

Astana peace talks on Syria flop after rebel no-show

Hurriyet Daily News, 15.03.2017



Peace efforts for Syria floundered as a third round of talks that were sponsored by Russia and Turkey ended with no progress after rebels refused to show up to a meeting.

Regime supporters Russia and Iran along with rebel-backer Turkey have been pushing negotiations in Astana since January after gains on the ground by Damascus turned the tables in the six-year war. The latest two-day meeting saw a delegation from Damascus meet with representatives from the three powers, but leaders of armed rebel groups stayed away for the first time over alleged violations of a fragile cease-fire deal.

Russian envoy Alexander Lavrentiev and Syrian regime negotiator Bashar al-Jaafari slammed the opposition's no-show and said it was a blow to any peace efforts. "They want to break up political negotiations. There are forces that insist on a military solution," complained Lavrentiev after the end of the meeting.

Jaafari said the rebel boycott signaled the opposition's "disrespect for the process as a whole." Earlier on March 15 the Kazakh Foreign Ministry said Syria's rebel delegation was expected in Astana on the night of March 15 for peace talks this week aimed at ending the six-year civil war, a spokesman for the ministry said.

Lavrentiev announced that a new meeting was planned for April 18-19 in Tehran, but it seems unlikely that rebels would agree to head to talks hosted by one of Assad's main backers. State-run Anadolu Agency also reported that Iran had made one of the guarantors of the Syria cease-fire too, alongside Turkey and Russia.

Kazakhstan's Deputy Foreign Minister Akylbek Kamaldinov said that there would be a future round of negotiations in Astana on May 3-4. The Astana talks were initially seen as an attempt by Moscow, Ankara and Tehran to sideline the West over Syria but they have increasingly been billed as a supplement to U.N.-led talks in Geneva, the most recent of which ended this month with no breakthrough.

Both sides have been invited to a new round of talks in Geneva from March 23. Jaafari said his delegation had not discussed a constitutional commission for the war-torn state during the latest round of Syria peace talks in Astana.

European Union diplomat Federica Mogherini said on March 14 that Syria needed a "proxy peace" supported by the international community instead of the proxy war that has raged for six years and killed some 320,000 people.

Mogherini has for months been talking to Middle East players including Iran, Saudi Arabia, Turkey and Lebanon, seeking to find a minimum common ground between them on what the future peace could look like.

“I believe there can be a space for all international players and especially all regional actors... see that it’s far more convenient at this moment to turn this into a proxy peace and allow Syria to restart somehow with a political transition that will be needed,” Mogherini told reporters.

Meanwhile, two suicide bombings hit Damascus March 15 including an attack at a central courthouse that killed at least 32 people, as Syria’s war entered its seventh year with the regime now claiming the upper hand.

There was no immediate claim of responsibility for the blasts, the second wave of deadly attacks in the capital in less than a week after twin bombings killed 74 over the weekend. The March 15’s first attack saw a suicide bomber rush inside the building and blow himself up when police tried to prevent him from entering the courthouse in the center of Damascus, state media reported.

A police source told AFP that 32 people were killed and 100 wounded. The second blast hit a restaurant in the western Rabweh neighborhood, wounding 25 people, the source said. “We were terrified because the sound of the explosion was enormous,” a lawyer who was in the courthouse during the first attack told AFP. “We took refuge in the library which is on a higher floor,” the lawyer said, speaking on condition of anonymity. “It was a bloody scene.”

Turkish, Iraqi premiers discuss fight against terror

Hurriyet Daily News, 15.03.2017



Prime Minister Binali Yıldırım spoke with his Iraqi counterpart Haider al-Abadi over the phone on March 14 about the fight against the Islamic State of Iraq and the Levant (ISIL), the Prime Ministry’s press office has stated.

Yıldırım said Turkey’s contribution to the international coalition in the fight against ISIL would continue, while also voicing Turkey’s position and expectations in the fight against terror, particularly against the Syrian Kurdish Democratic Union Party (PYD). Abadi also said Iraq would not let any threat reach Turkey from Iraqi territory.

In mid-February, Iraqi forces - backed by a U.S.-led air coalition - began new operations aimed at dislodging ISIL militants from western Mosul. The offensive came as part of a wider campaign launched in October 2016 to retake the entire city, which ISIL overran in mid-2014.

Turkey considers the PYD and its armed wing People's Protection Units (YPG), which make up a major part of the SDF, as terrorists groups linked to the outlawed Kurdistan Workers' Party (PKK), and has been demanding that the U.S. cut its support to the group.

President Erdoğan: All kinds of military cooperation with Russia in Syria

Reuters, 10.03.2017



Ankara and Moscow are conducting all kinds of military cooperation in Syria, President Recep Tayyip Erdoğan told a press conference March 10 with his Russian counterpart Vladimir Putin in Moscow.

“There are all kinds of military cooperation in military pace in Syria,” Turkish President Recep Tayyip Erdoğan said. The president also voiced determination in maintaining cooperation regarding humanitarian aid in the war-torn country. Meanwhile, Russian President Vladimir Putin also said he appreciated the cooperation of intelligence and military units.

“We rate very highly the level of interaction achieved between the special services of Russia and Turkey and between the two countries' military,” Putin said as quoted by TASS news agency. Erdoğan also reiterated that the territorial integrity of Syria should not be put in jeopardy, adding that Ankara has no toleration for the splitting of Syria and Iraq.

The top soldiers of Turkey and Russia, along with the U.S. Chairman of the Joint Chief of Staff, held a three-way military summit in Antalya on March 8 discussing developments in Syria and Iraq regarding the fight against the Islamic State of Iraq and the Levant (ISIL).

Erdoğan noted that although Turkey and Russia did not agree on everything, the countries kept the channels of communication “open.” Putin said Syria's territorial integrity was an “irreplaceable” element, which is “vital” for the solution of the crisis. He added the situation in Syria was “complicated.”

Erdoğan and Putin also agreed to remove work permit sanctions against Turkish nationals and businesses. “We expect Russia to completely remove [economic] restrictions,” Erdoğan said. “Only in this way will it be possible for us to reach our previously announced target of \$100 billion trade volume.”

Putin, for his part, said that Russia would “very soon” remove work permit sanctions against Turkey. “Erdoğan raised this issue today,” he said, adding they especially discussed the situation of the Turkish workers in construction sector. “We agreed on the date when this [sanction] will be removed. This ban will be lifted as soon as possible,” Putin said.

He added technical issues remained in this regard, saying: “We will continue to solve other issues.” After the Nov. 24, 2015 jet crisis, Moscow took several measures against Turkey, including restriction of visa-free travel to a ban on imports of certain foodstuffs and a ban on the sale of Turkish holiday packages by tourist agencies to Russians. Russia had also called on its nationals to boycott Turkey as a tourist destination following the crisis.

Since last summer, Russia has relaxed the sanctions imposed on Turkey in response to the jet incident and the countries have worked together to bring a cease-fire and political solution to Syria.

Turkey and Russia on March 10 signed a memorandum of understanding to establish a joint investment fund in a bid to strengthen bilateral ties and investment flow. The agreement was signed during Erdoğan’s official visit to Moscow, according to a written statement from Turkey Wealth Fund, TVF, state-run Anadolu Agency said. Each country is to invest up to \$500 million in the Turkey-Russia Joint Fund, the statement said.

EU Minister: Dutch investment in Turkey not at risk in diplomatic row

Hurriyet Daily News, 14.03.2017



Dutch investment in Turkey is not at risk from the recent diplomatic row between the two countries, as Ankara’s ire is focused on the Dutch government, not its people or businesses, Turkey’s minister for EU Affairs told Reuters.

In an interview, Ömer Çelik said he believed the time has come for Turkey to reassess its migration deal with the EU, as it has become clear the bloc would not take a fair stance. Turkey suspended high-level diplomatic relations with the Netherlands, banning the Dutch ambassador from the country and preventing diplomatic flights from landing in retaliation for the Dutch barring Ankara’s ministers.

While one deputy prime minister has said that economic sanctions could be in the works, Çelik said Ankara was making a call to businesses worldwide that Turkey was a safe country for investment. “Dutch businessmen who invest, have businesses and create employment in Turkey are included in this (call). They are definitely not part of the crisis,” he said, as quoted by Reuters.

Asked if Dutch companies active in Turkey would be impacted by the row, Çelik said: “The private sector, business world, tourists and the people of the Netherlands are not a part of the crisis.” Trade between the Netherlands and Turkey has tripled over the past 10 years, making the Netherlands one of Turkey’s main investors. The bilateral trade ties reached \$6.6 billion at the end of 2016. Turkey’s exports to the country were at around \$3.6 billion during that period. Only last year, the Netherlands took 14 percent of share in Turkey’s FDI inflow with \$956 million.

In tourism terms, a total of 906,336 Dutch people visited Turkey last year, taking around 3.6 percent of share in total arrivals. In 2015, this figure was 1.2 million, and 1.3 million in 2014. There are around 2,700 Dutch companies in Turkey, including ING Bank and Rabobank.

Military: US claims deadly north Syria strike, denies targeting mosque

AFP, 17.03.2017



The US military said on March 16 it carried out a deadly air strike on an Al-Qaeda meeting in northern Syria and would investigate reports that more than 40 civilians were killed when a mosque was struck in the raid.

“We did not target a mosque, but the building that we did target -- which was where the meeting took place -- is about 50 feet (15 meters) from a mosque that is still standing,” said Colonel John J. Thomas, spokesman for US Central Command. According to a Centcom statement, “US forces conducted an airstrike on an Al-Qaeda in Syria meeting location March 16 in Idlib, Syria, killing several terrorists.”

The Centcom spokesman later clarified that the precise location of the strike was unclear -- but that it was the same one widely reported to have targeted the village mosque in Al-Jineh, in Aleppo province. “We are going to look into any allegations of civilian casualties in relation to this strike,” he added, when asked about reports from the Syrian Observatory for Human Rights that 42 people had died, most of them civilians.

“We take that very seriously,” he said, adding that Centcom had not received any direct reports of civilian casualties. Thomas said the unilateral US strike “destroyed one half of a building in which the meeting was occurring.”

Al-Jineh is held by rebel and Islamist groups, but no jihadist factions are thought to be present. The Britain-based Observatory said that raids by unidentified warplanes had targeted the village mosque during evening prayers. It said more than 100 people were wounded, with many still trapped under the collapsed mosque.

US Official: US plans for Syria include another 1,000 troops

Reuters, 16.03.2017



Up to 1,000 additional U.S. troops could be deployed to northern Syria under provisional plans drawn up by the Pentagon, a U.S. defense official said on March 16.

The plans, which still need to be approved by President Trump and Defense Secretary Mattis, would mark a significant uptick in U.S. boots in Syria as part of the fight against the ISIL. Currently, the troop level is capped at 500 in Syria, but that number has become increasingly meaningless as commanders send in extra “temporary” forces as needed, the de facto capital of ISIL in Syria.

The actual number of American troops in the war-torn country is likely now between 800 and 900, and a U.S. defense official said the new plans would allow for up to 1,000 more. “That’s one of the proposals that’s on the table for discussion,” the official told AFP, speaking on condition of anonymity.

The possible deployment was first reported by the Washington Post, which said the extra forces would come from the 24th Marine Expeditionary Unit and the U.S. Army’s 82nd Airborne Division. The official said the troops would not be in direct combat, but rather serve in support roles for any additional capabilities the military requires in northern Syria, where a U.S.-led coalition is training and backing a local Kurdish-Arab alliance to fight ISIL.

U.S. military spokesman Col. John Dorrian told reporters on March 15 that the U.S.-backed Arab-Kurdish alliance leading the offensive to surround and recapture Raqqa now comprises mainly Arab fighters, adding that Kurdish fighters are expected to be involved “at some level.” The development is significant because the United States has been trying to bolster the Arab part of the Syrian Democratic Forces (SDF) in a bid to placate Turkey, which views the Kurdish component, the People’s Protection Unit (YPG), as terrorists. The SDF since last fall has been ramping up an offensive to recapture Raqqa.

“About 75 percent of that force that is now isolating Raqqa is Syrian Arab, and this is a reflection that’s demographically fairly consistent with what you would find in that area,” Dorrian said, according to AFP. Still, he said he expected Kurdish fighters to be involved in liberating Raqqa “at some level.”

Turkish forces are operating in northern Syria and have joined the anti-ISIL fight, but are also working to keep the Kurdish fighters in check. Dorrian said it is possible Turkish forces may play a role in Raqqa. “We haven’t come to an agreement about what that role will be or if there will be one, but we talk to Turkey... every day,” he said.

Dorrian also said American and Russian troops were now both present in the northern Syrian city of Manbij and could clearly see each other in the former ISIL stronghold. The unlikely prospect of U.S. and Russian armored vehicles rumbling down the same streets is another bizarre development in Syria's tangled conflict that has raged for six years. "They can observe each other's movements," Dorrian said. "They can see each other. They are not talking to each other, and they are not hanging out together."

A few dozen Army Ranger special operations forces earlier this month entered Manbij on a "reassurance and deterrence" operation in which the normally low-profile troops drove American flag-flying convoys through the city.

Their presence creates a buffer of sorts between Syrian Kurdish forces and Turkish troops eyeing the city, and the Pentagon has said it wants all parties to focus on fighting ISIL jihadists in the region – and not each other.

Meanwhile, a demining team from Moscow arrived in Syria's Palmyra to help clear the historical city of mines, the Russian Defense Ministry said March 16. More than 150 specialists from the International Mine Action Center and a unit with mine detection dogs will be involved in the mine-clearing operation, the statement said.

"Moreover, the Russian servicemen will test prospective samples of explosive searching and detection equipment as well as personnel protection uniform," it added. Syrian regime said on March 2 that it had recaptured the ancient city of Palmyra from ISIL with the help of Russian air units and Iranian groups on the ground.

Brexit bulletin: Theresa May has a new soundbite

Bloomberg, 17.03.2017



First came "Brexit Means Brexit." Then Theresa May declared there would be "no running commentary," and the "red, white and blue Brexit." Those classics have now been joined by "now is not the time."

That was how the prime minister responded to Scottish First Minister Nicola Sturgeon's call for another independence referendum. May wants Scotland to see the shape of the final Brexit deal. Today she will pledge to forge an even closer union. Sturgeon wants the power to call a vote by spring 2019 "before it is too late to choose an alternative path." May's thinking is different.



The Daily Telegraph reports today that it could take six years for a ballot to be called. Scotland's First Minister Nicola Sturgeon with Deputy First Minister John Swinney, left, and Brexit Minister Mike Russell, arrive for First Minister's Questions at the Scottish Parliament in Edinburgh, on Thursday. Brexit goes to the heart of May's balancing act.

Another referendum would leave May fighting to keep Scotland while trying to reach a Brexit deal. Yet blocking a vote risks boosting the independence movement, which could also gain if exit talks with the EU turn tricky.

The argument echoes the Brexit referendum, according to Nicola McEwen, professor of politics at Edinburgh University. Last year's call by Brexit campaigners to "take back control" is also now sounded by the Scottish.

"The prime minister is having to use contradictory arguments to confront two different types of challenge – and perhaps indicative of why she'd really rather deal with one at a time," said McEwen. Today Rodney Jefferson and Lukanyo Mnyanda report on the thinking in Edinburgh, Scotland's political and financial capital, where a vast majority rejected both Scottish independence in 2014 and Brexit in 2016.

The Scottish issue overshadowed the Queen's signing into law of the legislation enables May to start Brexit whenever she wants. Tim Ross and Ian Wishart have the latest on the outlook for talks, and why an early trigger is handing the initiative to Brussels.

May did get a fillip from the business community she needs to keep on her side through the Brexit process. Toyota said it plans to spend £240 million on upgrading its U.K. carmaking plant in a sign it will keep investing in Britain, with Johan van Zyl, CEO of Toyota Motor Europe, saying they are "very focused" on Europe.

However, he warned that "continued tariff-and-barrier free market access between the U.K. and Europe that is predictable and uncomplicated will be vital for future success." M&C Saatchi, the global ad agency, was even more bullish, saying its competitors may be overplaying the negative impacts of Brexit as it enjoys growing revenue in the U.K. The company's like-for-like U.K. sales grew 5 percent in 2016 to £88.5 million pounds.

"Clients aren't saying 'Oh my God, Article 50 is going to be triggered, we must slash our spend,'" CEO David Kershaw said. "I don't see why one should get into a dark mood about it." Morgan Stanley strategists also released a report saying there's "little evidence" to suggest that the U.K. consumer is about to "break," with a survey of 1,000 consumers finding little "buyer's remorse" over Brexit. More than 90 percent of respondents said they would still vote the same way.

PriceWaterhouseCoopers is less upbeat. It predicts today that consumer spending growth will moderate to 1.7 percent in 2018 from 3 percent this year. Clothing and food sectors are vulnerable to a fall in sterling, it said. On Thursday J Sainsbury said it is cutting costs in an effort to avoid raising prices. Brexit also will hurt business investment, according to a report by the Institute of Chartered Accountants that said investment will shrink by 1.9 percent this year. Tax lawyer Jolyon Maugham is not taking Brexit for an answer.

Maugham, whose day job is helping clients, mostly wealthy individuals or companies, in their legal disputes with the government, has emerged as one of the most potent voices against the U.K.'s looming European exit.

He has filed a new legal challenge in Dublin, which he wants to be referred to the European Court of Justice in Luxembourg. His aim is to secure a ruling that an Article 50 notice can be revoked if an EU member changes its mind about leaving. An initial hearing is scheduled for as soon as June.

As he tells Bloomberg's Kit Chellel: "If the electorate comes to think it has made a terrible mistake, it should have the right to reverse it." The pound rose against all of its major peers and bonds fell after Bank of England policy maker Kristin Forbes voted for an interest-rate increase, a dissent that caught some in the market by surprise. The central bank kept the benchmark rate at a record-low 0.25 percent in an 8-1 vote.

The shadow of the Brexit negotiations may mean the majority of policy makers continue to keep rates on hold even as inflation accelerates. History also shows it's a long path from a single vote to a majority.

Pressure from Scotland, a budget reversal and a £70,000 fine over election accounting mean it's not been a great week for May and her Conservative Party, even with Brexit on track. Perhaps it wasn't the best time, then, to launch a new website promoting her "Plan for Britain." It crashed, with some visitors greeted by the message: "The planforbritain.gov.uk page isn't working."

The Brexit delusion and the battle for Scotland

Foreign Policy, 15.03.2017



Before Britain voted to leave the European Union last year, pro-Brexit campaigners were warned that doing so would almost certainly reopen the question of the future of the United Kingdom itself. Leaving the EU, they were warned, would renew the argument for Scottish independence since, as the polls showed and voters subsequently confirmed, a majority of Scots favored remaining a part of the EU.

Brexit would breathe new life into an independence movement that needed a lift, less than three years after it was defeated in what historians will now term the first Scottish independence referendum.

The battle for Scotland was not settled in 2014. It was simply deferred. Scots rejected independence that year, but since 45 percent of those who voted endorsed independence, it was plain then — and is even plainer now — that this original vote was but a provisional, tepid endorsement of the constitutional status quo.



Alex Salmond and Nicola Sturgeon — the former and current leaders, respectively, of the pro-independence Scottish National Party — had suggested at the time that the referendum was either a once-in-a-lifetime or, at the very least, a once-in-a-generation opportunity, but the votes had scarcely been counted before nationalists started agitating for a second vote. Salmond's memoir of the referendum campaign was titled, quoting Ted Kennedy, *The Dream Shall Never Die*.

But if the dream has been resurrected sooner than expected, it is thanks in no small part to Brexit. Without Brexit, there would be no plausible mandate for a second referendum. English Conservatives scoffed at the suggestion that leaving the EU might prompt fresh demands for a second plebiscite.

They should know better now: On Monday, Sturgeon, Scotland's first minister, announced her intention to hold a second referendum on Scottish independence. This was not, she suggested, her fault but rather something that had been forced upon her by a U.K. government determined to push for a so-called "hard" Brexit, neglecting Scotland's particular interests.

Scotland, she said, was being ignored. The "instinct to do nothing and just hope for the best is understandable," she said, but, in the end, inadequate. Having spent the last eight months warning that a second referendum was "highly likely," Sturgeon found herself running out of room for maneuver. So the people must be consulted, again, and given the opportunity to decide Scotland's constitutional status, again. By doing so, they will also determine the future of the United Kingdom — a future that looks more problematic than ever.

Indeed, the initial response to Sturgeon's gambit suggests that Downing Street remains ill-equipped to grasp what's happening in Scotland. Sturgeon has said she would like a referendum to be held once the broad outline of Brexit is known but before the U.K. has formally left the EU. But some in the U.K. government seem tempted to deny Scotland its right to hold a referendum at all, despite having conceded the principle — and having set a precedent — in 2014.

The more reasonable within Parliament are adamant that no referendum should take place until after Brexit has been accomplished. The SNP, they hope to insist, should be forced to wait until after the next round of Scottish parliamentary elections in 2021. Only then would it have a clear and unequivocal mandate for a fresh referendum.

Only then would Parliament, which has the legal authority on such matters, allow such a plebiscite to take place. Delaying a poll until then would allow the U.K. government to concentrate on Brexit without having to fight distracting battles on a second constitutional front. At the very least, they say, no referendum should take place until after a Brexit deal has been agreed to at some point in 2019.

The danger, however, is that refusing Scotland permission to decide its future risks inflaming opinion there, driving open-minded voters toward independence. Even Ruth Davidson, the leader of the Scottish Conservatives and thus the standard-bearer for red, white, and blue Unionism, has conceded that the U.K. government cannot rule out a referendum "forever."

So a second vote is coming, and it is coming in the near future. The SNP will have to tread carefully: The dream may never die, but putting it to a vote a third time in a generation, should it be rejected twice, risks becoming subject to the law of diminishing returns.



The SNP will have to tread carefully: The dream may never die, but putting it to a vote a third time in a generation, should it be rejected twice, risks becoming subject to the law of diminishing returns. And a “yes,” even given Brexit, is by no means a given:

A poll published last week found Scotland evenly divided, with 50 percent of respondents saying they would vote for independence and 50 percent for the Union. More significantly still, more than 80 percent of voters surveyed claimed their minds were already made up and unlikely to be changed.

The referendum — if and when it occurs — will be an attritional campaign to win the hearts, minds, and votes of just 1 in 5 voters. It will be an exercise in political narrowcasting and, as such, one likely to exhaust as many voters as it thrills.

And the case for independence will have to be different from that offered last time, too. Then, on the back of buoyant North Sea oil revenues, the SNP argued independence would leave Scots wealthier than if they remained part of the U.K. Since then, oil prices have collapsed, puncturing the rosy economic forecasts upon which the nationalists relied.

At least initially, an independent Scotland would be saddled with a deficit approaching 10 percent of GDP, the worst in Europe. Independence would be a painful, astringent business. Economic self-interest is not what it was, however. If it were, Britain might not have voted for Brexit.

This year’s case for independence, then, is instinctive and intuitive. It would, as Sturgeon says, with a wink at the Brexiteers and their “take back control” mantra, allow Scotland “to be in control of events and not just at the mercy of them.”

This, she will argue, is who we are, and as a distinct people and society, it makes sense for Scotland to run its own affairs. The alternative, after all, is a United Kingdom dominated, for the foreseeable future, by a Conservative Party that has few friends in Scotland. Better, surely, to take control and be responsible for our own affairs, even if the early years of the new nation will be hard, and even lean, times.

Whether the Unionist appeal to ancient loyalties will carry as much weight this time around remains to be seen. Unionism needs to offer something more than a cost-benefit analysis of economic interest, but talk of the U.K. as a “partnership of equals” rings hollow when, since England accounts for nearly 85 percent of the population, some partners are evidently more influential and more equal than others.

During the first referendum, the Unionist campaign was dubbed “Project Fear,” playing heavily on economic risk and uncertainty. What currency would an independent Scotland use? Would it really be able to join the EU, or would its application instead be vetoed by Spain or Belgium? Even more significantly, would it really be able to pay its own way, or would it instead be materially poorer than if remained part of the U.K.?

All this helped concentrate minds in 2014 and may yet do so again, not least since none of these questions have easy or even attractive answers two years later. But the Brexit delusion is that you can have everything you like without having to accept anything you don’t.

Until now, the case for independence in Scotland has been bedeviled by an awareness that it's a territory where the U.K. market has four times the worth of the EU and whose status with the latter following emancipation would be by no means certain. But in a post-Brexit world all things now seem possible, and the dream lives on, no more grounded in reality than before.

After months of discord with White House, Pentagon taps key deputies

Foreign Policy, 16.03.2017



The Trump administration on Thursday nominated six civilians to fill critical slots in the Defense Department's leadership, positions which have been staffed since January by holdovers from the Obama administration.

The nominations come after months of hard-fought battles between Defense Secretary Jim Mattis and the White House over staffing the Pentagon, and after the rejection of a list of names Mattis put forward that were nixed by Trump advisor Stephen Bannon, son-in-law and confidant Jared Kushner, and Mira Ricardel, who has been running the defense transition effort.

The most significant nomination is longtime Boeing executive Patrick M. Shanahan to be the Deputy Secretary of Defense, essentially the No. 2 civilian official at the Pentagon. If confirmed by the Senate, he would succeed Robert Work, a widely-respected Obama administration holdover that Mattis had asked to retain until a replacement could be found.

Shanahan, who has no previous experience working in the federal government, has been working on the commercial aircraft side of Boeing operations, but in the past served as vice president for both Boeing Missile Defense Systems and had a role in the company's helicopter manufacturing division, where he oversaw several U.S. Army programs.

For the deputy job, "the administration really wanted someone with industry experience," said Mackenzie Eaglen, national security analyst at the American Enterprise Institute. One person with knowledge of the deliberations said that Mattis had wanted a deputy who could effectively argue policy differences at the White House and on Capitol Hill.

But they pointed out that Trump defense transition head Mira Ricardel spent years as a Boeing executive, leading to some speculation that she pushed the Shanahan nomination. Thursday's nominations of David Norquist to serve as the Pentagon's comptroller and Elaine McCusker as his deputy, originated with Mattis, the source said. Though Trump has directed some barbs at the aerospace and defense giant — he criticized the cost of the new Air Force One — lately he has expressed more affinity for the firm. He ended a rally at a South Carolina Boeing manufacturing plant last month with "May God bless the United States of America, and God bless Boeing."



Having a defense executive in the number-two position may help in some respects, said Barry Pavel, former senior White House and Pentagon official under Presidents Obama and George Bush. “The deputy position is traditionally one of the key positions liaising with defense industry,” so if he has no direct government or military experience, “someone coming out of the defense industry could be an advantage in terms of running the building.”

The tricky part, Pavel said, will be the day-to-day running of the massive Pentagon bureaucracy. “You’re at the top of a large organization with a hefty inbox and you have to learn quickly,” Pavel said. Shanahan’s ability to do so “depends on how quickly he’ll get up the learning curve.”

People close to Mattis had said he was frustrated with the blanket ban that the Trump administration placed on anyone associated with the “Never Trump” movement within the Republican national security establishment, which severely limited the pool of potential nominees. And Mattis in turn refused to accept some of the names White House staffers offered him.

In a statement on Thursday, Pentagon spokesman Capt. Jeff Davis said the nominees “were personally recommended by Secretary Mattis to the President for nomination.” Thursday also saw the nomination of David Joel Trachtenberg, a former congressional staffer and defense official, as Principal Deputy Under Secretary of Defense for Policy.

That follows reports that Mattis withdrew his recommendation of Ambassador Anne Patterson for the job, after opposition from Sens. Tom Cotton (R-Ark.) and Ted Cruz (R-Tex.). Patterson was U.S. ambassador to Egypt from 2011 to 2013 and interacted with its elected government, which had ties to the Muslim Brotherhood. Earlier, Mattis had wanted to nominate Mary Beth Long, who served as assistant secretary of defense in the Bush administration, but was blocked by the White House.

Trachtenberg, a former House Armed Services Committee staffer and Principal Deputy Assistant Secretary of Defense for International Security Policy from 2001 to 2003, is currently President and CEO of Shortwaver Consulting, LLC, a national security consultancy.

Part of the slow roll out of nominees for the Pentagon harkens back to the failed nominations of Vincent Viola for secretary of the Army and Philip Bilden for secretary of the Navy, after both pulled out of the running due to conflicts with their business interests. The Trump administration is now doing background vetting and financial disclosure reviews of all nominees, something that most administrations had done much earlier in their term.

Announcements & Reports

Why is it so hard to reach the EU's 'poverty' target?

Source : Bruegel
Weblink : <http://bruegel.org/2017/01/why-is-it-so-hard-to-reach-the-eus-poverty-target/>

Political polarization and the 2016 congressional primaries

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

Will engaging China promote good governance?

Source : Brookings
Weblink : <https://www.brookings.edu/research/will-engaging-china-promote-good-governance/>

Upcoming Events

Competitive Gains in the Economic and Monetary Union

Date : 25 March 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 : 25 March 2017
Place : London - UK
Website : <http://www.chathamhouse.org/event/future-capitalist-democracy-uk-japan-perspectives>

13th Asia Europe Economic Forum (AEEF)

Date : 26 March 2017
Place : Beijing - China
Website : <http://bruegel.org/events/13th-asia-europe-economic-forum/>

Emerging Markets and Europe: Time for Different Relationships?

Date : 27 March 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 : 27 March 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 : 27 March 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 : 28 March 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 : 28 March 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 March 2017
Place : Lisbon - Portugal
Website : <http://bruegel.org/events/vision-europe-summit-2016/>