush administration on this matter. The Spanish anti-terrorist perspective is based on the multilateral approach of the conference held in Madrid in March, 2005, under the sponsorship of the UN.⁷¹ Bush's war on terrorism, conceived as a new World War, has the serious shortcoming of being an interstate war that does not take into account the transnational and asymmetrical nature of global terrorism.⁷² The scarce success,⁷³ if not failure, of the Bush doctrine in terms of terrorism is due in part to this misconception. Yet, at the same time, it is a consequence of the substantial incompatibility between the fight against terrorism and the implementation of the neoconservative hegemonic agenda.⁷⁴

Thus, one must recognize that Spain and the US do not currently share the same vision of the world. The easiest solution for the Spanish government would be to wait until Bush's retirement, hoping for a more receptive US president and administration to Spanish foreign policy. At the same, the Spanish government has to take into account the changes in the US cabinet and the probable revision of policies that would take place in Washington, which may allow for an opportunity to reconcile the relationship. The present situation in Iraq, and the consequent crisis of credibility of the current policy towards the region, have weakened the hawkish positions of the Bush administration, which gives an opportunity to a new approach.⁷⁵ Because of the disastrous post-war period in Iraq, the neoconservatives

have lost much of their political influence on decision making, which they had during the first term. Therefore, US foreign policy has decreased its high degree of unilateralism.⁷⁶

A meeting between Zapatero and Bush would be necessary for normalizing the Spanish-American relationship after three years of distancing, which has created a relative, mutual distrust. Yet, this must not be specifically a goal in itself, but a result of preceding rapprochement.⁷⁷ As the Spanish participation in peacekeeping operations in Afghanistan and Lebanon has demonstrated, there are several issues within international relations that generate understanding, cooperation, and mutual respect between the two countries.⁷⁸ Spain will always support the American initiatives that are developed within the framework of NATO, and under the protection of the UN. In the bilateral field, the Spanish-American Military Agreements are in force, and the Spanish government will fully respect its commitments. Regardless of the political discrepancies, the basis of the Spanish-American friendship has never been questioned. With the remarkable exception of divergent policies in both countries toward the unilateral and preventive use of force in Iraq, the US government has Spain as a reliable ally. It is time to put aside the differences over the war in Iraq and look to the future.

In general terms, the main failure of the Zapatero foreign policy has been its inability to reconstruct the bipartisan consensus; arguably, the Spanish-American relationship is the main cause of this matter. Therefore, the key point, necessary to normalize the Spanish-US relationship, lies in domestic policy. In order to normalize the relationship with the US once again, Spanish political parties must first improve the political consensus among them. The Spanish prime minister should work to create a new common and shared foreign policy, redefining the Spanish-American relationship, in such terms that both central Spanish political parties can accept. The Socialist Party and the Popular Party will have to overcome the confrontation concerning the Iraqi war, and look for new ways Spain can contribute to tackle the present international challenges.

It is not possible to return to the old consensus because the international environment is not the same as the beginning of the decade. For that reason, there is need to create a new consensus, which takes into account the strategic priorities and necessities of the post-9/11 world. In order to achieve this new consensus, which is balanced with the European orientation of Spain, it is essential to achieve an agreement, concerning the US, in Spanish foreign policy. Neither the neoconservative, staunch Atlanticism, nor leftist anti-American inclinations, will be able to create a new consensus; therefore, it will be essential to find a common space of understanding and agreement in the relationship with the US somewhere between both extremes. This new approach could be based on less ideological and more pragmatic tenets. The US is an essential ally with which it is necessary to have a friendly relationship; but it is also important to bear in mind that loyalty must not be confused with obedience. Furthermore, criticism must be constructive and based on specific aspects, and not in mere ideological prejudices.

The momentous swings of Spanish foreign policy have harmed the credibility of Spain as a reliable actor in the international community. To repair this damage, Spanish foreign policy must be based upon an agreement between the main political parties. Political unity is a desirable basis in the formation of prescriptions for the creation of an effective foreign policy that defends Spain's nationalist interests. A foreign policy conceived from a true engagement of society and government is imperative to providing policies with the necessary continuity and long term perspective to prove beneficial to Spain and its people.

Notes

- 1 "The Statement of the Atlantic Summit: A Vision for Iraq and the Iraqi People," *US Department of State*, March 16, 2003. Available at: <http://www.state.gov/p/eur/rls/rm/2003/18761.htm> (accessed May 27, 2007)
- 2 Juan Carlos Pereira, *La Política Exterior de España (1800-2003)*, (Barcelona: Ariel, 2003).
- 3 Isaías Barreñada et al., "España en la Guerra de Irak (2002-2004): Rupturas en la política exterior," *Universidad Carlos III de Madrid*, April 2004. Available at: [http://www.eco.uc3m.es/immartin/EspanaenIraq\(ES\)%20final.doc](http://www.eco.uc3m.es/immartin/EspanaenIraq(ES)%20final.doc) (accessed May 27, 2007).
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- 5 *Ibid.*
- 6 William Chislett, "Spain and the United States: So Close Yet So Far," (working paper, Real Instituto Elcano) Available at: <http://www.realinstitutoelcano.org/documentos/259.asp> (accessed May 27, 2007).
- 7 *Ibid.*
- 8 *Ibid.*
- 9 *Ibid.*
- 10 José María Aznar, *Ocho Años de Gobierno: Una Visión Personal de España*. (Barcelona: Planeta, 2004), 164.
- 11 Chislett, "Spain and the United States."
- 12 Victoria Prego, "Sube al 84.7 % el Rechazo a la Guerra Contra Irak aun con el Respaldo de la ONU," *El Mundo*, February 22, 2003. Available at: <http://www.elmundo.es/papel/2003/02/22/espana/1342438.html> (accessed May 27, 2007).
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- 15 Celestino del Arenal, "La Retirada de las Tropas de Irak y la Necesidad de una Nueva Política Exterior," *Real Instituto Elcano*, April 29, 2004. Available at: http://www.realinstitutoelcano.org/wps/portal/rielcano/contenido?WCM_GLOBAL_CONTEXT=/Elcano_es/Zonas_es/Mediterraneo+y+Mundo+Arabe/ARI+82-2004 (accessed May 27, 2007).
- 16 The Prime Minister and the Minister of Foreign Affairs defended this position in several parliamentary appearances. See: Cortes Generales. Congreso de los Diputados. Comisión de Asuntos Exteriores. *Diario de Sesiones del Congreso de los Diputados*, Enero 2003. VII Legislatura, Núm. 678. Available at: <http://www.senado.es/legis7/publicaciones/html/textos/CO0678.html> (accessed May 30, 2007).
- 17 Ernesto Ekaizer, "El último informe que pidió Exteriores antes de la guerra de Irak consideró ilegal la intervención," *El País*, December 13, 2005.
- 18 "Manifiesto de Profesores de Derecho Internacional y Relaciones Internacionales de Universidades españolas," *Real Instituto Elcano*, February 21, 2003. Available at: <http://www.realinstitutoelcano.org/publicaciones/66.asp> (accessed May 27, 2007)
- 19 "Iraq War Illegal, says Annan," *BBC News*, September 16, 2004. Available at: http://news.bbc.co.uk/2/hi/middle_east/3661134.stm (accessed May 30, 2007).
- 20 Spanish government had merely repeated the pretexts provided by the US and the UK consequently not convincing the Spanish public that Spain's national security was in danger.

- ²¹ Juan Carlos Jiménez Redondo, "Continuidad y Cambio en la Política Exterior Española" *Revista Estrategia Global* 11 (September-October 2005): 4-8.
- ²² Chislett, "Spain and the United States."
- ²³ William Chislett stated "other factors behind Aznar's greater Atlantic commitment included: a closer relationship with the United States and its closest European allies (the UK and Portugal) as a way to counterbalance the EU's expansion to the east (as of 2004) and to offset Spain being on the periphery of Europe; security along the southern flank of the Mediterranean, the weak point in Spain's defensive alliances; very significant Spanish investments in Latin America; the increasingly large Hispanic presence in the United States; and the potential for greater trade and investment in the United States." Cited from: Chislett, "Spain and the United States."
- ²⁴ Berlusconi politically supported the invasion and sent troops to Iraq during the beginning of the post-war period, but he did not participate in the Atlantic Summit held in Azores. Berlusconi described his position as a "diplomatic masterpiece." Cited from: Massimo Giannini, "Il cortocircuitodel Cavaliere," *la Repubblica.it*, March 20, 2003. Available at: <http://www.repubblica.it/online/politica/italiairaquindici/giannini/giannini.html>. (accessed May 27, 2007); Adele Oliveri, "The Two Fronts of Italy's War," *ZNET Daily Commentaries*, March 25, 2003. Available at: [zmag.org](http://www.zmag.org), <http://www.zmag.org/sustainers/content/2003-03/25oliveri.cfm> (accessed Marcy 27, 2007).
- ²⁵ Barreñada et al., "España en la Guerra de Irak," 3.
- ²⁶ In this sense, it is possible to find the will of power of the former Spanish Prime Minister in a famous statement in which he proclaimed that it was time "to take Spain out of the History's corner." Cited From: Isaías Barreñada et al., "España en la Guerra de Irak," 1.
- ²⁷ Rafael L Bardají, "Ser Wolfowitz en España," *La Vanguardia*, November 26, 2003. Available at: <http://www.gees.org/articulo/244/> (accessed May 27, 2007).
- ²⁸ The neoconservative thinking in Spain is represented by a small number of specialists that gather in two right-wing think-tanks, namely the Grupo de Estudios Estratégicos (GEES) and Fundación para el Análisis y los Estudios Sociales (FAES).
- ²⁹ The role played by this think-tank has been controversial, being accused of lack of political neutrality during the conflict.
- ³⁰ "Declaración institucional del Presidente del Gobierno sobre Irak," *El País*, March 20, 2003.
- ³¹ Aznar, *Ocho Años de Gobierno*, 150.
- ³² The facts indicate that Aznar made his decision at the beginning of the crisis without taking into account the subsequent parliamentary debate.
- ³³ José María Aznar, "La Política Española de Defensa en Nuestro Mundo" (conferenced, *Escuela Superior de las Fuerzas Armadas (ESFAS)*, October 20, 2003). Available at: <http://www.belt.es/articulos/articulo.asp?id=1204> (accessed May 27, 2007).
- ³⁴ Ibid.
- ³⁵ Barreñada et al., "España en la Guerra de Irak," 4.
- ³⁶ European Union, *A secure Europe in a better World: European Security Strategy*, (Brussels, December 12, 2003). Available at: <http://ue.eu.int/uedocs/cmsUpload/78367.pdf> (accessed May 27, 2007).
- ³⁷ Ibid.
- ³⁸ Aznar, "La Política Española."
- ³⁹ As a pragmatic conservative, Prime Minister Aznar did not talk frequently about ideological affairs. Once out of office, Aznar has given up his ideological inscrutability and is playing an active role as President of FAES, a Popular Party think-tank.
- ⁴⁰ José María Aznar, "Seven Theses on Today's Terrorism" (address, Georgetown University, Washington DC, September 21, 2004). Available at: <http://www3.georgetown.edu/president/aznar/inauguraladdress.html> (accessed May 27, 2007).
- ⁴¹ José María Aznar, "Elogio a Vargas Llosa." (address, Washington DC, February, 2005). Available at: <http://www.gees.org/documentos/Documen-348.pdf> (accessed May 30, 2007).
- ⁴² José María Aznar, *Global Threats*, Atlantic Structures Conference Hudson Institute. Available at: http://www.hudson.org/index.cfm?fuseaction=hudson_upcoming_events&id=301 (accessed May 30, 2007).
- ⁴³ "11- M Masacre en Madrid," *elmundo.es*. Available at:

<http://www.elmundo.es/documentos/2004/03/espana/atentados11m/comision/comparecencias/aznar/index.html> (accessed May 27, 2007).

44 “Ex Presidente Aznar: ¿Por qué Occidente Siempre Tiene que Pedir Perdón y el Islam Nunca?” *Aciprensa*, September 23, 2006. Available at: <http://www.aciprensa.com/noticia.php?n=14181> (accessed May 27, 2007).

45 Ibid.

46 Pablo Pardo, “Aznar se Pregunta por qué los Musulmanes no se Disculpan ‘por haber ocupado España ocho siglos,’” *elmundo.es Internacional*, September 22, 2006. Available at:

<http://www.elmundo.es/elmundo/2006/09/22/internacional/1158945858.html> (accessed May 27, 2007).

47 José María Aznar, “A New Term for Freedom,” *Wall Street Journal*, January 20, 2005.

48 In general, the Latin American policy of Spain during this period was in line with the US positions. See: Celestino del Arenal, “La retirada de las tropas de Irak y la necesidad de una nueva política exterior,” *Real Instituto Elcano*, April 29, 2004. Available at: <http://www.realinstitutoelcano.org/analisis/494.asp> (accessed May 27, 2007)

49 “Declaración conjunta de EEUU y el Reino de España,” Washington DC, April 12, 2006. Available at: <http://www.derechos.org/nizkor/venezuela/doc/usaesp.html> (accessed May 28, 2007).

50 As an EU member, Spain has a long tradition concerning the observation of international law. It is true that Spain supported NATO’s intervention in Serbia in spring 1999 without the authorization of the UN Security Council, but at least this intervention obtained the political agreement of both Popular and Socialist Parties in Spain, was strongly backed by Spanish public opinion, and had a wide international support.

51 In this respect, it is interesting to analyze the neoconservative criticism against the French attitude during the Iraqi crisis. In an attempt to de-legitimize the France’s opposition to war in Iraq, it was accused of forming an antidemocratic axis together with Moscow and Beijing. See: David Frum and Richard Perle, *An End to Evil: How to Win the War on Terror*. (New York: Ballantine Books, 2004), 230-231.

52 “El Embajador de EEUU dice que faltó al desfile de las FFAA por el desplante de Zapatero a su bandera,” *elmundo.es*, October 15, 2004. Available at:

<http://www.elmundo.es/elmundo/2004/10/14/espana/1097771230.html> (accessed May 28, 2007).

53 “Zapatero anuncia la retirada inmediata de las tropas de Irak,” *elmundo.es*, April 19, 2004. Available at:

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54 The resolution 1546 (2004) was finally passed by the UN Security Council on June 8, twenty two days before the deadline given by the Spanish Government. This resolution did not agree to the Spanish conditions to remain in Iraq, namely to grant the UN military and political control of the foreign troops.

55 A withdrawal of troops must be carried out without giving the feeling of escape. Regardless of domestic and foreign pressures, Spain should have waited until the UN resolution to make this significant decision. Likewise, the decision should have been communicated to American authorities before the public communiqué of Rodríguez Zapatero.

56 “Rodríguez Zapatero Anima a Todos los Países a Retirar sus Tropas para Mejorar la Situación en Irak,” *elmundo.es*, September 10, 2004. Available at:

<http://www.elmundo.es/elmundo/2004/09/09/espana/1094738854.html> (accessed May 29, 2007).

57 “Polémica por el Apoyo de Zapatero al Candidato Demócrata John Kerry en los EEUU,” March 19, 2004. Available at:

<http://www2.noticiasdot.com/publicaciones/2004/0304/1903/elecciones190304/elecciones-190304-6.htm> (accessed May 29, 2007).

58 As EU special envoy for the Middle East, Moratinos always defended the role of Yassir Arafat as an essential component to reach a peace agreement. In the years following the second intifada, Sharon decided to ostracize Arafat, an initiative largely supported by Bush and the neoconservatives ideologues.

59 According to neoconservatives, neutrality is not possible because it would suppose to recognize the Palestine terrorism as a legitimate way of fight against Israel. See: Gary Dorrien, *Imperial Designs: Neoconservatism and the New Pax Americana*. (New York, London: Routledge, 2004), 207-214.

60 Grupo de Estudios Estratégicos, “Los amigos de los amigos de Zapatero,” *Libertad Digital*, December 6, 2006. Available at: <http://www.gees.org/pdf/3331/> (accessed May 29, 2007).

61 In fact, the US banned in a general manner the weapons sale to Venezuela. See: Steven Dudley and Pablo Bachelet, “US bans weapons sales to Venezuela,” *GlobalSecurity.org*, May 15, 2006. Available at: <http://www.globalsecurity.org/org/news/2006/060515-venezuela-weapons.htm> (accessed May 29, 2007).

⁶² “Estados Unidos niega el permiso para vender los 12 aviones militares españoles a Venezuela,” *elmundo.es*, January 13, 2006. Available at: <http://www.elmundo.es/elmundo/2006/01/12/espana/1137106238.html> (accessed May 29, 2007).

⁶³ Mark Falcoff, “Cuba after Fidel Castro: Prospects and possibilities,” *American Enterprise Institute*, August 31, 2006. Available at: http://www.aei.org/publications/filter.all,pubID.24852/pub_detail.asp (accessed May 29, 2007); Grupo de Estudios Estratégicos (GEES), “La libertad y la izquierda,” *Libertad Digital*, May 20, 2007. Available at: http://www.libertaddigital.com/php3/opi_desa.php3?cpn=22700 (accessed May 29, 2007).

⁶⁴ Venezuela is “the US’s third largest trade partner in Latin America after Mexico and Brazil.” Cited from: Jonah Gindin, “US-Venezuela Business Roundtable Inaugurated in Caracas,” *Venezuelaanalysis.com*, June 30, 2005. Available at: <http://www.venezuelanalysis.com/news.php?newsno=1682> (accessed May 29, 2007).

⁶⁵ About the 2004 referendum see: “Observers endorse Venezuela vote,” *BBC News*, August 17, 2004. Available at: <http://news.bbc.co.uk/2/americas/3571350.stm> (accessed May 29, 2007); About the 2006 presidential elections see the report of the EU Electoral Mission: http://www.eucomvenezuela.org/pdf/EUEOM_Venezuela_Presidential_Election_2006_Preliminary_Statement.pdf

⁶⁶ The policies of isolation have shown to be counterproductive because they generate a nationalistic reaction within the isolated country that the autocratic regimes take advantage to strengthen their repressive structures.

⁶⁷ Ana Pastor, “EEUU apoya la Alianza de Civilizaciones de Zapatero,” *cadener.com*, February 16, 2002. Available at: http://www.cadenaser.com/articulo/espana/EEUU/apoya/Alianza/Civilizaciones/Zapatero/csrsrpor/20060216csrsrnc_4/Tes/ (accessed May 29, 2007).

⁶⁸ In this sense, Rice said that this initiative “promises to facilitate greater understanding and promote democratic reform, peace, and stability in the Middle East. We hope to be able to support projects for concrete alliance that are compatible with our own objectives in the Middle East.” Cited from: Roland Flamini, “Alliance could calm cartoon unrest,” *United Press International*, February 17, 2006. Available at: <http://www.upi.com/InternationalIntelligence/view.php?StoryID=20060217-054414-1024r> (accessed May 29, 2007)/

⁶⁹ For a critical viewpoint see: Florentino Portero, “Alianza de Civilizaciones: la democracia como amenaza,” *Cuadernos de Pensamiento Político* (Madrid) 8 (Octubre-Diciembre 2005).

⁷⁰ Rafael L. Bardají, “El momento neoconservador en los EE.UU.,” *Cuadernos de Pensamiento Político*, (Madrid) 5 (Enero / Marzo 2005): 122.

⁷¹ Koffi Annan, “A global strategy for fighting terrorism,” (keynote address, Closing Plenary of the International Summit on Democracy, Terrorism and Security, Madrid, March 10, 2005). Available at: <http://summit.clubmadrid.org/keynotes/a-global-strategy-for-fighting-terrorism.html> (accessed May 30, 2007).

⁷² Bush has followed the World War IV strategy proposed by Elliot Cohen, James R. Woolsey and Norman Podhoretz. This state-centric perspective has been criticized by Benjamin R. Barber in his book *Fear’s Empire: War, Terrorism, and Democracy in an Age of Interdependence* (New York: W. W. Norton, 2003).

⁷³ Iraq can be considered as the example par excellence of this scarce success. See: Larry Diamond, *Squandered Victory: the American Occupation and the Blunged Effort to Bring Democracy to Iraq* (New York: Times Books, 2005).

⁷⁴ The deliberate confusion between anti-terrorist struggle and global hegemony seems to have a multiplier effect of terrorism.

⁷⁵ Increasing problems in Iraq have forced Bush administration to pay more attention to diplomacy and international cooperation face with Iran nuclear crisis and North Korea conflict.

⁷⁶ The victory of the Democratic Party in the legislative elections, the consequent resigns of Secretary of Defense, Donald Rumsfeld, and US Ambassador to UN, John Bolton, and the Iraqi Group Report, seem to be signals of the neoconservative influence decline in the US foreign policy.

⁷⁷ Rice is going to visit Madrid on June 1, 2007. According to the neoconservative Spanish think-tank GEES, Spanish Embassy in Washington has tried in vain to achieve that Bush received Rodríguez Zapatero at the White House. See: “Rice-Moratinos: diálogo de besugos,” *En Libertad Digital*, May 15, 2007. Available at: <http://www.gees.org/articulo/4014/> (accessed May 30, 2007).

⁷⁸ In fact, it is not an absurd idea to think that the Spanish Government has been trying to compensate the troop's withdrawal of Iraq by sending more troops to Afghanistan.

Brand USA: Democratic Propaganda in the Third Social Space

by Belinda H.Y. Chiu

Traditional approaches to foreign relations are being replaced by marketing strategies to brand nations by enhancing their image and reputation. No longer is this responsibility limited to government tourism boards. Rather, because “every nation is already a brand,”¹ the responsibility to create positive perceptions of the nation-state has fallen on the shoulders of departments of foreign affairs and diplomacy. As an increasingly important tool to promote foreign interests and to attract allies—or in marketing terms, loyal customers—branding allows nation-states to craft and influence how others perceive its political, economic, and social systems & values.

Branding is everywhere. But what is it? Brand equity of a product or service is the set of value-added assets that is communicated and strengthened by building name recognition, customer loyalty, and perceived quality. Although it had its beginnings in the consumer product industry, it is no longer restricted to the Coca-Colas and Proctor & Gambles of the world. Branding has become a tool of public diplomacy.

Citizens and leaders of foreign nations have existing ideas about other countries, be they positive or negative. In a technologically-advanced and globalized world, the branded nation has added pressure to be strongly aware of its own brand.² A nation’s brand can be strengthened by favorable policies, such as debt relief and foreign aid, or conversely, compromised by economic embargoes and declarations of war. Like consumer goods, smart brand management is essential to maintaining a positive impression and build loyal followers. However, as with consumer goods, smart brand management can only sell the product. While branding can change perceptions about the product, it cannot change the product itself.

This paper will first briefly discuss the “third social space” in a democracy, the public space for media and marketing. According to Habermas, this third social space sits between the first (the state), and the second (the market, or private sector). Second, it will explore the characteristics of nation branding and its importance to foreign relations, examining the case of Brand USA, with a particular focus on the Shared Values Initiative targeted toward the Arab and Muslim worlds. Finally, it will

Belinda H.Y. Chiu is currently a doctoral candidate in International Education Development at Teachers College, Columbia University. She is also the Special Assistant to the President at the Phelps Stokes Fund. Ms. Chiu graduated from Dartmouth College with an A.B. in Government. She received her Master’s in Law and Diplomacy from the Fletcher School at Tufts University.

discuss whether branding has democratic appeal or propagandistic flavor. While there exists skepticism that this process has too much of a Machiavellian feel to it, branding nations is a useful public diplomacy and relations tool, as long as it does not misrepresent facts.

THE THIRD SOCIAL SPACE

Habermas presented the third social space as the forum in which citizens come together to debate issues.³ This space mediates the place between the state and the market (private sector). In a democratic context, public debate and opinion is shared in this arena. Ideally, it is not controlled by the state, but rather, managed and maintained by the people. The positive image of the third social space, therefore, is one in which well-informed citizens drive political and social change through their active participation, candid criticism, and electoral power.

However, this optimistic image is not reality. Even in the most progressive and liberal democracies, where citizens have a true voice through their electoral power and have genuine opportunities for public service and leadership, civic participation is not widely prevalent. Although this paper addresses why citizens are not always active participants (the US voting rate is one such indicator), it recognizes the fact that low participation rates enables the mass media to be so dominant; the media fills the void that is left because the citizenry is not fully engaged. As many citizens do not take the time to educate themselves about public issues and policies directly from their elected representatives, they seek quick and easily accessible information from other intermediary sources. Moreover, citizens of even the most democratic of nations with unfettered access to the public sphere are not immune to image manipulation.

Walter Lippman popularized the idea of “Public Opinion” which differs from the more common “public opinion.” While public opinion is defined as “public consensus, as with respect to an issue or situation,”⁴ For Lippman, it is not only the images that individuals have of themselves, but also the facts and ideas that become the motivation for political involvement and action. Since the power of public opinion is so expansive, having direct access to information is the ideal way for allowing individuals to interpret and make meaning of facts for themselves. However, the sheer size and complexity of nation-states makes it prohibitive for each citizen to have direct access to all available information without any representative structure to help reduce the amount of data. Simply put, there is simply too much information for the ordinary person to sift through to separate fact from fiction.

For representative democracies to work, Lippman stressed that there must be an “independent, expert organization for making the unseen facts intelligible to those who have to make the decisions.”⁵ The press is supposed to simply expose the truth, independent of state or private influence. Its ability to dominate the third social space is partly sanctioned by citizens who cannot access information directly or do not have the time to read and digest everything that occurs in the world on a daily basis. Therefore, the independent media’s role in this space is to facilitate and filter

information, so that the citizens can have productive debates based on the summarized facts.

Reality, however, is a different picture. The news may report something as the truth, but the truth often conceals facts the media deems inappropriate to share with the general audience. Truth and fact are not necessarily the same thing, prompting Lippman's concern that the press "is very much more frail than the democratic theory has as yet admitted."⁶ His point was that the truths that media in democracies reveal are themselves biased in some manner; the occurrence of filtering suggests that the information has already been judged and analyzed to some degree.

With censorship comes the possibility of propaganda. As Jacobowicz articulated, "media can give the oxygen of democracy or give the poison of democracy."⁷ Facts and truths can be manipulated. In a democratic environment with a seemingly independent media, citizens are still highly vulnerable to image distortions and factual gymnastics. With modern media and technology, image-making capabilities enable the "spinning" or distortion of facts and opinions.⁸ In a space where truth and fact are to be debated, citizens rely on a media that may not be so independent after all.

Nonetheless, if media is "an organ of direct democracy," as suggested by Lippman,⁹ then the inclusion of the ideas and opinions of its audience can help to alleviate some of these biases. In the third social space, citizens can hold their media counterparts accountable. With the advent of technological communications like e-mail, internet blogging, and YouTube, there has been an explosion of information sources that enable citizens to choose, bypass, or filter their own interpretations of what they read and hear. Whether or not the third social sphere actively engages all participants, nation-states are not immune from being praised, criticized or ridiculed in this space. Presenting a consistently positive national image, therefore, becomes an attractive proposition to influence such debates.

WHAT IS NATION BRANDING AND WHY IT IS IMPORTANT

The concept behind branding nations is not dissimilar to traditional consumer product and service branding. Strong brand equity has brand loyalty (repeat buyers), name recognition (attracts new buyers), and perceived quality (user satisfaction and enhanced user status). Consumers feel more confident and proud of their purchase and usage of a strong brand—their own image is enhanced by using the product or service. Firms that understand this relationship and can build a strong brand around their company, can attract customers, retain old ones, and gain competitive advantage.¹⁰

Branding nations follow the same concepts, only that the consumers are a diversified set of global citizens and politicians, the company is substituted with the state, and the government acts as the management team. The target audiences of a nation branding campaign can be segmented at various levels. For example, the public citizenry of one's own state and of foreign states can be sub-divided into the mainstream group and the minority group, as well as into private citizens, journalists,

and academics. The members and politicians of foreign governments can be subdivided into authoritarian, democratic, and socialist regimes. Given the diversity of potential target audiences, one must be keen to the particular needs and concerns of each respective group.

Good brand management is critical to nation branding. Nation branding not only impacts a country's image, but it also can affect its stability, foreign investment, tourism, and the perceived value of its exports. For example, the Ivory Coast produces 40 percent of the world's cocoa market; however, because of the powerful and brilliant marketing of Colombia's coffee, Colombia has over 40 percent of the US specialty coffee market.¹¹ Ask most Americans and many of them will recognize the image of Juan Valdez. Furthermore, nations in post-conflict situations or in post-transitional states can benefit from a strategic and well-managed re-branding effort. For example, Montenegro emerged from the breakup of Yugoslavia and the Bosnian War as a war-torn nation, which transitioned into an attractive locale for vacationing tourists and foreign investment. The government of Montenegro implemented policies such as increasing the responsibility and access of the Ministry of Tourism to the highest levels of government, restructuring the National Tourism Organization to encourage public-private partnerships, and privatizing state-owned tourist operations to increase competition.¹²

As an increasingly important tool to promote foreign interests and to attract allies—or in marketing terms, loyal customers—branding allows nation-states to craft and influence how others perceive its political, economic, and social systems & values.

To create a strong nation brand, governments should recognize that the process is a blend of marketing and diplomacy. In fact, this process occurs by taking “traditional public diplomacy strategies and add[ing] marketing tools designed to change national perceptions.”¹³ Just as consumer product branding requires the coordination of its management team, nation branding requires a similar concerted effort by the government. However, nation branding is also more complex in that it isn't just presenting a fixed and readily recognizable product or service. Nation branding is about presenting dynamic and diverse aspects of society, such as human behavior, culture, and religion, in a coherent manner. Packaging diverse and disputed attitudes and values is not a simple task. Thus, selling to an immensely diverse and broad audience is inherently more complicated.

Nation branding is a combination of tourism, investment, trade, and public & cultural diplomacy,¹⁴ and as such, should involve all stakeholders. These stakeholders represent not only the public sector, but the private sector as well. Before it is promoted globally, a nation's brand image should first be accepted by its own stakeholders—its citizenry. Without buy-in from this group, trying to convince those

on the “outside” is a much more difficult task. As Kyriacou and Cromwell argued, a strong national brand should “engage citizens and national organizations at home while winning recognition and respect abroad.”¹⁵ Incorporating the opinions of the citizens in the formulation of the brand allows those who live in the society to feel as if they are “living the brand”—a popular marketing term for what occurs when consumers understand and accept a brand to the point that they themselves become an active reinforcement for it.

Nation brands are more than “an image.” It also includes perceptions of residents and foreigners, level of economic development, and quality of its products.¹⁶ The interplay of economic, political, and cultural systems, therefore, affects the national image that governments then have to fine-tune, highlighting some aspects and downplaying others. Larger and more diverse nations have a more difficult task in building a consistent and agreed-upon brand because they are less flexible and homogenous. Moreover, consistency of brands should transcend leadership or regime change to maintain brand loyalty. Strategies must be carefully devised in order to survive election cycles so that nations do not undergo a crisis each time there is a new president or prime minister.

Another important component of strong nation brand management includes the use of logos and the consistency of the products available. Consumer products such as Coca-Cola use logos, product placements, and other advertisements that are consistent with their image to promote their brand. Nations often use flags and anthems to reflect their value system and character. Consistent logos that project a positive image can also help. For example, prior to the 1992 Olympics, Barcelona was often overlooked in deference to its more well-known sister city, Madrid. However, hosting the Olympics offered Barcelona the opportunity to re-brand itself. Sleek logos, sophisticated marketing campaigns, and subsequent advertisements consistent with the branding effort helped to position Barcelona as a must-see location and tourism spot for trendsetters.¹⁷

Understanding the products a nation offers is also an important step in building a strong brand. The US, for example, is in the market to sell democracy and capitalism. Its products to promote these offerings include: visas, foreign direct investments, exchange programs such as the Fulbright program, information exchange, security guarantees, and the export of cultural products like movies and music. Packaging these products in a manner consistent with its service offerings is also critically important in the process. Honesty is also vital. A strong brand will not mislead; it will acknowledge both the strengths and weaknesses of the nation.¹⁸

A positive image can enhance the nation’s diplomatic currency and help facilitate economic negotiations. The potential to enhance the position of the nation on an international scale has tremendous long-term benefits. Perceived stability can lead to global leadership and new allies, perceived quality of natural resources can enhance economic position and investment opportunities, and perceived social and cultural strengths can establish moral leadership and the power of influence. Therefore, to ensure a strong brand, governments must understand the mechanisms behind brand

asset management to build brands around positive reputations and attitudes.¹⁹ Governments have begun to recognize and value this approach, as is evidenced by the increased attention and occurrence of nation branding, as evidenced by cities such as Dubai, Barcelona, Auckland, and Shanghai.²⁰

BUILDING BRAND USA

The Buy USA campaign has long been a popular strategy of the United States. The use of such a marketing tool was motivated by a desire to protect US economic interests. As the international climate has grown more complex, so has the pressure on nations to respond and position themselves as economically strong and politically stable. During the Cold War, the US depended on public diplomacy to facilitate the exchange of ideas and information about American culture to other nations. Public diplomacy is “a government’s effort to inform and influence the attitudes of the general public in a foreign country.”²¹ In efforts to win the hearts and minds of the world away from the threat of communism, the US government used public diplomacy to spread its brand value of democracy and the free market, which were sold through products such as Voice of America and the US Peace Corps.²² The US Information Agency (USIA), the nation’s chief international communication department, which had been in charge of public diplomacy, ran a number of programs such as exchange opportunities for US and foreign leaders to interact on an individual basis as a way to address misperceptions and misunderstandings for more productive and peaceful partnerships. However, funds to support such programs to promote the US as a strong beacon of democratic ideals were pulled back. From the 1980s to 2001, government spending on public diplomacy programs declined 50 percent. In late 1999, USIA was dissolved, and the US State Department absorbed many of its functions, including that of public diplomacy.

During the 1990s, when the economy was strong and international cooperation seemed to be at an all-time high, the US seemed to be immune to criticism. These positive images started to change as previously positive perceptions of US products—democracy and the free market—began to shift to one of hegemonic arrogance. Existing public diplomacy tools were proving insufficient in stemming the change of tides.

On September 11, 2001, the World Trade Center Towers collapsed. The need for public diplomacy was critical. Not only was anti-Americanism spreading rapidly, particularly in the Arab and Muslim worlds, but the changes within the US administration proved a challenge to sending out any sort of consistent diplomatic message. During the Clinton years, Brand USA was “all about multilateral humanitarian intervention abroad and Third Way liberalism at home; Brand America under Bush [was] the opposite.”²³ To address the critical need to project a consistent and strong message, Secretary of State Colin Powell realized that one of his key strategies had to be selling Brand America to the world.

In 2001, President George W. Bush appointed Charlotte Beers as the US Undersecretary for Public Diplomacy. Her primary charge was to counteract the

growing anti-American sentiment in Arab countries and to rebuild America's image. Beers was an unusual appointment in that she was neither a bureaucrat nor a political appointee. Beers was a marketer. In fact, she had been called the most powerful woman in advertising. As the former CEO of the advertising giant Ogilvy & Mather, she seemed to be primed for the position to build a strong brand for the US. At her disposal were the tools of the Bureau of Public Affairs, Bureau of Educational and Cultural Affairs, as well as the Office of International Information Programs.

Beers was known for her approach to "brand stewardship," that is, the art of creating, building, and energizing profitable brands.²⁴ Although her audience was broad-based, her high-priority target audience was the international audience in the Arab and Muslim worlds. With a budget of \$15 million, she stated at the beginning of her term that she hoped to "communicate the intangible assets of the United States—things like [its] belief system and [its] values."²⁵ As a first step, she appointed a senior advisor fluent in Arabic. She also conducted market research by meeting with prominent Muslim Americans of all ages to understand what messages would best enhance the US image abroad.

Following the procedural steps of building a brand, Beers took steps to expand the message of a friendly United States in which Muslim Americans were good citizens living happy lives. One of her first products was a booklet describing in detail the full impact of September 11, which was distributed throughout the Middle East. She also launched a monthly pro-American, Arabic-language news magazine.

From a marketing standpoint, no matter how sleek and sophisticated the packaging, if the product is bad or broken, the brand will not be successful.

The cornerstone of Beers' branding strategy was the Shared Values Initiative (SVI), which was known internally as "Charlotte's project." Run by the US Department of State, SVI was essentially a public relations campaign that took advantage of a multitude of channels to carry the message, including: television advertising, town-hall meetings, speaking tours, and print & radio broadcasts. Its goal was to "improve America's image, convincing the Arab and Muslim world that America wasn't waging war on Islam."²⁶ It targeted countries in the Middle East, Asia, as well as a few in Africa and Central Asia.²⁷

The largest project SVI managed was with the television campaigns. Beers and the State Department purchased \$5 million in commercial airtime on television stations throughout the Middle East and Asia. The target audience was clear. The messages were designed for the people, rather than the governments. The objective was to convince them that America's war on terrorism was not a war on Islam. After all, how could it be so when the ad campaigns featured vignettes of ordinary, happy Muslim Americans?

Beers herself believed that the campaign was effective in accomplishing its main purpose: starting "a dialogue with audiences in the Arab and Muslim world."²⁸ While

she conceded that the ads were propaganda, they nonetheless got people to start talking to one another. She worked for the US government; she did not take the role of an independent media, but that of a government official. As such, her role was to “communicate the policy in the most favorable light possible.”²⁹ Policymaking would be left to the politicians.

However, difficulties arose from the start. Al Jazeera, as well as various state media outlets, refused to run the spots. By 2003, the ad campaigns were pulled, and shortly thereafter, Beers resigned due to medical reasons.

WAS THE SHARED VALUES INITIATIVE A SUCCESS OR FAILURE?

The answer to this question depends on the perspective taken. While it was not successful to change the minds of the target audience completely, it initiated much-needed dialogue.

The US government quickly distanced itself from the campaign. Beers’ critics argued that the US was not Uncle Ben’s Rice, and that “you can’t boil down America into a slogan.”³⁰ *The Wall Street Journal* argued that the “US can’t be sold as a brand, like Cheerios.”³¹ Beers may have been a successful brand manager, but she clearly lacked experience as a diplomat, critics proclaimed. Her research was criticized for not being thorough because the messages and images projected in the advertisements “failed to register with Muslim audiences.”³² Many felt that the majority who saw the campaigns, both domestically and abroad, felt that it was merely propaganda, distorting the truth about the motivations behind the war and the way Muslim were really treated in the US.

Many of these criticisms came from the State Department itself. However, many of those within denounced the SVI without evidence to back up their criticisms. Kendrick and Fullerton found that many of these individuals “undermined SVI through off-the-record and background interviews with journalists, whose stories often failed to accurately portray the goals of the campaign.”³³ It was evident that the government’s own staff was not convinced about the direction or effectiveness of the branding campaign. Although the State Department has the official responsibility of marketing and communicating the US message, the majority of its staff has little knowledge or background in media strategies, tactics, and campaigns. A brand manager recognizes that, for the brand to be effectively pulled together, it requires the coordinated and consistent support, and technical knowledge, of a strong management team. However, those charged with one of the most important and powerful branding jobs lacked experience. Beers was only one individual. Ironically, the State Department has denied the failure of the SVI.

Moreover, Aaker argued that Beer’s task was doomed from the beginning because of the “underlying product.” From a marketing standpoint, no matter how sleek and sophisticated the packaging, if the product is bad or broken, the brand will not be successful. In this case, Beers was working with what she was given. She did not create US policy, but had to “package” it and put it in its best possible light. In reality, US policy has never been pro-Middle East. The US relationship with Israel,

the Gulf War, its support of regimes in Saudi Arabia and Kuwait, as well as its neo-liberal economic policies have led to policies, or a product, that are not favorable to changing deeply embedded distrust and skepticism about US goodwill. Furthermore, even with a senior adviser who spoke Arabic, if the State Department did not have a deep or genuine understanding of both the media and Muslim culture, selling a disliked—even hated—product to a hostile target audience was swimming against the tide. Beers tried to do the impossible, “to change people’s minds without changing ‘the product.’”³⁴

Additionally, in many of these nations, she was battling over fifty years of state-controlled media, which had “inundat[ing] young people with virulent anti-American messages for more than half a century.”³⁵ Al Jazeera was not favorable to pro-US images and, despite a fancy new name, it was not about to begin with the Shared Values Initiative.

Since Beers left office, Brand USA has come under further criticism. According to a recent survey, respondents felt that the US has an inconsistent brand. The confusion arises from the perception that the US government “promotes freedom, yet simultaneously supports torture and illegal wiretapping.”³⁶ The current Undersecretary, Karen Hughes, has acknowledged the growing anti-Americanism in the Arab world. Brand USA continues its attempt to re-brand and re-position itself. For example, in 2005, the images of first-time voters in Iraq holding up purple-stained fingers surfaced as a hope to position the US as the supporters of “purple power”—the freedom to vote. The hope is that this positive image of the US as liberator will overpower the daily images of American occupiers destroying a country.

NATION BRANDING: DEMOCRATIC OR PROPAGANDISTIC?

The question of whether branding nations promotes democratic ideals or reflects propagandistic virtues is complex. Kyriacou and Cromwell emphasize that “the branding process strengthens democracy and helps both internal development and successful integration into the world community, on all levels.”³⁷ Typically, the marketplace is perceived to be more democratic than formal institutions because consumers have direct purchasing power.³⁸ If consumers don’t like something, they will make it known by not purchasing it. From this perspective, if consumers (citizens or governments) do not like the branded image of a state, they will make it known by protesting, not investing, not supporting, and dissuading others from believing it. In the case of the Shared Values Initiative, many countries in the Arab world made it known they did not like the product—US foreign policy—and rejected its message. Television stations refused to run the spots. Rather than improving the image of the US, the US actually lost credibility among the Muslim world, increasing Anti-American sentiment.³⁹

Moreover, like consumer products, branded nations want to differentiate themselves from others. Just as Coca-Cola wants to make itself distinct from Pepsi, differentiation enables the state to increase market share, create a niche in a

competitive economy or strengthen its political position (i.e. Colombia coffee) within a global environment. Furthermore, greater worldwide attention on the nation can lead to “improving democratic processes, strengthening the rule of law and increasing transparency.”⁴⁰ As Anholt argued, well-branded countries actually tend to be countries with liberal democratic traditions.⁴¹ Democratic traditions tend to allow the private sector and public citizenry greater ownership and responsibility, thereby enhancing brand loyalty and buy-in. With greater transparency to its consumer-base (its citizens), nation branding can weaken the power of special interest and lobbying groups, thereby making the government more accountable and responsive to a wider and more direct audience.

Whether nation branding is democratic or propagandistic also depends on who is doing the branding. If the branded message is imposed only from the government, with little consultation from other segments of society, seeing it as a democratic process is doubtful. If, however, the process ensures that the spokespeople, represented products, and featured events incorporate public opinion, it will be more democratic, as it ensures a greater voice for those affected.

Lippman said, public opinion “is supposed to be the prime mover in democracies.”⁴² He stresses that it is a critical and necessary component of modern, democratic societies. Thus, encouraging openness in media encourages the transformation of non-democracies to democracies. However, since no one, particularly the masses, is immune from suggestion and manipulated influences, public opinion is not always independent of governmental influence. Democratic theory only works with the “omnicompetent citizen.”⁴³ Yet the omnicompetent citizen does not exist in reality. Everyone has preconceptions. Those in power, such as the media, control the images and have strong influence over the ordinary citizen. As propaganda is defined as the misrepresentation of the truth, coerced upon the listener, is presenting this information propaganda if only a few control the images, or is it merely another perspective?

Nation branding is an integral part of foreign relations. Perhaps then, it has less to do with marketing than with realpolitik and warfare. In fact, John Stauber, executive director of the Centre for Media and Democracy, argued that nation branding is a “type of propaganda designed to manage and manipulate the perception of in-country citizens or foreigners toward a government.”⁴⁴ The word “branding,” however, certainly sounds more palatable.

CONCLUSIONS

Kendrick and Fullerton criticized the Bush Administration for missing “an opportunity to improve America’s image in the Arab and Muslim worlds because they acted upon ideological and parochial prejudices, rather than upon scientific evidence,”⁴⁵ with the Shared Values Initiative. Charlotte Beers, the steward of the SVI received much criticism for her ignorance of Muslim culture, her support of propaganda, and her misstep in thinking the US can be branded like a consumer product.

However, such criticisms are often misplaced or exaggerated. First, many of the critics did not have a full understanding of the campaign nor the background and experience of brand management. Second, Beers' charge was to take a highly unfavorable product, US foreign policy towards Arab countries, and place a pretty ribbon on it. No matter how fancy the wrapping would be, this task was near impossible. Indeed, even with an elaborate product design, the most sophisticated branding strategy will fail to sell a broken product. In this case, US foreign policy is despised in many parts of the world. Re-packaging does not change it. Third, her program was in effect for only one year, in which time it was to put to rest decades of negative and deteriorating images of the US. Branding products or, in this case, policies is a long-term strategy that requires time and commitment to persuade its target audience of its positive aspects. Finally, Beers was facing particularly difficult target audiences, who were highly skeptical and quick to reject any media messages. The receptivity of her audience was not only low, but in many cases, outright hostile.

Though the SVI was short-lived and did not meet the expectations of building a Brand USA that convinced the Arab and Muslim world of its benevolence, the fact that the US recognized that its image needed to be improved in order to improve its relations with many countries and their members was a step in the right direction. One unsuccessful initiative does not necessarily mean that branding is not an important part of public diplomacy. Rather, in this case, the product research method and development was flawed. A lack of genuine understanding of Muslim culture, buy-in from the government's own staff, and misunderstanding of the target audience's receptivity exacerbated the fact that the product itself was hard to sell. Nation branding can still be useful to public diplomacy.⁴⁶

Nonetheless, nation brand strategists must avoid the dilemma of whether strong policies or strong marketing should come first. Without favorable policies, nation branding simply becomes a euphemism for lies and propaganda, thereby rendering the entire exercise futile. Thus, without policy adjustments, more favorable relations and perceptions in target countries will be harder to achieve.

Beers may not have changed the hearts and minds of millions, but if she provoked the third social space to bustle with activity and debate, then perhaps, the "queen of advertising" was marginally successful. Indeed, the fact that there was much debate and criticism from domestic and international arenas, perhaps the idea of a democratic public sphere is not an anachronistic one after all. Notwithstanding the shortcomings of programs such as the Shared Values Initiative, the exercise of nation-branding is still a worthwhile endeavor because it can encourage greater discussion among the public.

Machiavelli understood that positive public perception is essential to ensuring the strength of a nation-state. It is, therefore, critically important to dismantle the misperception that nation branding is merely a propaganda tool. Nation branding can encourage greater participation from an active and engaged citizenry. The third social space is indeed alive and well.

AGENDA FOR FUTURE RESEARCH

Questions remain. If branding is indeed an appropriate and effective mechanism, how do governments ensure that there is consistency across all its “teams” to ensure a coordinated effort? With highly decentralized governments such as the US, is such coordination even possible?

Moreover, what is the best approach to brand a nation? Is a nation restricted to only one brand? Is that brand consistently delivered across all segments, or is it tailored to fit particular audiences (i.e. Arab nations versus Asian nations)? Do generalizations then become susceptible to stereotyping? Finally, public diplomacy itself should be re-examined. Are the employees of the US State Department equipped with the right experience and training to do their job? Should employees be trained differently, that is, trained as brand strategists and managers? If their job is to communicate and market, why is their understanding and skills in this area so minimal?

These questions, among many others, raise the need for further investigation into public diplomacy, its role and its effectiveness. Given the increasing popularity and potential impact of nation-branding, governments should consider policies that prepare its representatives with the appropriate tools to be effective brand managers. It is also necessary to ensure thorough and investigative research to understand not only the target audience, but its receptivity to messages. Finally, governments should carefully consider its brand managerial approach, and to develop well-coordinated efforts among its various departments. In an age of electronic media and borderless communities, a better understanding of nation branding is urgently required.

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- ³¹ Risen, "Re-Branding America."
- ³² Kendrick and Fullerton, *Advertising's War on Terrorism*, 10.
- ³³ *Ibid.*, 7.
- ³⁴ Risen, "Re-Branding America."
- ³⁵ Alexandra Starr, "Charlotte Beers' Toughest Sell."
- ³⁶ Laslocky, "The Branding of America."
- ³⁷ Kyriacou and Cromwell, "The Concept and Benefits of Nation Branding."
- ³⁸ Randall Frost, "Democracy Rules the Marketplace," *Brandchannel.com*, March 2004. Available at: http://www.brandchannel.com/start1.asp?fa_id=202 (accessed March 26, 2007).
- ³⁹ Lawrence Pintak, "Dangerous Delusions: Advertising Nonsense About Advertising America," *Effective Advertising or Dangerous Delusions?*, August 27, 2004. Available at: <http://www.publicdiplomacy.org/32.htm> (accessed March 26, 2007).
- ⁴⁰ Frost, "Democracy Rules the Marketplace."
- ⁴¹ Laslocky, "The Branding of America."
- ⁴² Lippman, 161.
- ⁴³ *Ibid.*, 180.
- ⁴⁴ Bill Berkowitz, "Israel is Looking for Extreme Makeover," *Interpress Service*, January, 2007. <http://www.commondreams.org/headlines07/0113-05.htm> (accessed March 26, 2007).
- ⁴⁵ Kendrick and Fullerton *Advertising's War on Terrorism*, 17.
- ⁴⁶ *Ibid.*, 15.

Comment

ON SOME ASPECTS OF PROSECUTORIAL DISCRETION IN THE INTERNATIONAL CRIMINAL COURT

by John L. Washburn

The insightful and stimulating article by Professor Jens David Ohlin in the Winter/Spring 2007 issue of the *Whitehead Journal* is unfortunately marred by a serious misreading of the Rome Statute of the International Criminal Court (ICC).¹ In his argument, Ohlin writes that "...the ICC is *required* to take cases referred to the prosecutor by the Security Council..." (emphasis supplied).² The author then bases an important part of his argument upon this assertion. In its support, he cites Article 13 of the Statute.³

However, Article 13 lists several situations where "the Court *may* exercise its jurisdiction" (emphasis supplied), including a Security Council referral (subparagraph (b)). Article 53 of the Statute designates the prosecutor as the main actor in the Court's decision on whether or not it will act on a Security Council referral.

In Article 53, sections 1 and 2 establish the discretion of the prosecutor to decide whether or not he will proceed with a case in various circumstances. Section 2 provides that "if the prosecutor concludes that there is not sufficient basis for a prosecution..." he shall inform "the Security Council in a case under Article 13, subparagraph (b) of his or her conclusion and the reasons for the conclusion." Moreover, section 3 (a) provides that "at the request of the Security Council," concerning a referral under Article 13(b), "the Pre-Trial Chamber may review a decision of the prosecutor not to proceed and may request the prosecutor to reconsider that decision." Finally, section 3(b) provides that, if the prosecutor decides not to proceed on a Security Council referral "in the interests of justice," the Pre-Trial Chamber may on its own initiative review that decision, which "shall be effective only if confirmed by the Pre-Trial Chamber."

In the case of Darfur, on June 1, 2007, the prosecutor informed the Pre-Trial Chamber by letter that "following receipt of the [Security Council] referral..." his office had carried out an analysis and review "...to determine whether the criteria to initiate an investigation are satisfied."⁴ The letter advised the Pre-Trial Chamber that he had determined that there was a reasonable basis for an investigation. It is quite clear that the prosecutor would not accept Professor Ohlin's claim that "[t]he referral preempted [his] discretion in the matter and directed him to conduct an investigation and commence prosecutions for any wrongdoing."⁵

I leave it to the readers to draw their own conclusions about the effect of Professor Ohlin's misreading of the Rome Statute on his argument in the rest of the article. My own interest here is not with that argument, but rather in ensuring an

accurate understanding of the Court in the United States, and challenging an assertion often used by opponents of the ICC against my organization's advocacy for it.

John L. Washburn is Convener of the American Non-Governmental Organizations Coalition for the International Criminal Court. Mr. Washburn also serves as cochairman of the Washington Working Group on the International Criminal Court.

Notes

¹ Jens David Ohlin, "On the Very Idea of Transitional Justice," *Whitehead Journal of Diplomacy and International Relations* 8, no. 1 (Winter/Spring 2007): 51–68.

² Ohlin, "On the Very Idea of Transitional Justice," 61.

³ "Rome Statute of the International Criminal Court," July 17, 1998. Available at: <<http://www.un.org/law/icc/statute/romefra.htm>> (accessed June 2, 2007).

⁴ Luis Moreno Ocampo, *Letter to Judge Claude Jorda* (June 1, 2005). Available at: <http://www.icc-cpi.int/library/cases/ICC-02-05-2_English.pdf> (accessed June 2, 2007).

⁵ Ohlin, "On the Very Idea of Transitional Justice," 61.

Response

INTERNATIONAL LAW AND PROSECUTORIAL DISCRETION

by Jens David Ohlin

In his learned commentary, John Washburn argues that I have misread the Rome Statute and the discretion it affords the ICC prosecutor in cases referred to the Court from the Security Council. However, I maintain my position that the ICC prosecutor has no such discretion, *pace* Washburn, *pace* even the Rome Statute. Moreover, this issue is more than just a disagreement over treaty language; it implicates fundamental principles of international law. A fuller explanation of my argument follows.

While Washburn faithfully and accurately transcribes multiple passages from the Rome Statute governing the powers of its prosecutor,¹ nowhere does Washburn analyze the legal relationship between the treaty and the UN Charter, the highest expression of international law, which explicitly takes precedence over all conflicting treaties.² Especially important to this analysis is Chapter VII, which reserves to the Security Council in Article 39 the power to take actions to restore international peace and security—the most compelling and central goal of our post-World War II international legal order.³ These powers include, of course, military measures under Article 42, but also non-military measures under Article 41.⁴

My position is that when the Security Council issues a directive in accordance with its Chapter VII authority to restore international peace and security, these directives carry the force of law and are in no way optional.⁵ Indeed, when the Security Council referred the Darfur case to the ICC prosecutor, it did so by explicitly invoking its Chapter VII authority and finding that an ICC investigation was necessary for international peace and security. It is for this reason that I have written elsewhere that such referrals transform the ICC from a criminal court into a “security court,” dedicated to fulfilling the Security Council goals of restoring peace and security.⁶ In many ways, this is the defining feature of international criminal justice: judging individual criminal liability because the fate of nations and peoples depends on it. While my interpretation is admittedly a vanguard one that departs from the received wisdom of lawyers working at the new international court, it is nonetheless more consistent with basic principles of international law and the structure of UN institutions.

Washburn cites a number of Rome Statute provisions listing the discretion of the ICC prosecutor. He also notes that it is “quite clear that the prosecutor would not accept” my conclusion that the Security Council Chapter VII referral removed his discretion. On this we can agree. I also concede that the drafters of the Statute believed that the prosecutor could retain discretion in the face of Security Council referrals. Nevertheless, parties to a multi-lateral treaty cannot, through a voluntary treaty commitment, reserve for themselves powers that the UN Charter reserves under Chapter VII for the Security Council. Thus, the parties of the Rome Statute never had authority to grant discretion to the ICC prosecutor in the first place. The failure of the prosecutor and the drafters to appreciate the Security Council’s authority under international law in no way means that they are right. Institutional players always have an interest in believing that they have more discretion than the law endows them with.

Of course, it is necessary to distinguish different kinds of discretion. When the Security Council referred the Darfur case to the ICC prosecutor, the UN Commission of Inquiry for Darfur also handed him a sealed list of fifty-one persons of interest.⁷ It is certainly possible that there might be insufficient evidence to prosecute a particular defendant.⁸ If the defendant committed no crime, he need not—nor should not—be prosecuted. No one is suggesting that the prosecutor does not have this level of discretion. What I am suggesting is that the prosecutor does not have discretion to determine whether he should commence an investigation. Although this sounds obvious, this is precisely the level of discretion that the prosecutor apparently believes he has.

Let us distinguish the Darfur case as a *general investigation* and the Darfur case as against *particular defendants*. After the Security Council decided that an investigation was necessary to restore peace and security, the prosecutor is required as a matter of international law to conduct it, regardless of what the Rome Statute says. Nevertheless, the prosecutor wrote in his letter to the Pre-Trial Chamber that his office had conducted a review “to determine whether the criteria to initiate an

investigation are satisfied.”⁹ While the prosecutor alone can determine the *outcome* of his investigation as against particular defendants, the decision to commence an investigation is not his to make. In my view, the Security Council preempts this usual process by making a binding referral under its Chapter VII authority.¹⁰

Of course, if the prosecutor were to conduct the investigation required by the Security Council and decide that not a single individual should be brought to trial, this would effectively collapse the distinction between the Darfur case as a general matter and the Darfur case as a collection of individual prosecutions. Were the prosecutor’s reasons for deferring prosecutions unconvincing and insincere, the Security Council might have something to say about this. It is particularly noteworthy that the Rome Statute is ambiguous here. It purports to give the prosecutor discretion to make these decisions with regard to the “interests of justice,”¹¹ although it is unclear what this means. If the phrase “interests of justice” means the culpability of individual defendants—a question that all criminal prosecutors must consider—then this discretion would not interfere with the Security Council’s authority to deal with matters of collective peace and security. If, however, the “interests of justice” means something more collective,¹² such as what is best for the victims and aggressors as *groups*, then this, I submit, is precisely the kind of global diplomatic concern that international law, and the UN Charter, reserves for the Security Council.

The legal and political relationship between the Security Council and adjudicatory bodies has always been a matter of legal controversy.¹³ The International Court of Justice (ICJ) has, on occasion, sought to maintain its independence from the Security Council. These issues arose in the *Nicaragua*, *Lockerbie*, and *Wall* cases, and are well traveled in the legal literature.¹⁴ There is a not-so-subtle tug of war between the Security Council and the ICJ over allocation of legal authority. The question of authority between the ICC prosecutor and the Security Council is an instance of this same general institutional question.

One might be inclined to argue that the Security Council is ill-equipped to handle quasi-adjudicative powers and that legal bodies such as the ICJ and the ICC are more appropriate institutions to exercise legal discretion. But the Security Council already exercises several adjudicative functions allocated to it by the UN Charter, and these functions are central to its mission to maintain international peace and security.¹⁵ The structure of the UN Charter therefore makes clear that the Security Council is, already, a quasi-adjudicative body. Also, when situations involve international peace and security, it is precisely the Security Council—not the ICC prosecutor—that is endowed with the institutional resources to handle them.

One might also object that legal institutions created by the Security Council are nonetheless independent from it, and by extension the ICC should be no less independent even when cases are referred by the Council. For example, the ad hoc tribunals for Yugoslavia and Rwanda were created by Security Council resolutions under its Chapter VII powers, but decisions from these courts are not subject to review by the Security Council.¹⁶ But this judicial independence can be distinguished

from our present discussion. In the case of the ICC, I maintain, the prosecutor cannot exercise his own discretion about whether the interests of justice require an investigation. Once the Security Council has decided that an investigation is necessary for the maintenance of international peace and security, the prosecutor is, in my view, constrained by international law to follow this ruling, and cannot decide for himself whether an investigation is in “the interests of justice.” This would be like the prosecutor of the International Criminal Tribunal for Yugoslavia (ICTY) deciding—for herself—that international peace and security did not necessitate the creation of ad hoc tribunals and, thus, closing up shop.

Of course, the ICTY Appeals Chamber in *Tadić* considered the Security Council’s authority under Chapter VII to create the ICTY in the first instance.¹⁷ However, that was a special case where the court was required, through the very demands of adjudication, to determine for itself whether it had jurisdiction to decide the merits of the case—i.e. what the ICTY referred to as “*la compétence de la compétence*.” But the ICTY Appeals Chamber did not—nor could not—substitute its own judgment about whether a tribunal was an appropriate response to the crisis in Yugoslavia,¹⁸ just as I submit the ICC prosecutor cannot substitute his own judgment about whether an ICC investigation is an appropriate response to the crisis in Darfur or elsewhere.¹⁹

A determination of this issue will have to wait until the ICC issues its first decisions. However, this will not be the final word. I have no doubt that the ICC, as a legal institution, will find greater discretion for itself and its prosecutor at the expense of the Security Council. As a matter of institutional *Realpolitik*, this should not be surprising. The issue will most likely remain happily unresolved, unless the Security Council is faced in the future with an ICC prosecutor who blatantly refuses to act, “in the interests of justice,” on a Chapter VII referral. Given that the ICC prosecutor has, indeed, initiated an investigation of the Darfur situation, it is clear that the time has not yet arrived.

Notes

¹ See “Rome Statute of the International Criminal Court,” July 17, 1998, Article 13(b) and Article 53(2). Available at: <<http://www.un.org/law/icc/statute/romefra.htm>> (accessed June 2, 2007). Also relevant is Article 16, which recognizes the power of the Security Council to suspend an ICC investigation by using its Chapter VII powers.

² See the Charter of the United Nations, UN General Assembly, June 26, 1945, Article 103. Available at: <<http://www.un.org/aboutun/charter/>> (accessed June 2, 2007). “In the event of a conflict between the obligations of the Members of the United Nations under the present Charter and their obligations under any other international agreement, their obligations under the present Charter shall prevail.”

³ See UN Charter, Article 1(1); “To maintain international peace and security, and to that end: to take effective collective measures for the prevention and removal of threats to the peace, and for the suppression of acts of aggression or other breaches of the peace, and to bring about by peaceful means, and in conformity with the principles of justice and international law, adjustment or settlement of international disputes or situations which might lead to a breach of the peace.” Article 39; “The Security Council shall determine the existence of any threat to the peace, breach of the peace, or act of aggression and shall make recommendations, or decide what measures shall be taken in accordance with Articles 41 and 42, to maintain or restore international peace and security.”

⁴ See UN Charter, Article 41; “The Security Council may decide what measures not involving the use of armed force are to be employed to give effect to its decisions, and it may call upon the Members of the

United Nations to apply such measures. These may include complete or partial interruption of economic relations and of rail, sea, air, postal, telegraphic, radio, and other means of communication, and the severance of diplomatic relations.”

⁵ All member states are required to follow binding decisions of the Security Council, a legal obligation that extends to the international institutions to which they belong. See UN Charter, Article 25 (requiring member states to follow Security Council decisions); Article 48 (requiring that Security Council decisions “shall be carried out by the Members of the United Nations directly and through their action in the appropriate international agencies of which they are members”).

⁶ For a full discussion of the legal consequences of this referral, see George P. Fletcher & Jens David Ohlin, “The ICC—Two Courts in One?” *Journal of International Criminal Justice* 4, no. 3 (July, 2006): 428–433.

⁷ See United Nations Security Council Res. 1593 (March 31, 2005); see also Report of the International Commission of Inquiry on Darfur to the United Nations Secretary-General (2005) (recommending referral to ICC prosecutor after finding evidence in Darfur suggesting war crimes and crimes against humanity).

⁸ This is contemplated by Article 53(2)(a) of the Rome Statute.

⁹ See Luis Moreno Ocampo, *Letter to Judge Claude Jorda* (June 1, 2005). Available at: <http://www.icc-cpi.int/library/cases/ICC-02-05-2_English.pdf> (accessed June 2, 2007).

¹⁰ For further discussion, see Giuliano Turone, “Powers and Duties of the Prosecutor,” in *The Rome Statute of the International Criminal Court: A Commentary* ed. Cassese et al. (New York: Oxford University Press, 2002), 1140; (“the Statute of the ICC was drafted paying very careful attention to the principle of national sovereignty and to the political primacy of the Security Council, in such a way as to limit, in a significant way, the power, and to affect the independence itself, of the Prosecutor”).

¹¹ See Rome Statute, art. 53(2)(c).

¹² This interpretation might be supported by the fact that Article 53(2)(c) refers to the “gravity of the crime and the interests of the victims.”

¹³ See Jose E. Alvarez, “Judging the Security Council,” *American Journal of International Law* 90, no. 1 (January 1996): 1–39.

¹⁴ See *Military and Paramilitary Activities in and Against Nicaragua*, 1986 ICJ 14; *Questions of Interpretation and Application of 1971 Montreal Convention Arising from Aerial Incident at Lockerbie*, 1992 ICJ 114; *Legal Consequences of Construction of Wall in Occupied Palestinian Territory*, 2004 ICJ 136. For a discussion, see Kathleen Renée Cronin-Furman, Note, “The International Court of Justice and the United Nations Security Council: Rethinking a Complicated Relationship,” *Columbia Law Review* 106, no. 2 (March 2006): 435–463.

¹⁵ Articles 33, 34, and 35 explicitly give the Security Council dispute resolution powers. Although Article 36 contemplates that these disputes will sometimes be referred to the ICJ, Article 37 contemplates that the Security Council can recommend its own resolution to the dispute when necessary to maintain international peace and security. And, of course, there are the more familiar extraordinary powers under Chapter VII.

¹⁶ Individual defendants may not, for example, petition the Security Council to “overrule” the ICTY—a procedure that, if allowed, would turn the Security Council into a de facto appeals chamber resembling the House of Lords.

¹⁷ See *Prosecutor v. Tadić*, Decision on Defense Motion for Interlocutory Appeal on Jurisdiction § 12 (Oct. 2, 1995); “In sum, if the International Tribunal were not validly constituted, it would lack the legitimate power to decide in time or space or over any person or subject-matter. The plea based on the invalidity of constitution of the International Tribunal goes to the very essence of jurisdiction as a power to exercise the judicial function within any ambit.”

¹⁸ See *Tadić*, at § 20 (“There is no question, of course, of the International Tribunal acting as a constitutional tribunal, reviewing the acts of the other organs of the United Nations, particularly those of the Security Council, its own ‘creator.’ It was not established for that purpose, as is clear from the definition of the ambit of its ‘primary’ or ‘substantive’ jurisdiction in Articles 1 to 5 of its Statute.”).

¹⁹ These questions of allocating legal authority within the United Nations system all stem from the decision of the original framers in 1945 to refrain from granting any one institution authority to determine these questions and, thereby, definitively interpret the UN Charter. A proposal to grant this authority to the International Court of Justice, in a similar model to the United States Supreme Court, was rejected. See Ruth B. Russell, *A History of the United Nations Charter: The Role of the United States, 1940–1945* (Washington, DC: Brookings Institution, 1958), 925–927.

BOOK REVIEWS

How Free are Latin American Countries When Choosing Trade Strategies?

by Zaida L. Martinez

Vinod K. Aggarwal, Ralph Espach, and Joseph S. Tulchin, eds, *The Strategic Dynamics of Latin American Trade*, Washington, DC: Woodrow Wilson Center Press, 2004. 294 pp. US\$29.95, paper, ISBN 0-8047-4900-0

The last twenty years have given rise to a proliferation of regional economic arrangements in Latin America. Using the concept of strategic choice within the context of trade policies, Aggarwal, Espach and Tulchin present an analysis of the wide range of trade agreements and their implications for particular countries in the region. The editors begin by presenting a theoretical foundation for strategic trade choices, followed by a presentation of how political and economic interests at the national and international levels affect trade choices. They then apply the theoretical framework to case studies of four major countries in the region—Argentina, Brazil, Chile, and Mexico. The final section provides conclusions and prospects for future national trade policies.

Aggarwal and Espach introduce their theoretical framework for understanding trade relations in Chapter 1. Their basic premise is that governments have choices regarding trade strategies, albeit choices which entail economic and political tradeoffs. By contrasting the tradeoffs associated with different trade strategies, Aggarwal and Espach are able to demonstrate how four major countries in Latin America have developed different trade profiles: Argentina as a regional partner, Brazil as a regional leader, Chile as a multilateral trader, and Mexico as a hub market.

Zaida L. Martinez is a Professor of International Business and Co-Director of the Southern Cone Studies Program at St. Mary's University in San Antonio, Texas. She received her Ph.D from the University of South Carolina, and holds an MBA from Florida State University. She has also served as an internationalization consultant for the University of Puerto Rico, the Alamo Community College District, and Georgetown College.

The theoretical framework is complemented by Tulchin's discussion regarding how diverging domestic interests affect a government's trade strategy and its outcomes. Because trade strategies are affected by geopolitical considerations, Tulchin emphasizes how both "hard" and "soft" power are used in trade negotiations. As examples he notes how Brazil effectively used its size as hard power but has not been as effective in using soft power due to the government's ambivalence over whether to pursue a regional or a global strategy. In contrast, Tulchin indicates that the Chilean government has used soft power effectively by showing a strong commitment to free trade policies and thus positioning the country favorably within a broader international community.

The application of Aggarwal and Espach's strategic framework at the national rather than the international level is addressed in Chapter 3. Maxfield provides a detailed analysis of the influences of state-business collaboration on trade liberation programs in the four countries studied. Maxfield stresses that the constructive pattern of government-business interaction in Mexico and Chile contributed to the success of their trade policies. Conversely, the particularistic approach toward business-government relations used in Argentina and Brazil has not been as helpful in developing trade policies.

In Chapter 4, Wise applies the strategic choice framework to previous negotiations of the Free Trade Agreement of the Americas (FTAA), an agreement that she views as the most viable venue for further integration of the Western Hemisphere. However, she recognizes that the FTAA's proponents must address the negative repercussions on particular segments of society (especially workers), and the current economic asymmetries that prevail in the Western Hemisphere, notably inequalities in the distribution of income. Although she views the trade strategies that governments pursue as partly to blame for these two conditions, she also highlights two additional factors: oligopolistic ownership patterns in Latin American countries and deficiencies in human capital formation.

Although a reprint of a previously published article, Chapter 5 ties in well with the overall scheme of the book. According to Salazar-Xirinachs, the proliferation of regional trade agreements in Latin America is primarily related to governments' perceptions that these agreements are critical for attracting foreign investment. For example, he views this objective as important in Mexico's decision to join NAFTA and become a hub for a network of bilateral agreements. The rest of his chapter assesses various key issues related to regional agreements, singling out rules of origin and dispute resolution as weaknesses of the proliferation of regional agreements.

The case studies presented in the third section of the book provide support for its overall theme and serve as distinct examples of how political and economic relations affect the strategic trade options of specific countries in the region as well as their bargaining positions. The analysis of MERCOSUR at the end of this section further demonstrates how strategic trade choices are not determined by a single strategic decision at a particular point in time, but are the result of a series of adaptive responses to economic and political constraints and international power relations.

The *Strategic Dynamics of Latin American Trade* is a valuable book for understanding the contextual factors that affect trade preferences in Latin America and the reasons for the recent rise in regional arrangements. While occasionally parsimonious, the rich framework the editors developed gives the chapters coherence and provides a useful tool for analyzing current and future trade negotiations in Latin America. What the framework does not provide, however, is a tool for assessing the outcomes of trade agreements. Wise's chapter reminds us of the difficulties of assessing the benefits of trade liberalization, especially regarding inequality in income distribution and oligopolistic ownership patterns. The concentration of economic power in the hands of a few companies has meant that trade liberalization has mainly helped a specific sector of Latin American societies. Consequently, small- and medium-sized companies in Latin America have yet to realize the full benefits of more open borders. Moreover, since many regional trade agreements have included investment rules that facilitate foreign direct investments, a common perception has been that these agreements favor American multinationals, a view that has been taken with NAFTA and more recently with the US-DR-CAFTA.

As with any good book, readers will find that it not only provides cogent explanations for what, at first sight, may appear to be erratic trade liberalization initiatives in Latin America but also gives rise to disquieting and challenging questions about the consequences of these initiatives. Overall, the book is an excellent roadmap for understanding regional agreements as the preferred approach to the bumpy road leading to trade liberalization in Latin America.

George W. Bush, War Criminal?

by Eliot Dickinson

Failed States: The Abuse of Power and the Assault on Democracy. By Noam Chomsky. New York: Metropolitan Books, 2006. 311 pp. US\$24, hardbound. ISBN 0-8050-7912-2

Noam Chomsky argues in *Failed States* that the most important issues facing humankind include the threat of nuclear war, environmental disaster, and the worrisome fact that the United States government is pursuing dangerously wrong-headed policies—despite opposition from a majority of its population—that threaten the future of peaceful life on the planet. The gravity of the situation has been clear at least since 1955 when Bertrand Russell and Albert Einstein made an appeal for peace at the dawn of the nuclear age by pointing out that the choice human beings face is “stark and dreadful and inescapable: shall we put an end to the human race; or shall mankind renounce war?”¹ The existing state of international affairs in light of this profound question is both disturbing and unfortunate.

The first half (Chapters 1, 2 and 3) of *Failed States* details how the United States has not renounced war but is instead risking ultimate doom by contemptuously breaking international law, waging war and, most strikingly, showing telltale signs of being a failed state. The second half (Chapters 4, 5 and 6) explores America’s ostensible democracy promotion, which has resulted in immeasurable carnage in the Middle East and a marked gap between public opinion and public policy at home. Using document analysis and the historical method to build his case, the Massachusetts Institute of Technology (MIT) philosopher-linguist argues that the United States is suffering from a democratic deficit, endangering its own citizens, militarizing the planet and increasing the likelihood of nuclear war. The list of egregious transgressions, in which the United States exempts itself from international treaties and argues that its illegal actions are legitimate, is long. The Bush II administration has, for example, adopted a first-strike military option, engaged in torture and violated the civil liberties of its own citizens. Incredibly, this

Eliot Dickinson holds a Ph.D from Purdue University and is currently a visiting assistant professor of political science at Hope College.

has all occurred alongside self-righteous posturing, declarations of noble intent, hypocritical rhetoric about moral principles and professed Christian piety.

The United States expects the rest of the world to adhere to international law, such as the Nuclear Non-Proliferation Treaty (NPT) and the Geneva Conventions, while exempting itself in what is not just a double standard, but more appropriately, a single standard. Why, Chomsky asks, is the oft-used term “terror” applied and understood in such a one-sided manner? “*Their* terror against us and our clients is the ultimate evil, while *our* terror against them does not exist—or, if it does, is entirely appropriate.”²² To illustrate but one interesting example of the single standard, Article III of the Nuremberg principles states that “[t]he fact that a person who committed an act which constitutes a crime under international law acted as Head of State or responsible Government official does not relieve him from responsibility under international law.”²³ Under this principle, which the United States used to prosecute Nazis after World War II, George W. Bush would be a war criminal.

Just as Friedrich Nietzsche once said that he wanted to make people uncomfortable with their own thoughts, it is altogether fitting that some American readers may be unsettled by the implicit and explicit questions Chomsky raises. For example, with the United States spending more on war and its military industrial complex than the combined military expenditures of the rest of the world, including 95 percent of the global spending on arms in space, does this not lead inevitably to arms proliferation and pose an existential threat to life on earth? Has the war in Iraq not, in fact, killed more people than it has liberated, helped both Muqtada al-Sadr and al-Qaida recruit more terrorists, and exacerbated the problem of religious fundamentalism? Where there was one terrorist in 2002, are there not now 100? Are the untold number of deaths, maimings and families ripped apart by the wars in Iraq and Afghanistan not crimes against humanity?

Published in conjunction with the ideologically progressive American Empire Project, which critically analyzes the perceived imperial ambitions of the United States, *Failed States* is a sequel to Chomsky’s *Hegemony or Survival: America’s Quest for Global Dominance* (2004) and a prequel to Chalmers Johnson’s *Nemesis: The Last Days of the American Republic* (2007). As such, it is a book that conservatives—should they ever happen to read this provocative work—are bound to loathe and view as treasonous, anti-war and anti-American. Conversely, liberals will likely sympathize with Chomsky’s conclusions, and the book is sure to find a wide audience outside the United States.

Failed States should compel readers to take action, at the very least to contact their congressional representatives or write to their local newspapers. They can urge that the United States be a more responsible member of the world community by, as Chomsky recommends in his Afterword: immediately respecting the authority of the International Criminal Court and the World Court, fully implementing the Kyoto Protocols, following the United Nations’ lead in addressing global problems, using diplomacy and economic sanctions rather than brute military force to combat terror, adhering to the United Nations Charter, voluntarily relinquishing Security Council

veto power, and radically reallocating funds from the military to social welfare programs.⁴ While these suggestions will surely strike many readers as quixotic, they nevertheless reflect the views of one of America's great dissident intellectuals as well as a growing percentage of the thinking public increasingly inclined to favor the serious pursuit of a more peaceful future.

Notes

¹ Noam Chomsky, *Failed States: The Abuse of Power and the Assault on Democracy* (New York: Metropolitan Books, 2006), 3.

² *Ibid.*, 5.

³ *Ibid.*, 40.

⁴ *Ibid.*, 262.

Towards a New Paradigm in International Relations

by Jodok Troy

Bringing Religion into International Relations. By Jonathan Fox and Shmuel Sandler. New York: Palgrave Macmillan, 2006. 212 pp. \$24.95 (paperback) ISBN: 978-1-4039-7603-1

In *Bringing Religion into International Relations*, Bar Ilan University's Jonathan Fox and Shmuel Sandler examine the role of religion in international relations and attempt to push religion as a relevant factor in international relations theories. This is an important attempt, because apart from Samuel Huntington's "Clash of Civilisations"¹ and Mark Juergensmeyer's *The New Cold War*,² religion as a variable in international relations has been continually overlooked, even ignored. However, the widespread influence of religion on social behavior, worldviews, identity, and institutions (such as the World Council of Churches and the Roman Catholic Church) demands evaluation. Religion in international relations requires a more fundamental theoretical basis since it is currently seen and interpreted as a part of culture.

Jodok Troy is a research assistant at the Center for European Security Studies at the University of Innsbruck, Austria.

Since the September 11, 2001 attacks took place in the “heart of the West,”³ the Western academic world has regarded religion as a serious driving force in international relations. Fox and Sandler rightly blame the Western-centric social sciences for previously ignoring religion (or seeing it as a “subcategory”) because they were stuck to the secular concept of the nation state which should replace religion and “free man from the need to turn to God”⁴ But ironically, that same secular modernity caused the resurgence of religion.

There are many reasons for the “global resurgence of religion.”⁵ One of the most important is the linkage between domestic and international politics, as religion is likely to transcend state borders.⁶ The authors therefore refer to James Rosenau’s “linkage politics” and Keohane and Nye’s world politics paradigm.⁷

After a short introduction, Chapter 2 elaborates on how modernization theory, Cold War politics, and the dominance of Western-centric thinking (the secularism paradigm) led to the ignorance of religion in the study of international relations. Chapter 3 argues that religious legitimacy is important in international relations, especially due to the increasing influence of identity, cultural, and normative factors in a globalized world. Chapters 4 and 5 examine the international dimension of ethnic⁸ and religious conflicts and the transnational religious phenomena. This is an important field of research not only because religion and nationalism are often linked⁹ and are likely to be internationalized (e.g. conflicts over the control of holy sites are by definition an international issue),¹⁰ but also concerns interventions. States with different religions are more likely to engage in war,¹¹ and states that intervene in conflicts tend to share the religious beliefs with those on whose behalf they are intervening.¹²

Chapter 6 extensively investigates the validity of Huntington’s thesis regarding a “Clash of Civilizations.” The authors note that Huntington’s theory has not passed the empirical test. According to the authors, this debate can paradoxically be described as both the most important debate in international relations during the 1990s and as the biggest waste of time in that decade.¹³ Chapter 7 gives a short overview of the Israeli-Palestinian conflict and emphasizes the continuing important role of religion in that conflict. It is likely that this chapter will be read with some skepticism since it was written by two engaged Israeli scholars.

The final chapter attempts to create a theory of international relations and religion. The authors keep emphasizing that “religion is not the main driving force behind international relations, international relations cannot be understood without taking religion into account.”¹⁴ They also argue that it is not possible to formulate a concrete definition of religion and that there is still a lack of methods to analyze religion in international relations.

Despite the effort to examine and integrate the factor religion in theories of international relations such as realism or constructivism, the book misses the mark in developing a *coherent* approach to integrate religion into the *theories* of international relations. Neither do the authors examine systematically how existing theories integrate religion, nor do they adapt existing theories to other theories of social

sciences or philosophy.¹⁵ Nevertheless, *Bringing Religion into International Relations* offers a practical basis for further studies in that field and clearly articulates the need for doing so.

Notes

¹Samuel P. Huntington, "The Clash of Civilizations?" *Foreign Affairs* 72, no. 3 (1993): 22-49; Huntington, Samuel P. *The Clash of Civilisations and the Remaking of World Order* (New York: Simon and Schuster, 1996).

²Mark Juergensmeyer, *The New Cold War?* (Berkeley: University of California, 1993).

³Jonathan Fox and Shmuel Sandler, *Bringing Religion into International Relations* (New York: Palgrave Macmillan, 2006), 21.

⁴*Ibid.*, 3.

⁵Thomas M. Scott, *The Global Resurgence of Religion and the Transformation of International Relations* (New York: Palgrave Macmillan, 2005).

⁶Mark Juergensmeyer (ed.), *Global Religions. An Introduction* (Oxford: Oxford University Press, 2003); Robert O. Keohane and Joseph S. Nye (eds.), *Transnational Relations and World Politics* (Cambridge: Harvard University Press, 1970).

⁷James Rosenau, *Linkage Politics* (New York: Free Press, 1969); Keohane and Nye, *Transnational Relations and World Politics*; Robert O. Keohane and Joseph S. Nye, *Power and Interdependence: World Power in Transition* (Boston: Little Brown, 1977).

⁸The descriptions are mainly based on the results of the "Minorities at Risk" Project: Ted R Gurr, *Minorities at Risk* (United States Institute of Peace, 1993).

⁹Anthony D. Smith, "Ethnic Election and National Destiny: Some Religious Origins of Nationalist Ideals" *Nations and Nationalism* 5, no. 3 (1999): 331-355; Smith, Anthony D. "The Sacred Dimension of Nationalism" *Millennium* 29, no. 3 (2000): 791-814.

¹⁰Fox and Sandler, 77.

¹¹Errol A. Henderson, "Culture or Contiguity: Ethnic Conflict, the Similarity of States and the Onset of War, 1820-1989" *Journal of Conflict Resolution* 41, no. 3 (1997): 649-668; Errol A. Henderson, "The Democratic Peace Through the Lens of Culture, 1820-1989" *International Studies Quarterly* 42, no. 3 (1998): 461-484. The argument that states with different religions are more likely to go to war could be taken as an evidence for the correctness of Huntington's theory.

¹²Fox and Sandler, 81.

¹³*Ibid.*, 133. Despite that judgement it is often forgotten that Huntington's theory offers one of the few metatheories of international relations after the Cold War.

¹⁴*Ibid.*, 7.

¹⁵See for example Scott.Thomas, *The Global Resurgence of Religion and the Transformation of International Relations*. (New York: Palgrave Macmillan, 2005).

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