

Perspectives

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The misadventures of democracy and competing interests

The collapse of the Soviet Union, a turning point of the 20th century, is fading into history along with the illusions that went with it and the new world order is becoming clearer. This comprises ideology-rooted political institutions and the vested interests of various political stakeholders, and their respective forces interact in different and complex ways.

Contrary to the idea (or dream) of “the end of history,” democracy (or Western liberal democracy), has not gained ground beyond the enlarged European Union (EU). Russian President Vladimir Putin continued to tighten his grip on power over the past year with little internal resistance after his rocky ride discussed in the last issue of *RAMSES*. Unlike what happened in Ukraine, externally-backed efforts to push liberal democracy had little effect in a Russia used to what Marx called “Asian despotism.”

Putin is a man of law and order and is largely providing what nearly all Russians want. He has not brought them anything ideological but only a tiny minority still aspires to democracy. Russia is short on identity, which was masked during the Soviet period and is now visible again. The senior KGB officer who now rules the Kremlin does not know how to give his people dreams. If he does not run again when his term ends in 2008 (it seems he will not, barring a surprise) we can expect Russia’s third president to be another tough apparatchik.

“Asian despotism” is still a good description, in varying degrees (and much more than in Russia) of the regimes in Central Asia, including Kyrgyzstan, which had a palace revolution last year that some Western commentators wanted to see as a Ukraine-style “Orange Revolution.” In Ukraine itself, the hopes raised by the original version were largely disappointed and the country’s new leaders have been quickly discredited by numerous scandals. President Viktor Yushchenko parted ways with his fiery Prime Minister, Yulia Tymoshenko, and in the March 2006 parliamentary elections, the pro-Russia party of Viktor Yanukovich (beaten to the presidency by Yushchenko in the late 2004 elections) emerged as the biggest. To keep him out, the president tried to form a shaky minority coalition with Tymoshenko.

Ukraine is still very tied to its old master, Russia, in many ways, especially economically, as one might expect, and there is no question for the moment of joining the EU or even NATO. Neither side is in a hurry to make the link-up, either the sceptical West (expect for Germany and notably Poland) or the divided Ukrainians. The issue that has to be sorted out first is the democracy that the “Orange Revolution” was unable to firmly establish by itself – no surprise in view of the country’s history.

At the eastern end of Eurasia, the Chinese economy continues its double-digit growth. The country’s Communist leaders do not deny that democratisation is the future, President Hu Jintao

readily talks about the need to push in this direction and genuine progress has been made. But China's elite fears speedy liberalisation would lead to chaos rather than anything good and that a regime which has provided so much in the past quarter-century deserves gratitude from its subjects. The elite has little admiration for liberal democracy, which they see as unable to carry out the economic and social reforms China needs. But it does produce such results sometimes, as Japanese prime minister Junichiro Koizumi showed in 2006 when he crushed resistance by postal workers and easily won early elections.

With several thousand years of history behind them, the Chinese are rarely interested in political lessons from Westerners. Their development today is up against countless obstacles pinpointed by their leaders, whose future largely depends on their ability to overcome them smoothly and to adapt. Meanwhile China is now the world's fourth biggest economy (ahead of France) and continues its steady rise to global power, symbolised by the launch of a manned space mission in October 2005.

Democracy has advanced in several countries in recent months but Western ideologues have little to cheer about. The lifting of restrictions in Egypt for the holding of elections in November and December 2005 resulted in a victory for Islamists, who went from 17 to 88 seats in the 454-seat parliament, shocking not just President Hosni Mubarak and his son Gamal's supporters but also their ally the United States, which has been pressing them to democratise their regime.

The bitterest blow was in the Palestinian Territories, where the "worst" fears were exceeded at elections in January 2006, when Hamas won an absolute parliamentary majority. The most fervent democracy advocates, Israel and the United States, refused to accept the results of the very elections they had pushed for. In fact, everything suggests that, just as Putin is admired by Russians, Islamists are gaining ground among Muslims everywhere because of discredited regimes (Egyptians are disillusioned with Mubarak and the corruption of Fatah helped Hamas to victory) and because Westerners, mostly Americans, are increasingly seen as enemies by Muslims. Their perceived unconditional support for Israel plays a big part in this mounting hatred.

The shock of this realisation has led democracy advocates to rediscover a basic truth – that liberal democracy requires obedience to its principles and to legally-established rules, which can only be meaningful when virtually an entire people, not just a simple majority, considers them valid. The fact that the notion of secularism, for example, is totally incomprehensible to Egyptians (though there must be exceptions) and Muslims generally is a measure of the problem.

So the "international community," or rather the section of it attached to liberal democracy, is in a dilemma when it tries to force the emergence of "democratic" regimes. Either you accept the results of such elections and try to get the victors to cooperate or else you treat them as enemies to be destroyed, by refusing even the idea of dialogue until they give in on key points, such as the demand that Hamas recognise Israel's existence. The dilemma is that opening the door to Islamists risks the emergence of an Iranian-type regime, while closing it may aggravate and intensify hatred and its consequences.

Russia, Egypt and the Palestinian Territories are not the only upsets for democratic internationalism. On the periphery of the global system, Latin America's political structures are still showing their resilience. When he took office, before the 11 September 2001 attacks, President

George W. Bush's big dream was to extend to the entire continent the free trade agreement the US had made with Canada and Mexico. The most recent elections in the hemisphere have confirmed the trend towards populism. In Bolivia, Evo Morales was elected in December 2005 as the country's first Indian president and promptly moved to nationalise the country's oil and gas resources, as used to happen in earlier times. Little is at stake in Bolivia, so the "international community" will probably not interfere much with developments there, which would not be the case if it was a politically and economically strategic country.

The second aspect of world developments is vested interests, which are just as important for understanding the new international setup. Any country with a large "power of being" tries to spread its influence in the world, just as Europe has done in modern times and as the colonial powers used to do, including Russia in the 19th century. The US and the Soviet Union competed in the second half of the 20th century to ideologically conquer the world. For each, the spread of its own ideological and political system included hard-headed security and economic interests. The Soviet Union's collapse in 1991 left a vacuum that the West rushed into and NATO and the EU expanded. Hence the worldwide drive to promote "democracy" and "human rights," while sweeping aside any criticism of the United States for its own failure to respect such rights.

These failures have increased with the "war on terror." The treatment of prisoners at Guantanamo, the secret passage through Europe of CIA planes carrying political prisoners and widespread illegal phone-tapping have stirred much argument in the United States since the last issue of *RAMSES* but have not deterred President Bush. The cowboy tradition and its rough justice is deeply rooted in American culture. On their foreign trips, Bush and his vice-president, Dick Cheney, constantly make propaganda. Bush went to Japan in November 2005 and loudly called for democracy in China and Cheney, in Lithuania in May 2006, once again criticised the authoritarian trend in Russia. But this criticism is selective. When Cheney went on to Kazakhstan, he was careful to say not a word about the "Asian despotism" of President Nursultan Nazarbayev.

With the enthusiasm of the immediate post-Soviet years gone, only intellectuals cut off from reality still naively think democracy should be imposed to create a smooth and harmonious international system. Alexander Solzhenitsyn is now spurned by those who once lauded him in the West. The man who attacked the Soviet system and whose writings greatly helped to destroy its still respectable image in Europe in the early 1970s, has always at the same time defended Russia's separate identity from the West. Today he attacks NATO for encircling his country. We should not be surprised by his fading star in the eyes of those who used his talents to push their own ideas, as they used many other dissidents at the time, including Andrei Amalrik.

Consolidating the inter-state system

Disembodied ideas do not rule the world. Solid strategies are based on calculated interests that only play an explicit or implicit part according to how decision-making "factories"¹ work. So in 2005-06,

¹ Th. de Montbrial, *L'Action et le système du monde*, Paris, PUF, 2002 (2nd edition, Collection

the trend towards an inter-state system continued, contrary to the analyses and predictions of commentators persuaded by the apparent fragmentation of the world and obsessed by the phenomenon of international terrorism, without noticing that one result is that countries in fact move closer together. But the world is fragmenting if you use as a yardstick not the real world but the one dreamt of by the ideologues who believe in “the end of history.”

The United States and the Indian sub-continent

In my 2005 “Perspectives”, I stressed the significance of the rapprochement between India and China, which has settled its border disputes with Russia and begun to hold joint military exercises with it. The big event of recent months has been the rapprochement between India and the United States, which controversially includes peaceful nuclear cooperation. The US Congress is expected to discuss the deal soon and is under intense government pressure to approve it.

In the bipolar Cold War system, China had a special place in the “Third World” after the Sino-Soviet split. The Indian sub-continent was divided, with Pakistan leaning to the United States and India to the Soviet Union. Pakistan and China also had good relations with each other, faced with their enemy/rival India. In the 15 years or so between the Soviet defeat in Afghanistan and the 11 September attacks, Pakistan was left to its own devices, having lost its strategic value to the Americans.

Everything changed after 11 September 2001 and US officials have since rarely called for democracy in Pakistan. In fact they welcome the enlightened authoritarianism of President Pervez Musharraf as he skilfully strives for a seemingly unlikely balance between rising Islamism, the Kashmir dispute and unrest in the country’s western provinces, where his troops are deployed, which none of his predecessors or even the former British rulers dared to do. This key country is now more stable. The acquisition of nuclear weapons in 1998 by Pakistan and India (which were created by the 1947 partition of the Indian Union) was widely seen by the rest of the world as a failure of US policy (hence the present timidity of the US Congress) as well as a new threat to peace.

In fact the India-US rapprochement, though partly aimed at offsetting China’s influence, makes the Eurasia more stable. The US, Pakistan, India, China and even Russia now form a sort of chain where common interests sufficiently counter-balance rivalries (without removing them) to contain an eastward expansion of international terrorism and reduce the risk – until recently quite high – of major inter-state conflict, such as between India and Pakistan over Kashmir. This new configuration is clearly much more subtle than the Cold War arrangement.

Since the first-ever nuclear explosion at Alamogordo, US policy has been to stop the spread of nuclear weapons. Despite its power, the US has only managed to slow it down, adjusting to the situation each time a new country joins the nuclear “club.” Two theories have been around since the 1950s. The main one, supported by the vast majority of US and transatlantic experts, says proliferation is dangerous. The minority view, held by a few pioneers of French nuclear strategy such as Gens. Pierre-Marie Gallois and Lucien Poirier, says the opposite. The first school points to irrational

“Quadrige,” 2003).

decision-making systems and the danger of accidents, while the second stresses rationality, including to prevent accidents.

We are not in the world of natural sciences and no conclusive experience can validate either of the theories, which therefore continue to coexist. In the India-Pakistan case, until now, the second one seems to have prevailed, even though they have not yet peacefully settled their dispute, which is rooted in the wound of partition, still a sore point for both countries. But the trend is towards a more rational and dispassionate approach and a “hotline” was installed between New Delhi and Islamabad in August 2005 to guard against nuclear accidents. The better political relations between the two countries are also part of the new “chain” mentioned earlier.

In fact, the chief threat today from proliferation of nuclear arms and “weapons of mass destruction” (nuclear, biological and chemical) generally does not come from governments. We shall deal later with Iran and North Korea, which we have to discuss year after year in *RAMSES*. As I wrote in 2005, the main threat is from non-government groups getting hold of such weapons. Imagine the multiple effects at many levels anywhere and anytime of a nuclear explosion set off by a group like Al-Qaeda in a big city such as Paris, London, Rome or New York. The collapse of the Soviet Union and the weakening of the system of monitoring nuclear experts and weapons stockpiles, especially tactical nuclear arms, could have quickly led to disaster. Happily it still has not. But traffickers have been active, notably Abdul Qadeer Khan, the father of Pakistan’s nuclear weapons. The best way to counter such risks is to strengthen governments and encourage them to work together, which partly clashes with other goals such as spreading democracy and human rights.

A word about oil

The tension between ideology and vested interests is greatest in the Middle East. But first a word about oil and natural gas. The price of only four things (each of which includes several others) has symbolic worldwide macroeconomic importance – the cost of a country’s money (the interest rate), the cost of foreign currency (the exchange rate), the price of labour (salaries) and the price of energy (oil). Like all market prices, that of oil depends on present and anticipated supply and demand. The current soaring price (around \$70 a barrel) recalls the late 1973 oil crisis, except that this time it is not due to underlying political decisions. Speculation aside, it results from much greater demand from countries like the US and China and reduced supply for technical reasons (limited capacity), economic ones (how fast capacity expands) and political ones (in Iraq for example).

Could this have been predicted? Definitely, but remember that at the beginning of this century we were wondering if oil would in the long term top \$15-17 a barrel, seen as the minimum price oil-producing Russia needed to balance its budget. Today experts say the price will not drop below \$50-60 again. Imagine the price if there were a major political crisis involving closure of the Straits of Hormuz or a halt in shipments from Iran. As in the 1970s, when we wondered if the world’s oil and gas reserves might soon run out, today we wonder when “peak oil” (the peak of world oil production) will occur and if the oil supply will collapse in less than a generation.

All this is just to remind us of the need to see all forecasts in relative terms. Looking back at them is sobering.² We are not concerned with medium or long-term prospects but with the situation now, which has two aspects, just as in the 1970s. These are a risk of “stagflation” (a mixture of recession and inflation) that major central banks (such as the US Federal Reserve and the European Central Bank) try to prevent by gradually increasing interest rates, and the huge redistribution of wealth by countries earning “rent” income. Some, not all, of Russia’s current prosperity comes from oil and gas revenue, such that the government has decided to repay the country’s foreign debt early. Countries such as Venezuela and Bolivia (South America) and Algeria (North Africa) are awash in money. Unfortunately their leaders are taking the easy course and are not using it to prepare for the future.

While the high priests of globalisation continue to talk about a global market that does not in fact exist, the countries most aware of their power – such as the US (whose pragmatism never yields to its proclaimed ideology) and China – are, as ever, concerned about their direct access to resources. Hence the rivalry in Central Asia focused on the member-countries of the Shanghai Cooperation Organisation (SCO)³ – who agree on keeping the US out of the picture as much as possible – and that between the regional powers themselves, such as between India and China in Kazakhstan. The whole issue of where to lay oil and gas pipelines comes down to access, which can always be affected by political events.

The big oil producers may have interests far beyond prices, as does Russia. The world’s three main customers for oil are the US (more and more dependent on the outside world), the European Union (linked with Russia) and China, the future economic giant. Europe is abandoning Africa (as seen in the Darfur crisis where the United Nations is as powerless as it was in the Rwanda crisis in the 1990s), a continent still on the margins of the international system and mostly spared by the virus of terrorism. Meanwhile, the US and China are competing to get their hands on its potentially huge natural resources (oil, gas and other raw materials) in countries such as Côte d’Ivoire and Algeria.

China began trying to penetrate black Africa in the 1960s under President Mao Zedong and the results can be seen today. China is less of a burden for African countries than the US and the price and quality of their goods match local conditions better. But Beijing is openly also very interested in winning influence and votes in the UN General Assembly, which is why, for example, it is seeking normalisation of its relations with the Vatican, which will help widen China’s circle of “friends.” China is breaking US taboos in its seduction of African states. By acquiring considerable influence in Sudan, for example, it hopes to increase its general room for manoeuvre. China is focused on its own development and feels no need to use ideology to penetrate foreign lands. Its determined pragmatism, free of all internal political influences as long as nationalism is not brought into play, is an ace that it plays with great skill.

Algeria’s president, Abdelaziz Bouteflika, who was controversially re-elected in 2005, appears now as an autocrat mainly concerned with staying in power as long as he can. His repeated criticisms of France, with which until recently he was set to sign a friendship and cooperation treaty, result from obscure calculations. Naming a conservative Islamist prime minister does not hold out much hope for

² B. Cazes, *Histoire des futurs*, Paris, Seghers, 1986.

completion of reforms, even as the country's huge oil wealth presents enormous possibilities. By moving against France, Bouteflika is playing the US card. The US is acting purely pragmatically in Algeria, as it did in Libya with Col. Muammer Kadhafi, who it was calling a terrorist only a few years ago.

The Middle East

Let's look at the Middle East, in the broadest sense.⁴ The crisis arc includes the Palestinian Territories, Lebanon, Syria, Iraq, Iran and Afghanistan. Things have not improved in any of these places over the past year, they have got worse.

Escalation in the Near East

After President Bush's re-election, one could have hoped (though not overmuch) that his new team would seriously tackle the Israeli-Palestinian conflict by pushing for implementation of the peace "road-map." But this did not happen. In August 2005, the Sharon government began its withdrawal from Gaza, the first stage of a broader unilateral scheme. Despite majority Palestinian enthusiasm, the point of the operation was obscure. Would Palestinians really see as legitimate a territorial carve-up decided by Israel alone and not dealing with the status of Jerusalem? More seriously, any unilateral pullout would leave behind undisciplined and perhaps uncontrollable militias. The Oslo peace process called for them to be disbanded. Not confronting this issue would be literally leaving time-bombs in place. Israel also gave itself the right to enter all the "liberated" Palestinian Territories whenever it pleased to "ensure its security."

Israeli politics were upset in January 2006 by prime minister Ariel Sharon's stroke and his deputy, Ehud Olmert, just as hawkish but without Sharon's charisma, took over. Olmert was confirmed in the job at elections on 28 March, when his Kadima party, founded by Sharon, emerged as the biggest party and the eternal Shimon Peres, 83, once again became deputy prime minister.

With the victory of Hamas in the Palestinian elections, two radical positions were possible. One would be to accept the Hamas success and continue working to get the Palestinian authorities to recognise Israel. The other would automatically see the new government as an enemy and do everything to destroy it. The first option would need careful use of time, since Hamas could not be immediately persuaded. Israel once again opted for an extreme position and, with US agreement, chose the second path, which apparently went against the desire of most Israelis' for peace but in line with their wish for caution. Europeans, absorbed with their own problems, did not try to influence matters but offered to fund the most pressing Palestinian needs by sidestepping Hamas, a move supported by the Quartet..

³ China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan.

⁴ Th. de Montbrial, *Géographie politique*, Paris, PUF, Collection "Que sais-je?" 2006.

The situation seemed to be improving before the kidnapping of Israeli soldier Gilad Shalit on 25 June and the efforts of Palestinian President Mahmoud Abbas to get Fatah and Hamas to agree on a joint policy statement had begun to bear fruit. Olmert blamed the Hamas government for the kidnapping and launched disproportionate military operations with impunity, as a way of showing he was as tough as Sharon, and took the risk of reviving the fatal chain of hatred with incalculable results.

Israel has discredited the Palestinian Authority, the most moderate element and the one most committed to peace. The collapse of the Hamas government, a third of whose ministers are in Israeli prisons, would break up Palestinian society in an uncontrollable way. Israel's all-out attack on Lebanon after the capture of two more Israeli soldiers by Hezbollah – justifiably seen as being a state within a state – confirmed its tendency to over-react and turned a small incident into a major crisis that seems, as this is written, as if it might spread to Syria and Iran with untold consequences.

Hopes in the Gulf

Nearly 60 years after Israel's foundation, the Israeli-Palestinian conflict is helping to keep alive the idea that a clash of civilisations is inevitable, which could eventually become a near-perfect example of a self-fulfilling prophecy. Yet the turbulent Middle East is a region full of promise. Just seeing it as a home of radical Islam creates a badly distorted image that feeds misunderstanding and thus the risk of conflict.

This is typically so with Saudi Arabia, which many observers have said for more than 30 years has been on the verge of revolution. Saudi society is rigid and distasteful in many ways to Westerners and the values they regard as universal. But the Saudi royal family has so far skilfully managed internal strains caused by very fast economic and social development as well as external problems due to its complicated international position. The country has well-educated elites that are open to the world and have no prejudice against the West. King Abdallah, who came to the throne in August 2005, is regarded as a serious leader, but he is over 80 which is worrying. Radical Islamic movements draw support from the most conservative fringes of Saudi society but the common view of a fight to the death between "Saudis" and "Wahabis" is just as simplistic. This fascinating country is modernising, despite resistance to introduction of local democracy or rights for women.

The monarchy has great support that it will retain if the succession is organised well. The government is still in the hands of the many sons of the kingdom's founder, King Abdel Aziz, who are getting older and older as they take their turns presiding over a young population. The transition to the next generation or the one after involves a huge number of candidates but the royal family's self-preservation instincts can be relied on. If they fail, the army would probably seize power with the support of the US, which certainly would not bother, in such a critical situation, with any considerations of principle. Democratic installation of an Islamic republic is not on the cards.

On the edges of Saudi Arabia, the small coastal states, such as the United Arab Emirates, are displaying vitality and a desire to modernise. Dubai, which has little oil, is successfully building a service-based economy, though gambling that the financial bubble will not burst. The emirates have also escaped major terrorism so far. The risk remains but they may overcome such problems.

Iraq

Iraq is in no position right now to take advantage of its riches of water, oil and people and fulfil the promise it has always had. In recent months, the formal timetable has been kept to but the real plight of the country is still disastrous. A new national constitution was put to 15.5 million electors in October 2005 and approved. The new charter, the result of tough negotiations, maps out a democratic federal state with Islam as the official religion and tolerating others. But like all legal documents, it is worthless unless taken to heart by those affected by it, and this is clearly not happening. The crucial issue of the future of the Kirkuk oilfields remains undecided.

The second apparent success was the good turnout for the December 2005 parliamentary elections. The results were along ethnic and religious lines, as expected, and the Shiites almost won a clear majority. Four months after the vote, the country still had no government. The outgoing prime minister, Ibrahim al-Jaafari, criticised by the US for his weakness, terrible economic performance and softness on security matters, resigned at the end of April 2006 and parliament eventually replaced him by Nuri al-Maliki who has to show he can do better. At first he had big problems and was unable to appoint defence and interior ministers. The constitution (similar in this regard to the one in Lebanon since 1943) says the prime minister must be a Shiite, the president a Kurd (currently Jalal Talabani) and the president of parliament a Sunni (currently Mahmud al-Mashadani).

But all this is just the façade. On the ground, 2005-06 saw the continuance, if not the deepening, of the chaos Iraq has been in since the fall of Saddam Hussein. The country has become a focus of all the forces of terrorism, bringing together elements of the old Baathist army and Al-Qaeda with the shared goal of driving out the occupiers by making life impossible for them, even at the cost of tearing apart the country in factional quarrels later. The war of nerves between the US and the insurgents will last as long as the US refuses to give in or until the source of the insurgents' supplies dries up.

For a pro-Western outcome, the American public must also not get tired or press for a discreet unilateral withdrawal (which would leave things in a worse state than under Saddam Hussein) and the regional situation must be sorted out. Iraq is hemmed in by Syria on one side and Iran (in simmering conflict with the US) on the other. These countries are close to Hamas and Hezbollah and probably involved in these groups' provocations towards Israel, so Iraq is exposed to external forces that supply and swell the ranks of the insurgents, whatever the military successes of the government or the occupation forces.

Jordanian Abu Musab al-Zarqawi, who became head of Al-Qaeda in Iraq in November 2005, was killed by the US a few months later. Neither the Americans nor the Iraqi people have any illusions about the effect of this victory. Only rarely in wartime does the death of a chieftain mean the defeat of his troops. Even in Chechnya, which is much more isolated from outside influence than Iraq is now, the execution of the legendary Shamil Basayev in July 2006 has little chance of decisively influencing a war that appears unending.

Iran, Afghanistan and North Korea

So any discussion of Iraq involves the wider context of the region and thus Iran. In my previous “Perspectives”, I have talked about the trial of strength between Washington and Teheran over nuclear matters and my analysis remains the same. Both sides blew hot and cold in 2005-06. The US hinted that a “preventive” military option was still on the table but also kept the door ajar for direct talks on issues such as Iraq before proposing, with the support of the “international community,” that Teheran halt its “sensitive” nuclear activities in exchange for advantages not publicly stated. Iran typically played cat and mouse and sometimes went right to the brink. President Mahmoud Ahmadinejad continued to needle Israel, to show that a non-Arab Shiite leader could defend Arab interests better than Arab leaders themselves, most of them Sunnis.

Iran’s support for Hezbollah in Lebanon has become a significant factor in Middle East politics. Iran was also one of the most vehement protesters against the publication of cartoons of the Prophet in a Danish newspaper in early 2006. We are perhaps seeing the start of a long-term revival of Shiism throughout the Middle East that could overturn the present secular balance and set off struggles within Islam. This would be just one of the results of the US invasion.⁵

In early May 2006, even Ahmadinejad, who is not afraid of making radical gestures, wrote and arrogant open letter to Bush, who chose to ignore it. But a proposal passed on to Iran by NATO chief Javier Solana on 6 June, on behalf of the five permanent members of the UN Security Council and Germany, seemed to be a response. Iran continued its diplomatic minuet by saying it would look very carefully at the proposal but would not be held to an externally-imposed timetable, which once again enraged and embarrassed the US.

But it was the US who encouraged Iran’s religious leaders in the first place. They certainly did not intend to, but it was a result of its two invasions, in 1991 to drive Iraq out of Kuwait and in 2003 to overthrow Saddam Hussein. Until then, the big powers were careful not to choose between Baghdad and Teheran and during the 1980-88 Iran-Iraq war, followed the old European principle of maintaining a balance of power. Also (as extensively discussed in *RAMSES 2006* so I will not take it further), Islamist Iran is not about to collapse. No peace and thus no permanent solution is possible in Iraq without Iran’s help, mainly because of the Shiites. Iran exerts direct pressure on Lebanon through Hezbollah and is thus a player in the Israeli-Palestinian conflict. Peace in Afghanistan is also difficult without Iran.

The situation in Afghanistan has badly deteriorated in the past year. The foreign troops trying to improve security there (35,000 for a country one-and-a-half times bigger than Iraq) are clearly not enough. Since NATO forces took over from US soldiers in southern Afghanistan, violence has increased and the insurgents have changed tactics, to harassment, suicide attacks and targeted killings. The country is being “re-talibanised” in the south, which is open to infiltration by Al-Qaeda militants. The central government is weak and has to share power with warlords and opium cultivation is massively expanding. The population is not seeing very much reconstruction work despite huge (though badly coordinated) investments by the “international community.”

⁵ V. Nasr, “When the Shiites Rise,” *Foreign Affairs*, July-August 2006.

The more the “international community” is bogged down in Iraq the less leeway it has in Afghanistan. Improvement in Iraq is impossible without Iranian help. But just as change in Iraq depends directly on policy to the west (Syria) and to the east (Iran), change in Afghanistan depends on Iran and Pakistan. Iran is obviously no ally of the US but Pakistan is.

Iran is in a hugely strategic geographical position as the gatekeeper of the long southern corridor that links the West (the US and Europe) to Asia (the Indian sub-continent and China). Iranian experts are well aware of it. Its Western orientation strictly shows in the Middle East. Between the two directions, west and east, is the outlet towards Turkey and Russia. As well as its geographical advantage, Iran has its oil. The West got so used to Iran being a friend during the Pahlavi dynasty (1925-79) – even though its founder, Reza Shah, and his son Mohammed had no real interest or ability to lead a secular revolution – that it forgot the other possibility of a turn towards Russia and China.

One cannot talk literally of an “international community,” which is why I put it in quotes.⁶ It is just a grouping. The United Nations Organisation is only an organisation, as its name suggests, and has no actual sovereignty, which remains with its member-states. Its General Assembly approves resolutions but no entity is responsible for enforcing them. This does not mean the resolutions are unimportant. They are important enough for the big powers to jostle for the votes of small countries, as with China’s efforts among African states. The real decisions are made by the Security Council but are only implemented if member-states want to and are prepared to back them up with the means, which does not often happen.

To talk of a supposed wish of the “international community” in the present crisis over Iran’s nuclear activities implies that the rest of the world unanimously condemns Iran and is ready to punish it. This is not so at all. The dispute is between the US and Iran. Washington has looked on approvingly at the efforts of France, Germany and Britain in the crisis. Since their failure (because Iran regards the US as the true master of the West), the US, Britain and France have presented a united front in the Security Council, but without the other two permanent Council members, Russia and China.

These two agree with the US and its European allies that Iran must not acquire nuclear weapons. They differ with the US because they do not want to declare war on Iran’s rulers and in fact want to work with them. Iran meanwhile is protesting loudly that it has no intention of getting nuclear weapons and that it would not be in the country’s interests. It most probably wants to develop nuclear facilities for quite reasonable economic motives and also to be in a position, if necessary, not to use nuclear weapons but to be able to build them quickly. This is similar to Japan, which continues to officially deny it wants to join the nuclear club but is a threshold state.

When North Korea carried out its failed missile test this summer, part of the “international community,” led by the US, once again warned of a major international crisis, when it was only the latest of Pyongyang’s countless blackmail attempts over the years that have brought it advantages. I have discussed this kind of strategic behaviour in past years, so let me just note that China, ever the

⁶ See: Th. de Montbrial, *Mémoire du temps présent*, Paris, Flammarion, 1996; *Quinze ans qui bouleversèrent le monde*, Paris, Dunod, 2003 (2nd edition, 2006); *L’Action et le système du monde*, *op. cit.*

best ally of Kim Jong-il's "clique," would be very upset at a nuclear North Korea because it would bring Japan into the nuclear club. So China will only accept so much from North Korea and Pyongyang knows this. But like Iran, North Korea is good at "brinkmanship," with all the risks that involves.

As for the Teheran-Moscow-Beijing link-up, as long as Iran makes no big mistake, the other two countries will probably block any sanctions by the UN Security Council seriously affecting Iran's interests and strongly oppose any preventive military action. This leaves Washington with two basic choices (not counting the tough option of an independent Israeli military strike, always thinkable). Either it acts unilaterally and tries to recruit a few followers, as with its 2003 invasion of Iraq or it begins more or less direct, unconditional and open negotiations with Teheran. The situation does not favour the first choice any more than it did in 2005, though it cannot be ruled out. That leaves the second choice, as Iran knows full well, which is why Teheran keeps on playing with its US enemy, blowing hot and cold and taking big risks.

In the long term, Iran could turn more markedly to the east, to Russia and China, by building substantial economic and technological partnerships with them, especially in energy. It would not mean military alliances in the foreseeable future, unless events caused structural changes, but such events are not needed to significantly change the face of the Middle East.

Europe

Russia

The past year has been much better for Russia and President Putin than the previous one. Internal structural problems are still formidable, especially demographically, as Putin noted in his nationwide speech in May 2006. But the economy has improved and growth is now up to 6 %. The progress is visible even in very remote areas such as the Primorski region and its capital, Vladivostok, until recently still in a very bad way. Moscow has affirmed its authority in all areas of national life and managed to rein in the oligarchs.

Putin is trying to do what neither Gorbachov nor Yeltsin tried. Natural resources are Russia's main asset and, despite budget cuts dating from Yeltsin's time, the country still has excellent educational, technical and scientific potential. The Kremlin wants to oversee the rebuilding of the country's material and human resources and thus the economy. It is surprising there is so much criticism of Russia in Europe, and especially France, as if it was obvious that the economic liberalism rejected at home should be applied to extremes in Russia.

Not so long ago the French economy was run by what French economist Jacques Lesourne called the "social oligopoly," with the state at the centre of an assortment of big firms and trade unions. This system gave years of good results during the decades after World War II and reached its peak just over 30 years ago under President Georges Pompidou. Under de Gaulle and Pompidou and to a lesser extent under Presidents Giscard d'Estaing and Mitterrand, it was a natural reflex to protect national firms (and not just state-run companies) from foreigners. The social oligopoly still operates

today, discreetly but effectively in sensitive areas such as anything to do with weaponry and also extending into the media for obvious reasons.

It is not surprising that the Americans and anyone after Russia's wealth are protesting in the name of high principle that democracy is being abused there. But we should not forget the real motives. Analysts must always try to distinguish between ideology and vested interests. Westerners are understandably disconcerted by Russia's new social oligopoly, especially by the system of income redistribution too hastily dismissed as just "corruption," when pure corruption, if one may say so, is not necessarily the most important thing. It is always hard to penetrate the mysteries of a foreign culture and Russia is not part of Western culture. Cultural diversity is an asset that challenges the uniformity involved in the simplistic view that globalisation is Westernisation of the rest of the world.

Putin used the run-up to the July 2006 G8 summit in St. Petersburg to play his economic cards. The game started at the beginning of the year with a trial of strength with Ukraine. Western commentators were, as ever, quick to blame the Kremlin. Putin was indeed tactically clumsy in cutting off natural gas supplies to Ukraine for a few hours, because it caused a brief panic in the rest of Europe, which saw the spectre of post-Soviet Russia declaring an energy war and threatening to stop deliveries, something the Soviet Union never did during the Cold War.

But what was so shocking about demanding that a customer pay the market price and ending external subsidies that no longer had any political reason as soon as Kiev seemed to turn away from Moscow and towards the US and Europe? If the West had been consistent, it would have rushed to make up for the abolished subsidies to Ukraine, but there was of course never any question of this. The Ukrainian gas crisis highlighted the geostrategic importance of the oil and gas pipeline routes. Again, how could Putin be blamed for wanting to build a pipeline to Germany under the Baltic Sea, skirting an ever more hostile Poland? It is the EU's job to help ensure Poland's energy security if it wants to be a constructive EU member, which the attitude of the ruling Kaczynski brothers does not suggest for the moment.

Putin's broad economic strategy goes beyond just fuel prices and aims to get access to the industrial structure of Russia's customers, which means Russian firms finding their place in EU member-states. The Arcelor-Severstal episode has to be seen in this light, though it involves steel and not energy. Neither Mittal (a family firm) nor Severstal (vulnerable to Russian political pressures for reasons already noted) are being transparent in the matter. When the Arcelor-Severstal merger was about to be concluded, the Indians accused the French of being racist. When the "white knight" gesture was dropped, the Russians expressed their indignation too.

Economic nationalism proved as alive as ever and once again clashed with the prevailing understanding of globalisation. But the main lesson to be drawn is that if Russian firms are seriously going to establish themselves in Europe, they must provide credible guarantees, transparency and access to their own markets. So the ball is in Moscow's court here. Faced with these risks, Arcelor shareholders naturally chose the lesser one and did not want the firm to possibly become an extension of Kremlin policy. The Russians cannot be blamed for wanting to decide their own economic future but if they are seriously interested in joining the West, ground-rules have to be negotiated. The holding of the G8 summit in St. Petersburg is promising in this respect.

Putin's economic diplomacy has also showed up less dramatically and more dubiously by a Russian boycott of wine from the old Soviet republics of Moldavia and Georgia. Russia has mostly strengthened its ties with its "near abroad", including Ukraine (where the "Orange Revolution" has disappointed its followers and where pro-Russian networks are operating, as seen in anti-American demonstrations in Crimea in late May 2006), Belarus (still in the grip of Alexander Lukashenko's rule), Azerbaijan and the central Asian autocracies that want to keep their distance from the US.

Russia has won at least a symbolic victory in Chechnya with the death of nationalist leader Shamil Basayev. If Putin, despite constant denials, gives in to pressure (as they say) from his friends and allows the national constitution to be amended, he could be triumphantly re-elected in 2008 in what would be a genuine democratic election, whether the West likes it or not.

The European Union

The EU remained alive in 2005-06, with two of its founder-members holding general elections won by narrow margins, increasingly common in Western democracies and often weakening them. Germany put a "grand coalition" into power under chancellor Angela Merkel, a former East German citizen. The new government appeared to work after a few months and to France seemed a big achievement. Merkel was determined to improve German-US ties, badly damaged during the Iraq invasion crisis in 2003. This helped in turn to improve EU relations with the US and Europeans are no longer arguing with the US or Israel, as shown by their attitude to the Iran crisis and to Israel's military escalation after the provocations of Hamas and Hezbollah.

The new centre-left coalition in Italy led by Romano Prodi also had a narrow election victory, over businessman Silvio Berlusconi, who only reluctantly admitted defeat. Without pulling away from the US, Prodi has more interest than Berlusconi in the EU, where he chaired the European Commission, but whose revival is not a priority for him. The third major EU founder-member, France, which has still not recovered from the shock of defeat in the May 2005 referendum on the EU, is moving through various storms towards presidential elections in May 2007.

Trends in Central Europe are worrying. Poland, which had elections in September and December 2005, is going through a populist and nationalist phase. The new regime, headed by the Kaczynski twins (Lech, the president, and Jaroslaw, the prime minister) are openly suspicious of both Russia and Germany and want to move closer to the US.

The Czech Republic's strongly anti-European president, Vaclav Klaus, has found an ally in President Kaczynski and they have jointly voiced their doubts about "complete unification of Europe." Both countries want to keep largely national policies. The Czech elections left the communists holding the balance of power. The June 2006 elections in Slovakia brought to power a "red-brown" coalition that threatens the liberal reforms of outgoing Christian Democrat prime minister Mikulas Dzurinda and may stir up latent hostility towards the country's Hungarian and Rom minorities.

All this means the EU has nothing to boast about right now and that its voice in major world affairs is not very loud, even though it provides significant economic aid and peacekeeping forces (as in

Aceh, Indonesia, which Europeans are unaware of). No major EU initiative is possible before the 2007 French elections.

In the Balkans, the future of Kosovo is a major concern. Since the war, the “international community” has poured 25 times more money and 50 times more troops per inhabitant into Kosovo than Afghanistan. After the end of the “temporary solution” based on UN Resolution 1244 in 1999, this huge investment has to produce results. Any solution that does not break with the past is out of the question for the Albanians. But a mass exodus of Serbs would be a disaster. The six-nations Contact Group, at the centre of negotiations, says the situation on the ground means the only viable way out is “conditional” independence.

But differences have arisen in the group. Russia, which was initially conciliatory while stressing that Kosovo was a “special case,” objects to the 2006 target date set by the UN as artificial. Once again, this is the position of Serbia, which warns that Bosnia’s Serbs will secede and that ultra-nationalists may return to power in Serbia if a poorly-designed independence is approved. Russia’s position on a new Security Council resolution to replace 1244 is not known. The US continues to insist that negotiations on the final status of Kosovo must be completed by the end of 2006 and is exerting heavy pressure on Serbia.

The woes of Serbia meanwhile continue. Montenegro broke away from its three-year-old union with Serbia on 21 May 2006, also breaking links dating back to 1918. It was the second death of the Yugoslavia. Montenegro will now focus on its economic problems, with a goal of joining the EU.

The significance of events in the Balkans must not be under-estimated. Serbia is suffering greatly from its isolation and feels like an outcast – which is ultimately very dangerous for the rest of Europe – while the remnants of the former Yugoslavia (Croatia, Macedonia and Montenegro) are hoping to join the EU.

Even in the 19th century, political strategists worried about the size of countries and criticised the proliferation of tiny ones. United Germany and Italy were created partly to remedy this concern. We are still bearing the centrifugal consequences of the fall of the Soviet empire but also, paradoxically, those of the newly-built Europe that gives huge advantages to small states and so encourages fragmentation.

Most people think that, after Croatia has joined, the EU will not expand any more for a long time. The “digestion” of Romania and Bulgaria, which the EU seems keen on despite real problems, will require new efforts, giving still more grounds for believing so. Negotiations with Turkey began (as with Croatia) in October 2005 but nobody can say how they will go in the next few years. Despite pressure from Poland and Lithuania, the rest of the EU is probably not going to insist on bringing in Ukraine, which itself does not quite know where it is. But how can Europe turn its back on the Balkan states who dream of joining the EU, even if it means making life difficult for Europe once they are members, as Poland and the Czech Republic have done most recently? With the EU semi-paralysed since the rejection of the European Constitution, the grouping is at a dead end for the moment.

The new international system

How can we sum up the international system steadily being built?⁷ As with any system, we must distinguish between its “heart” and its “periphery.” In my annual “Perspectives”, I usually focus on the heart. Not that the parts on the periphery are without interest but because events affecting them are not of global importance. So we must continue for the moment to put most Latin American, African and Pacific countries in the “periphery” category.

At the heart is a group of political units that roughly includes North America, Eurasia and the strip of countries from North Africa to the Middle East. They comprise together a more stable group than the systems they belong to and which change more quickly. They have both cooperative and conflicting relationships with each other. For some, which comprise the “core” of this group, cooperation is strengthened by a shared desire to preserve the system’s structural stability in the face of any kind of disorder, wherever it comes from. This core is less stable than the heart and is concerned with blocking disorder that could produce violence beyond the control of governments, such as international terrorism. Whatever their differences, the core countries have a common interest in each being strong enough to prevent their own break-up.

The US is still the world’s only superpower and its economic and military resources allow it to quickly apply force anywhere, meaning the world can now be considered “unipolar.” But the US alone cannot be the “core” because its power has limits, as seen in the results of the Iraq occupation. Other political units make up the core too, most of them countries that can greatly differ with each other because of their different history and geography. Some are liberal democracies, such as the US, the EU countries, Japan and India, while others are illiberal democracies, authoritarian regimes or traditional ones, such as Russia, China, Pakistan and some Middle East countries.

Unlike the bipolar Cold War world, the core and the heart of the new international system are not divided into two “camps.” A shared self-preservation instinct by members of the “core” mutes their rivalries and contains their conflicts (such as between the US and China and between Pakistan and India) without eliminating them. All parts of the core agree to try to ban any action that could destabilise a country belonging to the heart group though not to the core group, such as Iran. This does not stop Russia and China playing their own cards concerning Iran, whose goal is to avoid being in a situation where the core group is forced to act in self-defence to Iran’s disadvantage.

The big loser in this system is multilateralism. But the UN is neither dead nor dying. It plays a backup role, providing political units with an indispensable tool but rarely a decisive one. The reality and modesty of this role, to give just one example, were shown well in East Timor, where UN intervention enabled the country to become independent in 2002 but where general indifference meant the UN left the tiny state to its own devices, with no experience of government and without trained political leaders. East Timor is on the outer periphery of the international system. The international society organises itself with the UN, but the UN does not organise the world and its very name seems

⁷ For some of the notions used in this section, see *L’Action et le système du monde*, *op. cit.*

unfortunately old-fashioned. I can only end by repeating that these days the “international community” is just a fancy name.

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