## **Politics & Economics Bulletin**

17.02.2017



# Prime Minister Yıldırım heads to Malta and Germany

Hurriyet Daily News, 17.02.2017



Turkish Prime Minister Binali Yıldırım is scheduled to visit European Union term president Malta and then head to Germany to attend the Munich Security Summit, where he will meet with U.S. Vice President Mike Pence.

Yildirim was scheduled to depart late on Feb. 16 for Malta, where he will be hosted by PM Joseph Muscat and be received by President Marie Louise Coleiro Preca. Along with bilateral talks, Yildirim will also attend the Turkey-Malta Business Forum, hosted by the DEIK/Turkey-Malta Business Council in collaboration with the Malta Chamber of Commerce, Industry and Entrepreneurship in Valetta.

Among the subjects on the agenda of the visit will be Turkey's EU membership bid, the refugee crisis and terrorism. Following his visit to Malta, Yıldırım will go to Germany to attend the Munich Security Summit over the weekend, meeting with U.S. Vice President Mike Pence.

U.S. Secretary of Defense James Mattis, U.N. Secretary General Antonio Guterres, NATO Secretary General Jan Stoltenberg, and Russian Foreign Minister Sergey Lavrov are also expected to join the summit.

In Munich, Turkish Foreign Minister Mevlüt Çavu o lu and Yıldırım will address Ankara's stance on international security issues, particularly related to Syria and terrorism. Yıldırım is expected to emphasize the importance of international cooperation in the fight against terrorism and to stress that there should be no distinction made between terrorist organizations, amid Turkish frustrations over what it sees as insufficient cooperation against the outlawed Kurdistan Workers' Party (PKK).

The steps to be taken after the recent Astana Summit on Syria, which took place under the leadership of Turkey and Russia, are also among the agenda items of the conference. Meanwhile, the prime minister is also due to attend a rally in Oberhausen in North Rhine-Westphalia, where he will herald the government-drafted constitutional amendments to shift Turkey to an executive presidential system, at an event titled "Patriots say Yes."



# President Erdoğan meets UN secretary general in Turkey

Hurriyet Daily News, 11.02.2017



President Erdo an and UN Secretary General Guterres on Feb. 11 discussed the fight against terrorism, according to a statement issued by the presidential spokesman.

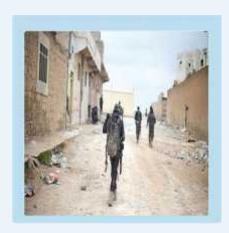
Presidential spokesman Ibrahim Kalın's statement came after Erdo an met Guterres in Istanbul on Feb.11. Kalin said Guterres had thanked the Turkish government for its outstanding generosity in hosting millions of refugees from Syria and Iraq. During the meeting, Erdo an and the secretary general discussed the situation in Syria and the ongoing diplomatic efforts towards ending the conflict.

Guterres emphasized that Turkey was "a key country" for a solution to the Syrian crisis, Kalın added. The UN also released an official statement to share details of the meeting. "The Secretary General was grateful that the Astana conference was held in support of the Geneva process.

The Secretary General underscored the need to fight terrorism and extremists in Syria but [added] that effort would not be successful without a political solution supported by the people of country," the UN statement said. Feb.11 marked the last of a two-day visit for Guterres, his first in Turkey as head of the UN. He met Prime Minister Binali Yildirim.

### Turkey, Russia differ on Astana agenda

Reuters, 16.02.2017



Talks on Syria are expected to start following a one-day delay, but Ankara and Moscow have differed on the purpose of the discussions in the Kazakh capital.

Since Russia furnished Syrian opposition representatives with a draft constitution for Syria in Astana, Ankara has refrained from discussing the future administrative make-up of Syria in Kazakhstan, in contrast to Moscow's attempts to make the talks a venue for political discussions. The talks are likely to focus on bolstering a shaky cease-fire brokered by Moscow, Tehran and Ankara and to facilitate the creation of a "monitoring mechanism" to maintain the truce.



Turkey insists the agenda in Astana meetings should be limited to talks aiming to consolidate the cease-fire in the war-torn country, monitor the truce and determine measures against cease-fire violations.

Turkey has avoided any discussions on a political settlement, saying Astana should not be an alternative to U.N.-sponsored talks in Geneva, the venue for political negotiations between the Syrian opposition and the regime.

The Geneva talks scheduled for Feb. 23 are expected to be wider-ranging and focus on key issues such as the fate of Syrian President Bashar al-Assad. Russian Foreign Minister Sergei Lavrov said the Astana meeting would be a chance to "monitor the commitment of different parties to refrain from using force and to promote, encourage, the political process."

A Syrian source close to the government told AFP that the discussions in Astana would be "purely military." Syrian opposition representatives, who have threatened this week to boycott the talks, are not happy with the attitude of Russia to push the regime to comply fully with the cease-fire, a Turkish official told Hürriyet Daily News.

The Syrian opposition demands humanitarian aid access and the release of detainees before any negotiations over Syria's political future. The Syrian government said it was ready to agree on prisoner swaps with rebel groups. Syrian state media cited an official source as saying the government was ready to exchange prisoners in its jails for people "kidnapped by terrorist groups."

This month, the Syrian regime and opposition groups swapped dozens of women prisoners and hostages, some of them with their children, in Hama province in northwestern Syria. Russia is sending presidential envoy Alexander Lavrentiev, Iran is dispatching Deputy Foreign Minister Hossein Jaberi Ansari, while Turkey will likely send a Foreign Ministry department head to the Astana talks, according to officials.

The U.N.'s envoy on Syria, Staffan de Mistura, said he would not participate personally in the latest Astana meeting but that his office would be represented by a "technical team." Jordan will also be represented by a "high-level delegation," government spokesman Mohamed Momani said.



## Turkey condemns North Korea's ballistic missile launch

Hurriyet Daily News, 13.02.2017



Turkey's Foreign Ministry on Feb. 12 "strongly" condemned North Korea's test-firing a ballistic missile, which triggered a U.S.-led call for an urgent U.N. Security Council meeting after the launch was seen as a challenge to President Trump.

"We strongly condemn the ballistic missile launch conducted by the Democratic People's Republic of Korea (DPRK)," the ministry said in a statement, state-run Anadolu Agency reported. North Korea's leader Kim Jong-Un "expressed great satisfaction over the possession of another powerful nuclear attack means which adds to the tremendous might of the country," state-run KCNA news agency said.

The missile was launched on Feb. 12 near the western city of Kusong and flew east about 500 kilometers (310 miles) before falling into the Sea of Japan (East Sea), the South Korean Defense Ministry has said.

"This launch constitutes yet another violation of DPRK's international obligations. This is clearly not conducive to efforts aimed at assuring peace and stability in the region," the Turkish Foreign Ministry statement read.

It called on DPRK "to cease its ballistic missile launches and other activities threatening regional and international security and stability." Photos released by KCNA showed the missile blasting into the sky with a smiling Kim watching from the command center, and standing on the launch field surrounded by dozens of cheering soldiers and scientists.

It said Kim "personally guided" preparations for the Feb. 12 test, which it described as a surface-to-surface medium long-range Pukguksong-2, a "Korean-style new type strategic weapon system."

KCNA said the missile was powered by a solid-fuel engine, which requires a far shorter refueling time than conventional liquid fuel-powered missiles, according to Yun Duk-Min of the state-run Institute for Foreign Affairs and Security in Seoul. "They leave little warning time and therefore pose greater threat to opponents," he said, adding that such missiles were harder to detect before launch by satellite surveillance, AFP reported.



## Turkey, Ukraine lift passport requirement in visits to boost tourism

Hurriyet Daily News, 10.02.2017



FM Mevlüt Çavu o lu announced that Turkey and Ukraine had reached a deal allowing the citizens of the both countries to travel between each only with ID cards, without passports.

Çavu o lu said the agreement had been struck between the two countries, whose citizens would now enjoy passport-free travel. "We want to increase the number of reciprocal visits and the number of tourists. We want to have more contact between our people. Therefore we have completed the preparations for our citizens to travel without needing passports, only using their ID cards. We will accomplish this before the summer begins," he added.

Çavu o lu noted that the number of tourists from Ukraine had increased by 50 percent last year, adding that Turkey was pleased to host more than a million Ukrainians. "I owe thanks to our friend Ukraine and the Ukrainian people. Last year, the number of tourists visiting [Turkey] increased by 50 percent. We felt happy to host around 1.25 million Ukrainians in our country," he said.

Early in summer 2016, Ukrainian tourism sector representatives said the number of Ukrainian tourists visiting Turkey may hit 1 million if tour operators do not raise tour package prices in the high season.

"The Ukrainian people are not paid very high these days. After the economic crisis, wages regressed to around \$200 on average. So hikes in tour package prices should be avoided in July and August to keep them coming to Turkey. Over 749,000 Ukrainians visited Turkey last year. This may increase up to 1 million this year if tour package prices are not hiked," said Association of Tourism Business Leaders of Ukraine (ALTU) head Aleksandr Novikovsky in June 2016.

Çavu o lu visited Kyiv to attend the fifth meeting of the Joint Strategic Planning Group, where both he and his Ukrainian counterpart Pavlo Klimkin exchanged views on bilateral, regional and international issues. The group functions under the High Level Strategic Council formed between the two countries. His visit also coincides with the 25th anniversary of diplomatic relations between Turkey and Ukraine. Çavu o lu said a High Level Strategic Council meeting will be held in Ukraine in 2017.



# Turkey takes preventive measures to avoid friendly fire with Russia in Syria

Hurriyet Daily News, 17.02.2017



Turkey has introduced fresh measures to prevent operational mishaps in Syria after Russia inadvertently killed three Turkish troops with a strike on a position near al-Bab on Feb. 9, by imposing 24-hour patrols over the airspace between the Turkish border and al-Bab and by instructing its warplanes to conduct flights in parallel with Russian jets.

Daily Hürriyet, meanwhile, has obtained information as to how the Feb. 9 incident occurred. According to the information gathered by Hürriyet, the Turkish Air Force has imposed two measures after the incident on Feb. 9.

First, in a bid to avoid a similar incident, Turkish warplanes have been instructed to fly in parallel with Russian warplanes in Syrian airspace. Additionally, many Russian warplanes had to return to their bases in Hmeimim after the Turkish intervention in the aftermath of the incident, but this measure was temporary and is no longer being implemented.

The other and more permanent measure concerns 24-hour patrols over the air space between the Turkish border and al-Bab in a bid to monitor the region and stop similar inadvertent attacks by other countries' warplanes.

According to a Turkish Armed Force (TSK) statement on Feb. 10, Turkey informed Russia on Feb. 8 through a recently established hot line between the former's Eski ehir military base and the latter's airbase in Hmeimim that the Syrian army had fired a rocket at the area in which Turkish troops had been located. The information, whose records were also given to Russian authorities again after the attack on Feb. 9, included updated coordinates of the Turkish positions near al-Bab with a clear demand that the Syrian army should be warned that such attacks should not be repeated.

Ankara has reportedly never thought that the Feb. 9 accident was a deliberate action by Russia to test Turkey and its reactions – a message that was also relayed to Russian authorities after the incident. Ankara, however, expressed concern that the Russian army might have been misled by the Syrian army personnel in Hmeimim airbase through misinformation that the Turkish positions near al-Bab had been recaptured by the Islamic State of Iraq and the Levant (ISIL).

Turkey and Russia have taken joint measures to make the existing hotline between Eski ehir and Hmeimim more efficient with efforts to create new contact lines at lower levels. Moscow immediately ascribed the deadly air strike to poor coordination between Turkish and Russian military officials after the incident, while Russia said the strikes were conducted based on coordinates provided by the Turkish military. "Unfortunately, our military, while carrying out strikes on terrorists, were guided by coordinates given to them by our Turkish partners.



Turkish servicemen should not have been present at those coordinates," Kremlin spokesman Dmitry Peskov said in a conference call with reporters on Feb. 10. The Turkish military strongly denied a Russian claim that it provided "mistaken coordinates" that led to the death of three of its soldiers, saying its elements had been present in the same location for approximately 10 days.

"On Feb. 8, after a rocket was fired from the region controlled by the Russian Federation at the point where friendly elements were located, the coordinates of the point where our elements were located was most transmitted again on the same day at 23.11 to the responsible personnel at the Hmeimim Operation Center," said the Turkish military.

The Turkish military said it had been regularly sharing information with Russia in regard to the Euphrates Shield Operation since an agreement was signed between the two on Jan. 12 with the aim of preventing troops from harming each other, the TSK said in a statement.

### Tony Blair: 'Rise up' against Brexit

Politico, 17.02.2017



Tony Blair on Friday announced his "mission" to get Brits who voted to remain in the European Union to "rise up in defense of what we believe" while accusing the government of being "obsessed with Brexit" and bemoaning the lack of an effective opposition.

In his first major speech since the EU referendum, the former prime minister told an audience in the City of London that people were misinformed when they voted for Brexit and that he wanted to "build support for finding a way out from the present rush over the cliff's edge." "I want to be explicit," he said at an event.

"Yes, the British people voted to leave Europe. And I agree the will of the people should prevail. I accept right now there is no widespread appetite to re-think. "But the people voted without knowledge of the true terms of Brexit. As these terms become clear, it is their right to change their mind. Our mission is to persuade them to do so.

"What was unfortunately only dim in our sight before the referendum is now in plain sight. The road we're going down is not simply Hard Brexit. It is Brexit At Any Cost." He added that the challenge now was "to expose relentlessly what this cost is, to show how the decision was based on imperfect knowledge which will now become informed knowledge, to calculate in 'easy to understand' ways how proceeding will cause real damage to our country."

And he had a strong message for his critics. "They will say the will of the people can't alter. It can. They will say leaving is inevitable. It isn't. They will say we don't represent the people. We do, many millions of them and with determination many millions more."



Blair's message comes shortly after MPs voted to approve the bill that gives Theresa May approval to officially get Brexit negotiations underway. The former Labour leader's stance is also at odds with the current leader, Jeremy Corbyn, who ordered his MPs to support May's plans, a decision that resulted in four shadow cabinet ministers resigning.

While May has criticized opponents to her "hard Brexit" strategy for denying the "will of the people," Blair said public opinion may not be as solidly pro-Brexit once the implications of leaving become clear.

"I don't know if we can succeed. But I do know we will suffer a rancorous verdict from future generations if we do not try. This is not the time for retreat, indifference or despair, but the time to rise up in defense of what we believe."

While claiming he made "no personal criticism of the PM or the government," he said Britain was in a "surreal situation." "Nine months ago both she [May] and the chancellor [Philip Hammond], were telling us that leaving would be bad for the country, its economy, its security and its place in the world. Today it is apparently a 'once in a generation opportunity' for greatness.

"Seven months ago, after the referendum result, the chancellor was telling us that leaving the single market would be — and I quote — 'catastrophic.' Now it appears we will leave the single market and the customs union and he is very optimistic.

"Two years ago the foreign secretary [Boris Johnson] was emphatically in favor of the single market. Now ditching it is 'brilliant." Blair also defended the EU, saying that "during all my time as PM there was no major domestic law that I wanted to pass which Europe told me I couldn't."

The former prime minister said Brexit was dominating the agenda and squeezing out other issues, to the detriment of the country. "As we go through this unique experiment in diplomatic and economic complexity, the entire focus of the government is on one issue: Brexit. This is a government for Brexit, of Brexit and dominated by Brexit.

"Nothing else truly matters: not the NHS, now in its most severe crisis since its creation; not the real challenge of the modern economy, the new technological revolutions of AI and big data; not the upgrade of our education system to prepare people for this new world; not investment in communities left behind by globalization; not the rising burden of serious crime; or bulging prison populations; or social care; not even, irony of ironies, a genuine policy to control immigration. "This government has bandwidth only for one thing: Brexit. It is the waking thought, the daily grind, the meditation before sleep and the stuff of its dreams; or nightmares.

"It is obsessed with Brexit because it has to be." Blair has come under attack for opening the gates to a wave of immigration from Eastern Europe. On Friday he argued that Brexit will only reduce new arrivals from Europe by a fraction and not address the "core of the immigration question" — the issues of assimilation and security among immigrants from non-European countries.

Last November, Blair told the New Statesman Brexit could be stopped if the British people decide that "the pain-gain, cost-benefit analysis doesn't stack up." Brexit, he said at the time, was "like agreeing to a house swap without having seen the other house."



On Friday, he said there were "two major challenges" to defeating the leavers: an "effective cartel of media on the right" and "the absence of an opposition which looks capable on the polls of beating the government. The debilitation of the Labour Party is the facilitator of Brexit. I hate to say that, but it is true."

His solution to overcoming these challenges? "To build a movement which stretches across party lines; and devise new ways of communication." "The institute which I am setting up will play our part. We are creating a policy platform wider than the Europe question.

There is an urgent need to reposition the whole debate around globalization and how we make it work for people. In this sense, the Brexit debate is part of something much bigger." The Tony Blair Institute — which he announced in January — is not a think tank, Blair has insisted, but a "policy unit" funded with around £8 million from his business empire.

## Canada and EU notch rare win for free trade

Foreign Policy, 14.02.2017



Proponents of free trade scored a much-needed win, after the EU parliament approved a landmark (and controversial) free trade agreement with Canada that was seven years in the making. But those wins may be fewer and farther in between now, with protectionist sentiments on the rise in the United States and many European countries.

Members of the EP easily approved the Canada-EU free trade pact, known as the CETA, by a vote of 408 to 254. The vote was the last major hurdle to the deal, first signed by Canadian Prime Minister Justin Trudeau and European Council President Donald Tusk on Oct. 30 last year.

Backers of CETA, which scraps 98 percent of tariffs between the two sides, say it will boost economic growth, create jobs, and reduce the cost of goods. The EU said it would boost EU-Canada trade, currently valued at \$63 billion a year, by 20 percent, and EU exporters are slated to save \$525 million annually from reduced tariffs.

But CETA, which was seen as a prototype for a (now moribund) EU-U.S. trade pact, could be the last big free trade win for a while. President Donald Trump pulled the plug on a huge free trade agreement with Asia as soon as he stepped into the Oval Office.

And Trump's top trade advisor said Brexit had already "killed" plans for the European trade deal, known as the Transatlantic Trade and Investment Partnership, and Trump had no plans of reviving it. "We are killing ourselves with trade pacts that are no good for us and no good for our workers," Trump said on the campaign trail in 2016.



He pledged to throw out all multilateral trade deals to renegotiate bilateral ones, which experts say could well "turn back the clock" on trade, which has underpinned decades of global economic growth.

CETA sparked many of the same concerns as the TPP and TTIP. Critics argued the bill would sabotage EU environmental and labor regulations and empower corporations over the little guy. It faced stiff opposition, and at one point in late 2016 was declared "de facto dead" by some European lawmakers, until Chrystia Freeland, then Canadian minister of international trade, resuscitated it.

Freeland was reassigned to head the foreign ministry after Trump's election. After salvaging CETA from a near-death experience, she now faces an even bigger task: ensuring that the U.S.-Canadian trade relationship, worth \$2 billion a day in two-way trade, can weather the Trump administration's vows to renegotiate NAFTA.

## Trump's 'outside-in' approach to Israel-Palestine won't work right now

Foreign Policy, 13.02.2017



Reports suggest President Donald Trump's team is looking at a regional approach to the Israeli-Palestinian conflict, which leverages the common threats faced by Saudi Arabia, Egypt and Israel to make progress on the Palestinian track.

The President may raise this idea with PM Netanyahu when they meet on Wednesday. There is plenty to recommend this strategy, but in the current environment a major new initiative is unlikely to succeed. Instead the Trump team should look for early steps to preserve the possibility of the two-state solution while setting the table for a broader regional approach the political situation inside Israel changes.

In recent years, ties between Israel and its Arab neighbors have quietly improved. Saudi Arabia and most of its smaller Gulf partners share a common threat perception with Israel as all see Iran as the primary threat in the region.

Meanwhile, in light of the threats posed by the Syrian civil war and an Islamic State affiliate in the Sinai, cooperation between Israel, Jordan, and Egypt has also deepened. The Arab states recognize they have much to learn from Israel's successful tech economy while the Israelis are eager to gain access to previously inaccessible markets so close to home.

But despite these common interests, the Israeli-Palestinian conflict creates political limitations for Arab leaders, forcing most Arab-Israeli engagement into the shadows and significantly limiting what is possible. This is not because of the deep love and importance Arab leaders attribute to the Palestinians.



They are frustrated with Palestinian President Abbas and the feckless and corrupt leadership around him. During the last round of serious Israeli-Palestinians negotiations in 2013-14 (negotiations I helped staff), Secretary Kerry tried to convince the Gulf States to provide more economic aid to the Palestinian Authority. All he was able to squeeze out with significant effort was \$150 million. During that same time Saudi Arabia, the United Arab Emirates, and Kuwait infused \$23 billion into the Egyptian economy after General Sisi overthrew the Muslim Brotherhood. It is quite clear where their priority lies.

Still, after years of Arab media focus on this issue, Arab populations care deeply about the Palestinian cause. These are authoritarian regimes so they have some flexibility in how responsive they are to their publics. But thus far they have made the calculation that the political risk of taking big public steps with Israel just is not worth the political risk unless they have some cover in the form of progress in relations between Israel and the Palestinians.

The formula for overcoming this problem is well known and has been tried before most notably by American Secretary of State James Baker who launched the Madrid Conference after the First Gulf War.

Israel would make concessions to the Palestinians on a number of fronts to move the peace process forward. With greater political flexibility at their disposal, the Arab States would in exchange take steps to visibly improve relations with Israel. This is the basic rationale behind the "outside-in" plan the Trump team is weighing. But with a far-right coalition in charge in Israel there is currently no space for this approach.

The type of symbolic steps that the Arab States would need to see are significant – a settlement freeze beyond the barrier built by Israel if not in the entire West Bank; recognition of the 1967 lines as the basis for negotiations; or significant new flexibility for the Palestinians to build in "Area C" (the 60 percent of the territory in the West Bank currently controlled by Israel).

Prime Minister Netanyahu may be open to such steps in exchange for major high-profile reciprocal steps from the Arab World. But these moves are anathema to Naftali Bennet, head of the Jewish Home party, and a key Netanyahu coalition partner who has the seats in the Knesset to bring down the government and cause new elections.

So, what should the Trump team do instead? First, they should prepare the ideas associated with the "outside-in" approach and start socializing them with all of the key players including Israelis, Palestinians, Egypt, Jordan, and the Gulf States. However, they should wait until a new Israeli government comes to power before moving to act on any of these ideas.

Trump may not have to wait too long. The last Israeli elections were held two years ago in March 2015 and while a governing term is technically supposed to last four years, most Israeli governments do not make it that long.

One possible outcome of a new election would be the rise of Yair Lapid, head of the centrist Yesh Atid party, and a man who has made the regional approach a centerpiece of his platform. Lapid could potentially put together a broad coalition of left, center, and right that would be open to such a strategy.



Another outcome that could also make such an initiative more likely to succeed would be a national unity government led by Netanyahu that included parts of the center and left but not Bennet or the settler movement. This seemed like a possibility last May when Netanyahu and Labor party head Herzog were deep in coalition talks, which ultimately broke down.

Another area for immediate progress would be to deepen trilateral Israeli-Egyptian-American cooperation while waiting on a broader initiative. Trump could take advantage of his good rapport with both Netanyahu and Egyptian President Sisi. Israel and Egypt already have deep tactical cooperation, but the United States can play a valuable role in encouraging them to deepen strategic dialogues.

Trump could host a trilateral meeting with the three leaders, or Secretary Mattis could bring his Egyptian and Israeli counterpart together. These meetings could result in trilateral working groups to look at new areas of cooperation. Strengthened Israeli-Egyptian cooperation is valuable in its own right, but Egypt will be central to any bridge to the rest of the Arab world. Doing this as a first step now could set the table for a bigger regional move later.

Finally, the President's team should try to get both the Israelis and Palestinians to take steps to preserve the two-state solution and improve the situation on the ground. The two biggest threats to the two-state solution are continued Israeli settlement construction, which renders a Palestinian state unviable; and the potential collapse of the institutions of the Palestinian Authority.

Encouraging and incentivizing both sides, but especially the Israelis who hold most of the cards, to take constructive steps that improve the situation on the ground and avoid these outcomes would be a good start. A group of over two hundred retired Israeli Generals have put together a compelling set of recommended security, economic, and diplomatic steps that Israel could take on its own to preserve the possibility of the two state solution. And the President and his team would be wise to press the Israelis to move ahead on as many of them as possible.

Ultimately, given the strategic trends in the region an "outside-in" approach makes sense. But Trump and his team should set the table and show patience before moving too aggressively. If a new initiative is pursued too early and fails, it will just discredit the ideas and make it harder to pursue later.



#### **Mattis issues ultimatum to NATO**

Foreign Policy, 13.02.2017



Secretary of Defense James Mattis issued a fuzzy ultimatum to NATO allies Wednesday, demanding they shoulder the burden of defense more but failing to say what the White House would do if they don't.

"America will meet its responsibilities. But if your nations do not want to see America moderate its commitment to this Alliance, each of your capitals needs to show support for our common defense," Mattis said in a speech to open a meeting of NATO defense ministers. The comments made NATO officials sit up. The mood inside NATO is "scared and confused," a NATO official told Foreign Policy.

But "no more confused than usual," the official added, citing broad European concerns over U.S. President Donald Trump. Trump has repeatedly questioned NATO's validity, even calling it obsolete during his presidential campaign. Mattis, who previously served as NATO's supreme allied commander transformation, didn't go that far on Wednesday. But he scolded NATO members for not taking more responsibility.

"Americans cannot care more for your children's future security than you do," Mattis said. "Disregard for military readiness demonstrates a lack of respect for ourselves, for the alliance, and for the freedoms we inherited," he added.

Currently, only five of the 28 alliance members meet the NATO requirement of spending 2 percent of its GDP on defense: the United States, United Kingdom, Poland, Estonia, and Greece. In 2011, then-Secretary of Defense Robert Gates blasted allies for not paying their fair share. But Mattis "upped the ante" in his remarks, said Jim Townsend, who up until January was the Pentagon's top NATO policy official. "There's no doubt that he issued an ultimatum," Townsend said. But what's unclear is what exactly the United States would do if allies didn't meet that ultimatum.

The Pentagon declined to clarify Mattis's remarks. "If you take him literally, then the message is indeed that there's no unconditional guarantee of security any more," one European diplomat told Washington Post. Not everyone agreed. "It's nothing new, to be honest," Dutch Defense Minister Jeanine Hennis-Plasschaert said. "Mattis asked for milestones, so all of us will go home and work on them," she added.

Wednesday's meeting marked the first opportunity for NATO allies to meet with a Trump cabinet official and gauge the administration's stance on Russia. Allies "desperately needed clarification on where the United States stood" on Russia, now that Trump was in office, Townsend said. What they got — Mattis's warning coupled with seeming contradictory reaffirmations of U.S. guarantees to NATO — may have been yet another a mixed signal for countries desperate for clarity from Washington. Mattis's trip came on the heels of Michael Flynn's resignation as Trump's national security advisor, and the ensuing chaos left in its wake.



But Mattis insisted it didn't overshadow his mission to NATO. "Here's the bottom line, ladies and gentlemen: I am brought in to be the secretary of defense," he told reporters on a plane en route to Brussels before the meeting Wednesday. "Frankly, this has no impact. Obviously. I haven't changed what I am heading there [to NATO] for. It doesn't change my message at all." Vice President Mike Pence is also scheduled to visit Brussels and meet with NATO leaders on Monday.



### **Announcements & Reports**

#### The Future of the Postal Sector in a Digital World

**Source**: Bruegel

Weblink : http://bruegel.org/2017/02/19093/

#### Political polarization and the 2016 congressional primaries

Source : Brookings

Weblink : https://www.brookings.edu/research/political-polarization-and-the-2016-congressional-primaries/

#### Southeast Asia – Guidelines for the New Administration

Source : CSIS

Weblink : https://www.csis.org/analysis/southeast-asia-guidelines-new-administration

## **Upcoming Events**

#### Competitive Gains in the Economic and Monetary Union

Date : 19 February 2017
Place : Brussels - Belgium

Website : http://www.bruegel.org/nc/events/event-detail/event/534-competitive-gains-in-the-economic-and-monetary-union/

#### The Future of Capitalist Democracy: UK-Japan Perspectives

Date : 20 February 2017
Place : London - UK

Website : http://www.chathamhouse.org/event/future-capitalist-democracy-uk-japan-perspectives

#### 13th Asia Europe Economic Forum (AEEF)

Date : 22 February 2017
Place : Beijing - China

Website : http://bruegel.org/events/13th-asia-europe-economic-forum/

#### Emerging Markets and Europe: Time for Different Relationships?

Date : 23 February 2017
Place : Brussels - Belgium

Website : http://www.bruegel.org/nc/events/event-detail/event/524-emerging-markets-and-europe-time-for-different-relationships.



#### What future for Europe's Social Models?

Date : 24 February 2017
Place : Brussels - Belgium

Website http://www.bruegel.org/nc/events/event-detail/event/526-what-future-for-europes-social-models/

#### Challenges for Growth in Europe

Date : 25 February 2017
Place : Brussels - Belgium

Website : http://www.bruegel.org/nc/events/event-detail/event/521-challenges-for-growth-in-europe/

#### Global Governance of Public Goods: Asian and European Perspectives

Date : 26 February 2017
Place : Paris - France

Website : http://www.bruegel.org/nc/events/event-detail/event/529-global-governance-of-public-goods-asian-and-european-perspectives/

#### The Future of the Welfare State

Date : 27 February 2017
Place : Berlin - Germany

Website http://www.bruegel.org/nc/events/event-detail/event/541-the-future-of-the-welfare-state/

#### Vision Europe Summit 2016

Date : 28 February 2017
Place : Lisbon - Portugal

Website : http://bruegel.org/events/vision-europe-summit-2016/