

Israel wants better relations with Turkey, Netanyahu says

Today's Zaman, 11.03.2014



Israeli Prime Minister Benjamin Netanyahu has said that Israel would like to have better relations with Turkey, similar to those previously enjoyed by the two countries. Netanyahu's comments came after the Israeli prime minister held a press conference in Eilat on Monday regarding an Iranian ship intercepted by Israel for allegedly transporting advanced weapons from Iran to Gaza last week.

"My message to the Turkish people is: We would like to have good relations with Turkey, just like in the past," Netanyahu said, Turkey's Anadolu news agency reported on its website on Tuesday.

When asked whether there will be reconciliation soon between Turkey and Israel, Netanyahu said, "I hope so." Turkish-Israeli relations turned sour after a Gaza-bound aid flotilla was attacked by Israeli forces in May 2010, killing eight Turkish citizens and a Turkish-American. The incident caused a downgrading of diplomatic ties between Turkey and Israel, with the Israeli ambassador being expelled from Ankara in September 2011 after Israel refused to apologize for the killings. Israel formally apologized in 2013 for what it called "operational mistakes" that might have led to the death of Turkish citizens. Turkey has asked for three things from Israel in the light of the incident: an apology, compensation and the lifting of the Gaza blockade. Currently, Turkey and Israel are negotiating a compensation deal, but an agreement is not yet forthcoming.

"There is progress, but we have not reached an agreement to be signed yet," Deputy Prime Minister Bülent Arınc said early in February. Arınc stressed that as soon as there is agreement on compensation, Turkey and Israel will work together to normalize their relationship, assign ambassadors and lift the Gaza blockade. Both the US and Israel want to see normalized Turkey-Israel relations, Arınc continued, adding that Turkey has also worked for a swift normalization since Israel's apology for the Mavi Marmara incident last year. Prime Minister Recep Tayyip Erdogan said on Feb. 12 that a "written protocol" is needed for reconciliation with Israel and that Turkey will not sign any protocol with Israel for rapprochement until Israel lifts its embargo on the Gaza Strip.

Erdogan said the compensation talks have progressed but talks between Turkey and Israel have not reached a final phase. He said Turkey had only received an apology from Israel after the mediation of US President Barack Obama. "I believe that a final agreement [on the normalization of relations] should be bound to a protocol, meaning this won't happen verbally," Erdogan said. "Without the end of the embargo [on the Gaza Strip], there will be no protocol. The embargo needs to be lifted and this should be stated in a written protocol," the prime minister added. Netanyahu criticized "world hypocrisy" in the press conference on Monday, saying that Israel is condemned when it "builds a balcony in Jerusalem," but only a drizzle of censure comes when Iran tries to smuggle long-range missiles into the Gaza Strip.

Turkey, Iran, Azerbaijan FM's to hold tripartite meeting in Van

Today's Zaman, 12.03.2014



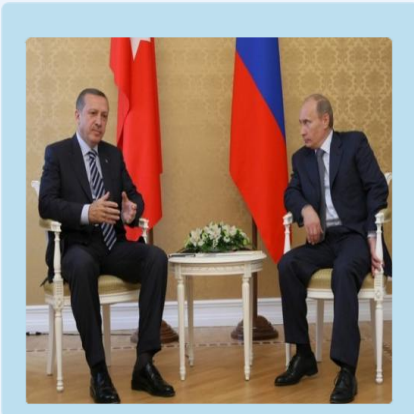
The foreign ministers of Turkey, Iran and Azerbaijan are scheduled to come together at a tripartite meeting in the eastern province of Van on March 14. Turkish Foreign Minister Ahmet Davutoglu, Azerbaijani FM Mammadyarov and Iranian FM Zarif will come together as part of a series of meetings held regularly between the three nations.

The Turkish FM said in a statement on Wednesday that the foreign ministers will discuss issues of common interest between the three countries. During the meeting, top officials of the three states will exchange their views over opportunities to develop cooperation in the region.

The foreign ministers will review the decisions that were made during the two previous tripartite meetings. Davutoglu is also expected to hold one-on-one talks with both Mammadyarov and Zarif. The first tripartite meeting was held in Urmia, Iran, at the end of 2011 and the second in Azerbaijan's Nakhchivan region on March 7, 2012. The first meeting ended with a statement that emphasized the three countries' historical and exemplary relations. In Urmia, they agreed to form a trilateral economic committee to examine means for signing a preferential trade agreement, easing customs affairs, modernizing border points and establishing joint companies. The three came together again in the Nakhchivan Autonomous Republic of Azerbaijan to discuss regional issues, including the peaceful settlement of ongoing conflicts, and to contribute to the deepening of regional stability and security.

Moscow and Ankara differ on Erdogan - Putin phone talk

Today's Zaman, 11.03.2014



Moscow's recollection of what was discussed between Russian President Putin and Turkish PM Erdogan during their March 4 phone conversation is quite different from Ankara's with regard to the developments in Ukraine and Crimea.

According to a statement released by the Kremlin on March 4, "Both sides expressed confidence that in spite of the aggressive actions by radical and extremist Maidan forces, interethnic and interfaith peace and order will be ensured in Crimea." statement by the Kremlin also highlighted that the phone conversation between the two leaders was initiated by the Turkish side.

Putin and Erdogan had a detailed discussion of the "acute crisis situation in Ukraine, particularly the latest developments in Crimea. "Vladimir Putin and Recep Tayyip Erdogan agreed to maintain communication on this matter at various levels," the statement said. According to a statement made by Prime Minister Erdogan's office on March 4, however, Erdogan said all sides should respect international law in order to overcome the crisis in Ukraine. "During his phone conversation with Russian President Putin, Prime Minister Erdogan emphasized that it is important to maintain Ukraine's political unity and territorial integrity and to reduce the tension in Crimea immediately." There was no mention of "aggressive actions by radical and extremist forces" in Ankara's statement, as in the Kremlin's version of the talks.

Erdogan told Putin it is up to the Ukrainians to find a solution to the crisis, adding that the instability in Ukraine would negatively affect the whole region, according to sources close to the Prime Minister's Office, the Anadolu news agency reported on March 4. As Ukraine faces the risk of separation due to ongoing political turmoil, Turkey has opted to follow a balanced policy between Russia and the West. Since the beginning of the unrest in Ukraine, Ankara has underlined the importance of preserving Ukraine's political unity, sovereignty and territorial integrity, a sign of its opposition to the secession of Crimea, but has refrained from directly confronting Moscow, calling instead for dialogue for a resolution to the crisis. Crimea's lawmakers approved a declaration of independence on Tuesday, which the Kiev government said is illegal.

The declaration says Crimea will ask to join Russia if this is approved during the referendum to be held on Sunday. Western nations have said they will not recognize the referendum as legitimate. Crimea lies only 278 kilometers away from the Turkish coastline, across the Black Sea, and is home to a community of Turkic Tatars, who are ethnic and linguistic kin of Anatolian Turks and oppose potential Russian annexation of the peninsula. Turkey, a NATO ally, has to follow a balanced policy as it does not want to jeopardize its relations with Russia due to its dependence on the country for about half of its natural gas imports. Turkey also has close ties to Ukraine and places importance on Ukraine's political unity and territorial integrity.

Zarif: Iran, Turkey capable of resolving regional issues

Mehr News Agency, 11.03.2014



Turkish deputy foreign minister Feridun Sinirlioglu and Iranian foreign minister Mohammad Zarif met in Tehran and discussed bilateral ties and regional developments.

Zarif emphasized both countries' roles and positions as two important and influential countries in the region and said that expansion of ties between Iran and Turkey benefits both and the region. He asserted that exchange of visits between high ranking officials of both countries, especially a recent visit to Tehran by Turkish Prime Minister Recep Tayyip Erdogan indicate the determination of both to expand relations in all areas.

Feridun Hadi Sinirlioglu also pointed to the two countries' good and productive talks and regarded both as influential countries in the region. He said Turkey regards Iran's success in international negotiations as its own and believed that expansion of ties between Iran and Turkey in the framework of their mutual interests would help the maintenance of regional stability and security.

Iran to expand trade with Turkey by 2015

Mehr News Agency, 12.03.2014



Iran's Minister of Communications and Information Technology has said Iran and Turkey will expand bilateral trade by 2015. "The target set by the two countries is to expand trade balance to \$ 30b, which we work to achieve through planning and eliminating the barriers," Vaezi was quoted by the ministry public relations office as saying.

Vaezi who was receiving Turkish deputy-PM Feridun Hadi Sinirlioglu in Tehran today (Wednesday), said that Tehran would be hub for joint economic commission in the upcoming month. Vaezi is the head of Iran-Turkey joint economic commission.

"The 11th Cabinet is determined to expand relations in economics, energy, culture, industry and tourism sectors with neighboring countries especially Turkey, and to improve potentials of bilateral cooperation," he added. Turkish deputy-PM believed that Iran was a great neighbor for Turkey. "In recent months, the ties between the two countries have been rapidly expanded," he added.

Turkey to send 20-25 troops to Central African Republic (CAR)

Today's Zaman, 13.03.2014



Turkey has decided to send 20 troops to crisis-hit CAR after talks between the FM and the General Staff. Sources who wished to remain anonymous told that, as per an action plan prepared by the General Staff and the Foreign Ministry, TSK will send a unit consisting of 20-25 troops to CAR.

The troops will not take part in combat, the sources said, adding that they will play an administrative role. The ranks of the troops to be deployed will be decided in the coming days. A delegation including FM Africa Director-General Kılıç, officials from TİKA and AFAD paid a visit to CAR on Feb. 24 to have talks with officials the situation on the ground.

After the delegation's report, Turkey decided to send humanitarian aid to internal refugees in the violence-riven African nation's displacement camps. Violence in CAR began last March when Muslim Seleka rebels seized power in the majority Christian country. They have since been forced out of power, paving the way for brutal reprisals by Christian militia against the Muslim minority. Tens of thousands of people have been killed. Many Muslims in the country have fled to neighboring Cameroon, Chad, the Democratic Republic of the Congo and the Republic of Congo, while others have sought shelter in camps, according to Human Rights Watch. Over 15,000 people in the country, mostly Muslim civilians in camps, are surrounded and threatened by armed militia groups, the United Nations Refugee Agency has said. The African Union has deployed 6,000 troops and France has sent 2,000 to the country to secure stability. Recently, the French Parliament approved a measure extending the duration of the French military deployment in the African country.

Araqchi visits Moscow, Beijing ahead of nuclear talks

Mehr News Agency, 13.03.2014



Abbas Araqchi, the Iranian deputy foreign minister and a top nuclear negotiator, set off for Moscow and Beijing ahead of the next round of comprehensive negotiations with the world powers on Tehran's nuclear activities.

Araqchi held talks with his Russian counterpart Ryabkov in Moscow and was secluded to meet with his Chinese opposite number on Thursday. Iran and the 5+1 group clinched an interim deal in Geneva on November 24, 2013, according to which Iran agreed not to expand its nuclear program for six months in exchange for limited sanctions relief. The six-month interim agreement came into force on January 20.

EU seeks relations with Iran: Ashton

Mehr News Agency, 10.03.2014



EU Foreign Policy chief on her 2nd day visit to Iran has been in Isfahan and said that EU seeks economic and cultural relations with Iran. In a meeting with Isfahan Governor, Ashton said that "European officials who had already visited this city had told me about magnificent Isfahan and highly recommended me to visit it; my visit to Iran gave me the great opportunity to visit the historical city of Isfahan.

EU Foreign Policy chief pointed to Iran-EU relations through the history and maintained that "EU seeks to have economic and cultural relations with Iran but we should hold that any negotiation first needs conciliation."

She also held that Isfahan's handicrafts acknowledged by UNESCO are very valuable and reiterated that "Isfahan's historical, sightseeing sites in addition to it industry and agricultural are wonderful." Ashton added that "in order to respect Iranian New Year celebrities during Nowrouz Holidays, the coming round of nuclear negotiations will finish one day before Nowrouz to give the Iranian negotiators the opportunity to be in Iran for this ancient celebration. In this meeting Isfahan governor pointed that "with its 5 thousand years of history Iran is the founder of a great and glorious civilization all around the world." Zargarpour asserted that "Isfahan is Iran's cultural and civilization capital that Swedish foreign minister in a visit to Isfahan dubbed it as the 'entrance door' to Iran."

Kerry: ‘Iran is not open for businesses’

I24 News, 14.03.2014



Top US diplomat rejects criticism that Iran is now attracting cash-flow and business back to the country. Iran has to take some “tough decisions” as world powers seek to hammer out a nuclear deal, US Secretary of State Kerry said with negotiations due to resume next week.

His comments came as he was grilled by US lawmakers over the talks between Iran and the so-called P5+1 group. Under a six-month interim deal, Iran agreed to freeze its uranium enrichment program in return for sanctions relief worth some \$6-7 billion, including the transfer of some \$4.2 billion in frozen overseas funds.

Kerry insisted during a hearing of the Senate appropriations committee that Washington was testing whether the new Iranian leadership of President Hassan Rouhani was serious in reining in its nuclear program, which the West believes is a covert grab for an atomic bomb. We believe we’re heading in the right direction. I can’t tell you where it’s going to finally land, we don’t know,” Kerry said of the negotiations due to last for the next six months towards a comprehensive deal. “There’s some very tough decisions the Iranians are going to have to make -- very tough -- in order to meet the international community’s standard for certainty as to the peacefulness of this program.

“But he hit back against criticism that Iran was now attracting cash-flow and business back to the country, and that the sanctions relief was being used to fund Hezbollah militants fighting in Syria. The top US diplomat said he had contacted his counterparts around the world amid reports of trade delegations going to Iran. “We have made it crystal clear that Iran is not open for business. They have accepted that,” Kerry said. “They are not cutting deals. There are people who have traveled, but there have not been new deals. “He stressed again that the tough sanctions regime put in place against Iran, which has brought its economy to its knees, had not been dismantled.” Nothing in the architecture of the sanctions regime has been changed whatsoever. Iran’s economy contracted by 6 percent last year. It is expected to contract again this year.

Inflation remains at almost 40 percent,” Kerry told lawmakers. He also tussled with Republican Senator Mark Kirk, who suggested that with the sanctions relief Iran now had some \$25 billion in liquid assets which it was using to boost payments to Hezbollah. “I would expect that we would see even more terrorism with this additional money available to the Islamic Republic of Iran,” Kirk said. But Kerry countered that Iran “has huge economic problems” and said around \$15 billion to \$30 billion of Iran’s earnings, mainly from oil revenues, was being siphoned away and frozen in overseas accounts. “So they’re losing. They’re losing enormous sums of money and more than a hundred billion dollars that is now frozen.”

Iran and Russia discuss new nuclear deal

Aljazeera, 12.03.2014



Draft agreement made on building at least two new nuclear power stations in south of country. Iran and Russia have discussed a draft agreement to build at least two nuclear power stations in the Islamic Republic, Iran's official news agency reported.

Visiting Russian official Nikolai Spassky and Iranian nuclear officials reached an initial agreement on Wednesday about the facilities, IRNA said. "Iran and Russia reached a preliminary agreement to build at least two new nuclear power plants," Iranian Atomic Energy Organisation spokesman Behrouz Kamalvandi told the news agency.

The two new 1,000 megawatt plants will be constructed alongside the existing power station in Bushehr, which was also built by Russia, Kamalvandi said. Further talks will be held on technical and financial aspects of the project, but a final agreement is expected to be signed "very soon", he added. The Bushehr facility has been running since 2011 with a capacity of 1,000 megawatts. Iran, which still faces tight Western sanctions on its oil and banking sectors despite a landmark agreement reached with major powers in November on its nuclear programme, is expected to fund the new Bushehr project on a barter basis. Tehran's ambassador to Russia, Mehdi Sanaei, said last month that the close trading partners have been negotiating the delivery by Iran of hundreds of thousands of barrels of oil per day in return for Russian goods and services, including the planned new nuclear plants.

Syrian parliament approves new election law

Hürriyet Daily News, 13.03.2014



Syria's parliament unanimously approved a new election law Thursday allowing multiple candidates to run for president, opening the door to other potential contenders besides President Assad. The vote comes nearly four months before Assad's seven-year term as president officially expires.

Syrian officials say the presidential elections will be held on time and Assad has suggested he would run again, though he hasn't confirmed whether he'll seek re-election. The poll must be held between 60 and 90 days before Assad's term ends on July 17. Syria has been ruled by the Baath party since it seized power in a 1963 coup.

Past presidential elections under Assad and his late father, Hafez Assad, were de-facto referendums with an Assad as the sole candidate. The country held a referendum in March 2012 on a new constitution that allowed for a multiparty political system in Syria and multiple presidential candidates. That referendum, held amid an escalating civil war, was part of gestures of reform meant to defuse the unrest. The opposition dismissed it as an attempt at superficial reforms that do nothing to break the president's hold on power. The bill adopted Thursday says only candidates who lived in Syria for 10 consecutive years prior to nomination can run for president. It also stipulates that candidates should be born to Syrian parents and must not have any nationality.

State television broadcast the vote live, but the parliament speaker did not say how many lawmakers voted for the bill. Khalid Saleh, a member of the main Western-backed opposition group, the Syrian National Coalition, said any notion that Assad may run for re-election demonstrates "the uttermost disregard for the blood" of the thousands of Syrians killed. He said in a statement that the election law adopted by parliament was "illegitimate" and said the group "strongly rejects participation of opposition members as candidates against Assad in the presidential elections, as this would imply recognition by us of the legitimacy of his presence in the elections."

The opposition has categorically refused the notion of presidential elections being held in Syria under the current circumstances. The coalition has called on Assad to step down in favor of a transitional governing body that would administer the country until free presidential and parliament elections can be held. The Syrian conflict, now entering its fourth year, has killed more than 140,000 people, sent more than 2.5 million fleeing for neighboring countries and destroyed entire blocks in opposition-held areas of the country. Issam Khalil, a member of the parliament, dismissed the idea that the law was tailored for Assad. "The parliament doesn't accept that but what has been tailored to fit is the will of Syrians alone," he said at Thursday's parliament session.

Call for 'reoccupation' as Gaza and Israel trade fire

Hürriyet Daily News, 12.03.2014



Israeli FM Lieberman has warned that Israel would have no choice but to reoccupy Gaza following a renewed exchange of rockets with militants in the Hamas-controlled enclave.

“Following an attack like this, there is no alternative to a full reoccupation of the entire Gaza Strip,” he told private Channel 2 television. Israel pounded nearly 30 targets in Gaza late March 12 and early yesterday after militants fired scores of rockets into the south. The rocket barrage, which was the heaviest since an eight-day conflict between Israel and Gaza’s Hamas rulers in November 2012, sent thousands of Israelis fleeing for cover across the south on March 12.

Israel withdrew all troops and Jewish settlers from Gaza in summer 2005. The latest tit-for-tat violence was sparked by an incident on March 11 when militants of the hardline Islamic Jihad group fired a mortar round at troops allegedly trying to enter southern Gaza, prompting an Israeli air strike which killed three of them. In retaliation, Islamic Jihad’s armed wing, the Quds Brigades, fired scores of rockets over the border on March 12, with the group putting the number at 130. Israel responded with air strikes on 29 targets across Gaza, hitting bases used by Hamas as well as those of Islamic Jihad, which has so far claimed all of the rocket fire. Security sources in Gaza said there were no casualties in the air strikes as all the sites had been evacuated.

The army said more than 60 rockets had struck southern Israel on March 12, five of them hitting populated areas. Another three were intercepted by the Iron Dome air defense system. Another three rockets struck southern Israel yesterday morning. “Our policy in the south is clear. We harm those who try to harm us and respond fiercely to any attack,” Netanyahu said yesterday. “The terrorist groups in Gaza need to understand that they are dealing with a very determined government and a very strong army.” Defense Minister Moshe Yaalon blamed both Islamic Jihad and Hamas for the escalation and said anyone firing at Israel would be responsible for his own fate. “Hamas is responsible for the strip and if it does not know how to prevent fire on Israel from its territory, we will act against it and all of its broader interests,” he said.

“Anyone involved in firing on Israel will be taking his life in his own hands.” Palestinian sources noted that Hamas had not joined in the rocket attacks, a sign that it hoped to avoid widening the conflict. Palestinian President Mahmoud Abbas condemned the military escalation in and around the Gaza Strip, including rocket fire on Israel, at a news conference in Bethlehem. “We condemn all military escalation, including rockets,” he said. Experts said Israel was not seeking a major confrontation in the territory. “Israel has no intention of entering a major operation now,” said Yaakov Amidror, who served as national security adviser until November. “But if there’s a continued response from the other side, the IDF will have to reconsider,” he told army radio, adding that re-entering Gaza was “an option” but not one that Israel would rush into.

Analysis: Can one stop the vicious Israel-Gaza cycle?

I24 News, 13.03.2014



Amid the growing tension in Gaza and southern Israel, with Israeli leaders vowing to respond with force to the Palestinian rocket barrages of the past 24 hours, the fact is that Israel's options are limited. The slow and slippery escalation began accidentally, with no desire or intention by any of those involved to instigate a new round of hostilities.

It started in early March, with what seemed then as a significant, yet isolated incident 1,500 kilometers away. After months of gathering intelligence and surveillance, the Israeli navy captured a merchant ship in the Red Sea carrying Syrian-made missiles, mortar shells and bullets from Iran.

From there, it appears, the Iranian plan was to smuggle the weaponry to the Gaza Strip. The shipment was most likely intended for the Palestinian Islamic Jihad (PIJ), which is fully sponsored by Iran. Unlike the much larger Hamas movement, which broke off ties with Iran over Tehran's support of President Bashar Assad in the bloody civil war in Syria, PIJ has remained loyal to Tehran. Iran, which recently reached an interim agreement with world powers regarding its nuclear program, and is trying to defuse tensions with the West, denied the Israeli allegation that it was behind the shipment. Yet, the incident on the high sea could be related to what has been going on between Gaza and Israel this week.

One should not rule out that Iran instructed its client, the PIJ, to launch rockets against Israel. Its aims are triple: to retaliate for the seizure of the ship, to stir tensions and to embarrass and punish Hamas – through retaliatory Israeli strikes on Gaza - for its independence and disobedience. Hamas came to power in a military coup in 2007, defeating the Palestinian Authority government. Since then, Hamas has been performing a tightrope dance. It was initially sponsored by Iran and Syria, then by Egypt when the Muslim Brotherhood ruled in Cairo. In the last eight months, since the military took over control of Egypt, Hamas has found itself with no patron and a shortage of money.

Hamas's delicate maneuvering has also included launching rockets and missiles against Israel, then accepting two ceasefires - in 2010 and 2012. But it has also been turning a blind eye to the PIJ's independent launching of rockets, thus violating the ceasefires with Israel, on the one hand, while trying to restrain PIJ, on the other. It seems that this time, Hamas failed to foil the PIJ-Iran plan. The trigger that served as an excuse to embark on the current round of violence was the preparation by PIJ militants to launch rockets against Israel earlier this week. Their effort was foiled by Israeli forces, who killed the three members of the launch unit. In response, PIJ retaliated by firing more than 100 rockets toward Israel, starting Wednesday afternoon and continuing on Thursday.

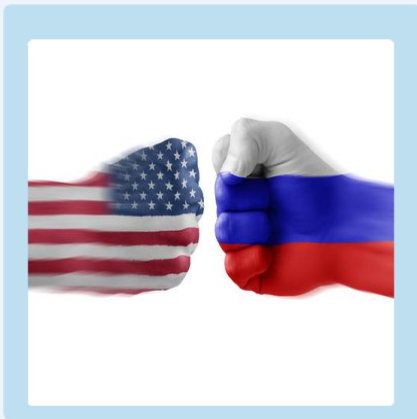
The Israel Air Force went into action, attacking 29 PIJ and Hamas targets in Gaza on Wednesday and bombing additional targets on Thursday. It was the fiercest battle between Israel and Gaza since the November 2012 Israeli military operation which ended in a ceasefire. Now, Israeli leaders and military chiefs are debating their strategy. They want to prevent a slide into an unwanted cycle of action and reaction. They want to break this vicious circle and restore the ceasefire. But they also know that their options are limited. Long-term calm can be achieved by one of two ways. First, and preferable, by signing an agreement with the Palestinian Authority (PA) which US Secretary of State John Kerry is trying to broker.

But such an agreement would have to be not only implemented in the PA-ruled West Bank, but would also have to include Gaza. However, the chance of such a comprehensive agreement between the rival Palestinian sides, as well as Israel, is nil. Hamas will not agree to be part of any Israel-PA deal and it certainly will not accept an Israeli demand to disarm. Even the chance of a limited Israel-PA agreement in the West Bank is slim. So Israel is left with the other, unwanted option: invading Gaza, toppling the Hamas government and disbanding and disarming all the terror groups operating there – Hamas, PIJ and small, renegade al-Qaida inspired groups.

Such a solution is being advocated by Foreign Minister Avigdor Lieberman. But there is neither support, nor enthusiasm, for this option among most of the cabinet members. They know that such a solution means all-out war, with attendant heavy casualties on both sides, and condemnation by the Arab countries which are secretly supporting Israeli efforts to stop a nuclear Iran. Thus, an Israel invasion will play into the hands of Iran. Therefore, more realistically, we can expect more of the same. A ceasefire, its violation, rocket launches from Gaza and Israel Air Force strikes and another ceasefire.

Russia vows to veto US draft on Ukraine at UN

Aljazeera, 14.03.2014



US draft resolution urges countries not to recognise results of planned referendum on status of Crimea peninsula. The US has circulated a draft resolution to the UNSC that would declare planned referendum on independence for Ukraine's Crimea region illegal but Russia has pledged to veto it.

The one-page resolution would urge countries not to recognise the results of the vote in pro-Russian Crimea, whose parliament has already voted to join Russia. Samantha Power, US ambassador to the UN, said after a meeting of the 15-member UNSC that the resolution was aimed at changing Russian calculations "before innocent lives are lost".

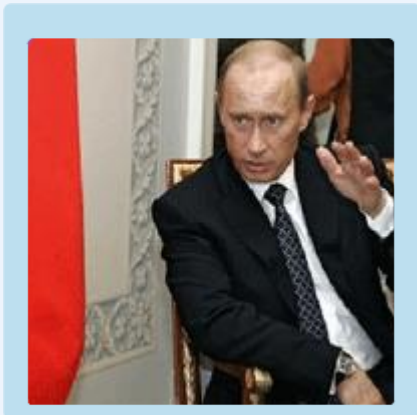
Speaking in the council, she said the resolution would "endorse a peaceful solution to the Ukraine crisis based on international law and [the Security] Council's mandate to act, when necessary, to ensure global security and peace". Power described the planned referendum, which is expected to overwhelmingly back Crimea's unification with Russia, as "hastily planned, unjustified and divisive" and a violation of Ukrainian sovereignty. She said time was running out for a peaceful solution to the crisis, and she urged Russia to listen to the "remarkably unified" voices of 14 members of the Security Council and the Ukrainian people. Western powers had originally hoped to vote on the resolution at Thursday's council session, which was attended by Arseny Yatseniuk, the interim Ukrainian prime minister.

He appealed for the world body's help. But Russia, one of the five permanent veto-wielding members of the Security Council, made clear that it opposed the draft, so a decision was made to postpone the vote until Saturday at the latest to allow time for further negotiations. On the ground, Russia conducted new military manoeuvres near its border with Ukraine on Thursday, and President Vladimir Putin said the world should not blame his country for what he called Ukraine's "internal crisis". MRussia's Defence Ministry announced that thousands of Russian troops in the regions of Rostov, Belgorod, Kursk and Tambov bordering Ukraine were involved in the exercises, which will continue until the end of the month.

In the southern Rostov region, the manoeuvres involved parachuting in 1,500 troops, the ministry said. The drills included the military conducting large artillery exercises involving 8,500 soldiers and artillery and rocket systems in the south. In Crimea, where the public will vote on Sunday whether to break away from Ukraine and become part of Russia, residents lined up at their banks to withdraw cash from their accounts amid uncertainty over the future of the peninsula, which Russian troops now control. Violence engulfed Crimea's eastern Donetsk region, where clashes between pro-Russia demonstrators and supporters of the Ukrainian government left at least one person dead. Several Western diplomats said their hope was that China, which has joined Russia in vetoing three council resolutions on Syria since 2011, would distance itself this time from Moscow and abstain.

Putin's imperial road to economic ruin

Politics Syndicate, 11.03.2014



The debate around Crimea is no longer centered on international law: Russian President Vladimir Putin has publicly recognized that he does not feel bound by it and does not care if the rest of the world deems Russia's actions illegal. What is not clear is whether Russia's economy can bear the burden of Putin's objectives in Ukraine.

Regardless of the West's response to the Crimean crisis, the economic damage to Russia will be vast. First, there are the direct costs of military operations and of supporting the Crimean regime and its woefully inefficient economy which has been subsidized by Ukraine's government for years.

Given the uncertainty surrounding Crimea's future status, these costs are difficult to estimate, though they are most likely to total several billion dollars per year. A direct cost of this magnitude amounts to less than 0.5% of Russia's GDP. While not trivial, Russia can afford it. Russia just spent \$50 billion dollars on the Sochi Olympics and plans to spend even more for the 2018 World Cup. It was prepared to lend \$15 billion to former Ukrainian President Yanukovich's government and to provide \$8 billion in gas subsidies. Then there are the costs related to the impact of sanctions on trade and investment. Though the scope of the sanctions remains uncertain, the effect could be enormous. Annual inward foreign direct investment is estimated to have reached \$80 billion in 2013.

A significant decline in FDI – which brings not only money but also modern technology and managerial skills – would hit Russia's long-term economic growth hard. And denying Russian banks and firms access to the US (and possibly European) banking system – the harshest sanction applied to Iran – would have a devastating impact. In the short run, however, it is trade that matters much more than investment. Russia's annual exports (mostly oil, gas, and other commodities) are worth almost \$600 billion, while annual imports total almost \$500 billion. Any non-trivial trade sanctions (including sanctions on Russian financial institutions) would be much more painful than the direct cost of subsidizing Crimea.

Of course, sanctions would hurt Russia's trading partners, too. But Russia's dependence on trade with the West is certainly much larger than vice versa. Moreover, the most important source of potential damage to Russia's economy lies elsewhere. Russian and foreign businesses have always been worried about the unpredictability of the country's political leadership. Lack of confidence in Russian policymaking is the main reason for capital flight, low domestic asset prices, declining investment, and an economic slowdown that the Crimea crisis will almost certainly cause to accelerate. Indeed, Russia's response to events in Ukraine has exceeded the worst expectations of those who were already questioning whether Putin is, as German Chancellor Angela Merkel put it, "in touch with reality."

The move to annex Crimea has reversed any soft-power benefit that Putin might have gained from the Sochi Olympics and the pardons he granted (as recently as December) to imprisoned opponents like Mikhail Khodorkovsky and the members of Pussy Riot. The sacrifice of these gains suggests that the Crimea adventure was not part of long-considered plan. On the contrary, since the crisis began, Russia's leaders have repeatedly contradicted their previous statements, backtracked, reversed decisions, and denied easily verifiable facts. All of this indicates that Russian political leaders have no strategy and do not foresee the consequences of their decisions. Even the Kremlin's own supporters acknowledge that Putin "is improvising."

It is also clear that the decisions to violate international law, despite the risk of economic isolation, were made in an ad hoc fashion by Putin's innermost circle. For example, Valentina Matviyenko, the chairwoman of the Federation Council (the parliament's upper house), announced that Russia would not send troops to Ukraine – just two days before she and the Council voted unanimously to authorize Putin to do precisely that. And Matviyenko is one of the 12 permanent members of Russia's National Security Council, the supreme decision-making authority on such matters. Regardless of whether the Kremlin is irrational or simply uninformed, its policy in Crimea sends an unmistakable signal to investors: Russia's political leaders are impossible to predict.

This will further undermine Russian and foreign investors' confidence and increase capital flight, which could not come at a worse time. With credit-fueled consumer spending – the engine driving GDP growth since 2010 – now running out of steam, the economy is stagnating. Meanwhile, investment is still below its 2008 peak. Despite a wealth of opportunities across the Russian economy, the country's hostile business climate – including bloated bureaucracies, widespread corruption, and the expansion of state-owned companies – has weakened Russian and foreign investors' incentive to start new projects or expand existing ones. The realization that Putin has entered, to quote Merkel again, "another world" will only make matters worse.

Will Russians notice the economic costs of the Kremlin's irrationality? GDP growth has already slowed and may turn negative. The stock market has already fallen sharply and may fall further. Of course, equity ownership in Russia is narrow; most Russians do not even follow market indices. But increased capital flight will also affect something that ordinary Russians know and care about: the ruble's exchange rate. On the Monday after Putin's Crimea adventure began, the Central Bank of Russia reportedly spent \$11.3 billion to prop up the ruble. Such support is clearly unsustainable; in fact, the CBR recently announced that it will allow the ruble to float, implying an exchange rate that reflects the market's expectations concerning oil prices and future capital outflows.

Thus, worries about a Putin who has "lost touch with reality" imply not only a lower (or even negative) GDP growth rate, but also – and more immediately – a weaker currency, driving up prices of imported consumer goods. All Russians will soon feel the effects; whether that will bring their president back from his world to this one is another matter.

Kerry and Lavrov in last-ditch Ukraine talks

Aljazeera, 14.03.2014



US Secretary of State John Kerry is meeting Russian counterpart Sergei Lavrov in London in a last-ditch attempt to resolve the crisis in Ukraine's Crimea peninsula. Kerry arrived in Britain on Friday to talk to Lavrov for the third time this month, two days before a vote that could result in Crimea joining the Russian Federation.

A senior State Department official told the Reuters that Kerry would seek assurances that Moscow would not annex Crimea and that it would work with Ukraine to neutralise tensions in the peninsula, where pro-Kremlin supporters and Russian troops have increased their presence during the past days.

The official, who briefed reporters before the trip, said: "If the Russians choose not to take that course, if Putin chooses not to avail himself with that opportunity, then there will be costs. We have made clear there is a preferred way to deal with this, which is to begin de-escalating." Lavrov made some brief remarks before going into the talks, which were held at the US ambassador's residence in London. He said: "This is a difficult situation. Many events have happened and a lot of time has been lost. Now we have to see what can be done."

US and EU leaders have in the past weeks engaged in frantic bouts of diplomacy to defuse a crisis that has severely strained relations between Russia and the West. Kerry has warned Moscow that the US and the EU will impose sanctions on Russia as early as Monday if the referendum is held. He and his European counterparts have repeatedly denounced Russia's intervention in Crimea, adding that Sunday's result is irrelevant. However, Moscow has welcomed the decision of pro-Kremlin politicians in Crimea to align themselves with the Russian Federation and has hinted that it may extend its hand in Ukraine.

Merkel warns Russia of ‘massive’ long-term damage over Ukraine

Hürriyet Daily News, 13.03.2014



German Chancellor Angela Merkel warned Russia Thursday of “massive” long-term damage to its economic and political interests if it continued to violate international law with its seizure of Ukraine’s Crimean peninsula.

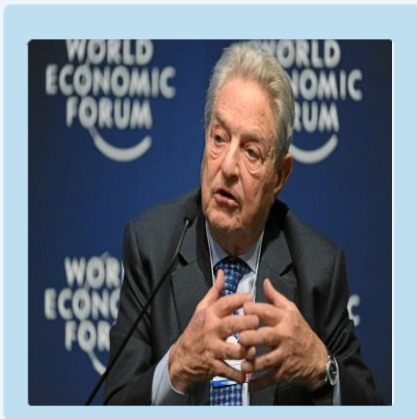
In a speech to parliament looking ahead to EU summit in which the 28-member bloc could impose new sanctions against Moscow, Merkel said Russia was using the “failed” expansionist tactics of the 19th and 20th centuries. “If Russia continues its course of the last weeks, it would not only be a catastrophe for Ukraine,” she told the chamber, where the Ukrainian ambassador to Germany was also a guest.

“It would not only change the relationship of the European Union as a whole to Russia. No, it would also, and I am firmly convinced of this, massively damage Russia both economically and politically.” Merkel said that in a year in which Europe is marking both the 100th anniversary of the start of World War I and 25 years since the fall of the Berlin Wall, Russia must learn from the mistakes of the past. “You cannot turn back the clock,” she said. “Conflicts of interest in the middle of Europe in the 21st century can only be resolved successfully if we do not employ the means of the 19th and 20th centuries.”

Merkel is widely seen as the EU’s most influential figure in the Crimea crisis but has been accused of reluctance to bring real pressure to bear against Russia due to Germany’s close trade ties with the country. During a visit to Poland Wednesday for talks with Prime Minister Donald Tusk, she warned Russia of a “second stage of sanctions” that could be imposed on Monday if Moscow fails to reverse its course on Crimea. Fresh sanctions could include freezing personal assets of Russians or Ukrainians seen as instigating the crisis as well as a visa ban.

Financier Soros warns Europe of 25-year stagnation

Daily Sabah, 13.03.2014



Billionaire investor Soros said Europe faces 25 years of Japanese-style stagnation unless the continent's politicians pursue further integration of the currency area and change policies that discourage their banks from lending to private businesses.

While the immediate financial crisis that plagued Europe since 2010 "is over," the continent still faces a longer-lasting crisis that divided the region into creditor and debtor nations, Soros said in an interview on Wednesday. Banks have been encouraged to pass stress tests rather than boost the economy by providing capital to businesses, he said.

Europe "may not survive 25 years of stagnation," Soros said. "You have to go further with the integration. You have to solve the banking problem, because Europe is lagging behind the rest of the world in sorting out its banks." Sweden's Prime Minister Fredrik Reinfeldt added his voice to those cautioning against complacency as he warned of a "very weak" recovery in Europe. Soros, whose hedge fund grew about 20 percent a year on average from 1969 to 2011, has been a constant critic of how the Eurozone was designed and of budget cuts imposed on indebted nations such as Greece and Spain at the height of the crisis. He said more "radical" policies are required to avoid a "long period" of stagnation.

European bank shares are "very depressed," making it an attractive time to invest, Soros said. Still, he said it is going to be a very tough year for lenders as they try to shrink balance sheets and boost capital to pass stress tests conducted by the European Central Bank (ECB). The ECB will analyze lenders this year to determine whether they could survive an economic crisis. ECB chairman Mario Draghi has said he is determined to convince investors that the health check is thorough and credible. Soros also said Ukraine should serve as a "wake-up call" for Europe because the political turmoil the country now faces stems in part from the same problems that triggered the region's financial crisis. The European Union required too much of Ukraine and offered too little as the country attempted to join the political bloc, he said.

That enabled Russian president Vladimir Putin to fill the void and gain power in Ukraine, he said. "Europe needs to rediscover its own European identity instead of each country just pursuing its own national interests and getting further into conflict with the others," Soros said, adding that he hoped Europe passed the test in Ukraine. Soros, who made \$1 billion betting against the U.K. pound in 1992, added that a British referendum on leaving the EU would be "disastrous" because it would cost the country jobs. U.K. growth has been fueled by multinational companies selling goods and services to Europe, so it would be "suicidal" if the country left, he said.

Sanctions on Russia can cause negative domino effect

Daily Sabah, 13.03.2014



China says imposing Russia with sanctions, could lead to a dangerous chain reaction that would be difficult to control. China's top envoy to Germany has warned the West against punishing Russia with sanctions for its intervention in Ukraine, saying such measures could lead to a dangerous chain reaction that would be difficult to control.

In an interview with Reuters days before the European Union is threatening to impose its first sanctions on Russia since the Cold War, Ambassador Shi Mingde issued the strongest warning against such measures by any top Chinese official to date. "We don't see any point in sanctions," Shi said.

"Sanctions could lead to retaliatory action, and that would trigger a spiral with unforeseeable consequences. We don't want this." The interview was conducted on Wednesday, the same day that the EU agreed a framework for sanctions that would slap travel bans and asset freezes on people and companies accused by Brussels of violating the territorial integrity of Ukraine. German Chancellor Merkel, who has taken the lead in trying to mediate in the crisis, has said the measures, which mirror steps announced by the US, will be imposed on Monday unless Russia accepts the idea of a "contact group" to resolve the crisis. Using her toughest rhetoric since the crisis began, she warned in a speech in parliament on Thursday that Russia risked "massive" political and economic damage if it did not change course in the future.

Russia's Deputy Economy Minister Alexei Likhachev responded by promising "symmetrical" sanctions by Moscow. But Shi urged patience, saying the door for talk should remain open even after a referendum on Sunday in which Ukraine's southern region of Crimea could vote to secede and join Russia. Merkel and other western leaders have denounced the referendum as illegal and demanded that it be cancelled. "We still see a chance to avoid an escalation. The door to talks is still open. We should use this possibility, also after the referendum," Shi said. Chinese President Xi Jinping, who will visit Berlin and other European capitals later this month, held separate phone calls on the Ukraine crisis with Merkel and U.S. President Barack Obama earlier this week.

But beyond urging restraint and dialogue, China has shown little public interest in becoming involved diplomatically, a stance that is in keeping with its low-key approach to many international crises. Still, Ukraine presents Beijing with a dilemma. On the one hand it is a traditional ally of Moscow and has routinely sided with its northern neighbor in major international conflicts. On the other hand, the question of territorial integrity is a tricky issue for the Chinese because of Tibet and Taiwan. If the West's confrontation with Russia over Ukraine worsens in the coming weeks, Xi's visit, the first by a Chinese president to Germany in eight years, risks being overshadowed by the crisis.

U.S. won't recognize Crimea annexation: security official

Reuters, 09.03.2014



U.S. will not recognize the annexation of Crimea by Russia if residents of the region vote to leave Ukraine in a referendum next week, U.S. national security official Tony Blinken said.

Crimean officials have called a vote for next Sunday to confirm that the region, which has an ethnic Russian majority, is a part of Russia in the wake of the ouster of Ukraine's Moscow-allied president last month. Blinken, U.S. President Barack Obama's deputy national security adviser, said on CNN's "State of the Union" program that Russia would come under increased international pressure as a result of the referendum in Crimea.

"First, if there is an annexation of Crimea, a referendum that moves Crimea from Ukraine to Russia, we won't recognize it, nor will most of the world," Blinken said. "Second, the pressure that we've already exerted in coordination with our partners and allies will go up. The president made it very clear in announcing our sanctions, as did the Europeans the other day, which this is the first step and we've put in place a very flexible and very tough mechanism to increase the pressure, to increase the sanctions." Obama will meet with Ukrainian Prime Minister Arseny Yatseniuk at the White House on Wednesday to discuss a resolution to the Crimea situation.

Obama has said a referendum on Crimea would violate international law and the Ukrainian constitution. Last week he announced sanctions including travel bans and freezing of assets of individuals responsible for Russia's military intervention in Crimea. Russian President Vladimir Putin was not among the individuals. Russian forces have seized the Crimean peninsula, crucial to Moscow as warm-water port and home to its Black Sea naval fleet, with a bloodless occupation that has elevated tensions with the West to their highest level since the Cold War. Representative Mike Rogers, the Republican chairman of the House Intelligence Committee, questioned the effectiveness of sanctions against Russia.

Rogers said on ABC's "This Week" program that Germany's economic and energy ties to Moscow could make its own economy vulnerable if sanctions bite deeply on Russia. "You've got some problems with sanctions and how that works out and how they (Germany) can go forward without screwing up their own economy," he said. Rogers said Putin had shown an "expansionist attitude" and that the United States should not underestimate "the kinds of things that he will do that he thinks is in Russia's best interests." Representative Paul Ryan, appearing on CBS's "Face the Nation," suggested targeting the oligarchs who back Putin and boosting U.S. natural gas exports as a way of cutting into a crucial Russian business in Europe.

US gas boom: A tool against Russian coercion

Hürriyet Daily News, 13.03.2014



The US, with its abundant supplies of natural gas, would seem to have an easy answer to Europe's fears that a strong response to Russia's rapid takeover of Ukraine's Crimea region could prompt Putin to shut down gas lines that keep European homes warm, factories humming and electricity flowing. Trouble is: Right now there's no way to get meaningful American supplies across the Atlantic Ocean.

Turning U.S. natural gas into liquefied natural gas (LNG), a process that makes the fuel transportable by ship, is very expensive. Beyond that the U.S. government has - until recently - been stingy with permits to build those facilities.

And regulations make it difficult to sell U.S. gas to nations that aren't in free trade compacts with Washington. That's not good news for Europeans, who are dependent on Russia for at least 30 percent of its natural gas. Consequently, Europe's reaction to the Russian seizure of Ukraine's semi-autonomous Crimea, while noisy, has little teeth. Moscow already has a history of cutting some supplies to Europe. In 2009, Europeans shivered through part of the cold winter because Moscow turned the taps off in a dispute with Ukraine over the price of gas. Some of the pipelines carrying Russian gas pass through Ukraine. And Ukraine is once again in hock to Moscow for \$1.89 billion in gas bills.

European dependence on Russian gas no doubt played into Kremlin leader Putin's calculus when his forces took control of the Crimean Peninsula, home to Moscow's Black Sea fleet and 60 percent populated by ethnic Russians. Natural gas is Russia's trump card. And while U.S. gas supplies might have given Putin pause before he initiated the current crisis, he knew the United States could not quickly make up any shortages. The crisis in Ukraine is expected to drag on even after Crimea's status is resolved, and Europe could be waiting a while for new exports of liquefied natural gas from the U.S. The first are not expected until late 2015 from a Louisiana facility. President Barack Obama's Energy Department has approved only six LNG export applications in the past four years.

All of those, aside from the Louisiana operation, aren't likely to be in operation until 2017. Twenty-two LNG export projects remain pending. Initial U.S exports, even if they went to Europe rather than pricier markets in Asia, would not suffice to offset Russian domination of the market. The Obama administration has been determined to use the American energy boom to move the United States away from dependence on imported energy supplies, with many arguments for keeping U.S. natural gas at home. Exports, some argue, would raise the cost for Americans who heat their homes with the fuel and impose higher prices on manufacturers who use the resource to make other products like plastics and fertilizer.

What's more, environmental activists contend a booming U.S. export sector would only cause even more fracking - shorthand for hydraulic fracturing - a process that many claim pollutes water supplies and increases greenhouse gas emissions. Then there's the cost. Russia, using existing pipelines - some of which cross Ukraine - can deliver gas far less expensively than could U.S. companies who would have to undertake the expense of turning the gas into a liquid and sending it by ship to market. And Asians are already paying far more for LNG deliveries than what Europeans spend for Russian gas. Thus, writes Michael Levi of the Council on Foreign Relations, it is unlikely that a shift in U.S. policy that would exploit exports to Europe, would "deter Putin from using the gas weapon."

"Moreover, unlike European gas companies, the big Russian players have much tighter ties with the state. If Moscow wants them to keep their share in the European market for strategic reasons, it may be able to make them do that. Russia would lose money - an important piece of geopolitical harm - but its leverage wouldn't be slashed," he said. Vali Nasr, dean of the Johns Hopkins School of Advanced International Studies, says however, that American supplies could have an effect. "America's gas would be more expensive than Russia's, but the mere fact of an alternative would sap Russia's leverage to blackmail Europe with threats of price rises or cutoff," he writes in The New York Times. Nevertheless, Michael McFaul, the just-departed U.S ambassador to Moscow, says the availability of American gas to Europe "puts pressure on the government inside Russia if suddenly they're losing those markets."

"But, he said, "I want to emphasize this is not going to happen overnight, over years, if not decades, not in days and weeks... "So the United States can't do much on the natural gas front right now, but it will become a lever Washington can pull in future crises with Moscow. Given Putin's recent behavior and his drive to bring former Soviet republics back under Moscow's sway, there seems little doubt those future crises will arise. The long view might be what prompted the ambassadors to Washington from Hungary, Poland, Slovakia and the Czech Republic to write over the weekend to John Boehner, Speaker of the U.S. House of Representatives, urging the U.S. to increase natural gas exports to ward off shortages if the Russians cut off supplies, even though Boehner needs little convincing."

The ambassadors pushed for quick approval of natural gas exports, saying the "presence of U.S. natural gas would be much welcome in Central and Eastern Europe. All four countries were invaded by Soviet forces or place under martial law during reform movements before the Soviet empire collapsed in 1991. They had a sympathetic ear in Boehner, who wrote in the Wall Street Journal last week: "The ability to turn the tables and put the Russian leader in check lies right beneath our feet, in the form of vast supplies of natural energy." But the White House argues Russia is so dependent on revenue from gas sales that it is unlikely that the Kremlin will cut off supplies to Europe regardless of the Ukraine crisis. "Proposals to try to respond to the situation in Ukraine that are related to our policy on exporting natural gas would not have an immediate effect," White House spokesman.

How U.S. military power benefits China

The Diplomat, 13.03.2014



Often overlooked in the debates about the possibility of a future struggle between the United States and China in East Asia is the fact that the current U.S. military presence in the region actually serves and supports a number of critical Chinese strategic interests.

Beijing actually benefits in a number of ways from U.S. power, suggesting that the contention that China is ultimately seeking to push the US militarily out of the region may not be as clear cut as is often assumed and asserted. The US security commitment to Japan has for over six decades allowed Tokyo to “free ride” on U.S. military in East Asia.

And this has meant that Japan has not built up a conventional military capability in keeping with the size and wealth of its economy. Whilst Japan is undoubtedly today an important military actor within the region, it is highly likely that it would possess far greater conventional military capabilities were it not for the credible security guarantee provided to Japan by the strong U.S. military presence in the region. Whilst Japanese free-riding may or may not serve U.S. interests, the fact that the U.S. security guarantee has served to limit the size and power of Japan’s conventional military is highly beneficial for Beijing, given China and Japan’s history of hostility and conflict, current territorial disputes and their growing competition to be the lead East Asian nation.

Tokyo would likely respond to diminishing U.S. regional power by significantly bolstering its own conventional military capabilities. For China, this would be something of a pyrrhic victory, as Beijing would have only succeeded in replacing the U.S. presence with growing Japanese military power, something China would likely view as a much more significant threat. Thus, pushing the United States militarily out of the East Asia may prove to be of questionable value to Beijing and could even worsen China’s strategic position with regard to Japan. Given this, Beijing may instead look to continue to rise and operate within the existing regional framework built and maintained by the deployment of significant U.S. military power, which has so far proved highly effective at limiting Japan’s conventional military capabilities and aspirations.

U.S. military power and its security commitments in East Asia can be seen as a critical factor in explaining why Japan, South Korea and Taiwan have not become nuclear actors and why there is little likelihood of Tokyo, Seoul or Taipei pursuing a latent or actual nuclear capability in the near future. In the case of Japan and South Korea, the fact that both states are protected by U.S. defense treaties and the U.S. nuclear umbrella has meant that neither Tokyo nor Seoul currently consider it necessary or in their interests to seek to acquire an independent nuclear capability, despite their challenging security environments. In the 1970s and the 1980s, the United States used its significant diplomatic and military ties and leverage with Taipei to shut down Taiwan’s nuclear program on two separate occasions.

The fact that Taipei has seemingly abandoned any ambitions to pursue an actual or latent nuclear capability can principally be seen as resulting from the U.S. security commitment and Washington's clear and forcefully demonstrated opposition. The fact that U.S. power has helped to prevent each of these actors from seeking to become nuclear powers is strategically beneficial for China. If any of its East Asian neighbors possessed a nuclear capability or were seriously pursuing one, China's already challenging and complex security environment would be that much more complicated. It would also heighten the risk of China being affected by a nuclear crisis or accident and would also increase the possibility of Beijing being drawn into nuclear diplomacy or destabilizing acts of nuclear brinkmanship.

Further, if Taiwan had succeeded in achieving a nuclear deterrent it would have essentially ended Beijing's ability to reassert control over the island and instead made it highly probable that Taipei would have used the security provided by its nuclear capability to declare independence. So the fact that U.S. power has served to dampen down the possibility of nuclear proliferation in East Asia has produced real and significant strategic dividends for Beijing, including with regard to its core interests relating to Taiwan. This demonstrates a further area of overlap between U.S. and Chinese interests in the region, and again shows how the U.S. military presence in East Asia does not automatically equate to a challenge or threat to Chinese interests, and indeed provides further reason to think that China may not necessarily look to drive Washington militarily out of East Asia.

U.S. naval power in East Asian waters, and the wider Indian and Pacific Oceans, has and does greatly benefit China both economically and strategically. The long-standing and unswerving U.S. commitment to open and stable sea lanes – and its ability to maintain them – has helped support and facilitate China's spectacular economic rise since the 1980s. Today, not only do Chinese exports move freely across stable sea lanes guaranteed by U.S. power, but so do ever growing quantities of vital Chinese energy imports from the Middle East, Africa and Latin America. This fact alone provides the clearest example of how China benefits from a strong U.S. military presence in East Asia. It is also the strongest reason why in the future Beijing may not consider it to be in its interests to try to weaken and diminish the U.S. military presence in East Asia.

If the U.S. was forced to relinquish its role as guarantor of open and stable regional sea lanes, then Beijing would be forced to try to step into the breach, given that its economic model is so reliant on uninterrupted maritime trade. This would entail significant costs, and for now at least there is not much evidence to suggest that Beijing is willing or able to take on the burden of ensuring that East Asia's vast and numerous maritime trade routes remain open and secure. Even if Beijing were willing to replace the United States as the guarantor of open sea lanes in East Asia, other states in the region – notably Japan – would likely balk at the prospect, and would either individually or collectively seek to fill the power vacuum.

The result would be an increase in defense outlays by states across the region and a possible naval race between major East Asian states that could potentially disrupt maritime trade. Naturally, both of these developments would be unwelcome and troubling for Beijing. Beijing today benefits enormously from open regional sea lanes without having to bear the diplomatic, fiscal and military costs of maintaining them. It would seem a real possibility that China might prefer to see the U.S. continue to carry the significant costs of providing this regional public good. Clearly, the significant U.S. military presence in East Asia advances a number of core Chinese strategic interests.

Trans-Pacific partnership: time for some American hustle

The Diplomat, 11.03.2014



Courtship is tricky enough between two people. Imagine trying to negotiate a prenuptial agreement with ten suitors, while children cause strife at home. This is the conundrum faced by the Obama administration, which now faces significant international and domestic opposition to two major trade initiatives: the Trans-Pacific Partnership (TPP), and the Transatlantic Economic and Trade Pact (ETP).

Both are still in negotiation, but it is not too early to distinguish their relative merits. The TPP is more advantageous given the growing importance of the Asia-Pacific, the declining fortunes of Europe.

Meanwhile, the Regional Comprehensive Economic Partnership is gathering steam in Asia, led by China. Unless the White House puts Europe on the back-burner to focus on Asia, President Barack Obama will leave office having failed to significantly advance American interests in free trade. He needs to put his shoulder behind a swift ratification of the TPP. Politics in Washington has become a zero-sum game, and the successful conclusion of any free trade agreement with the United States can only be reached with the support of both houses of Congress. Such agreements are also subject to the domestic political consensus of signatory countries. As a result, the ratification of such agreements requires lengthy negotiation, and the expenditure of considerable political capital.

The concurrent pursuit of two major trade agreements will probably result in the failure of both. The TPP would more profitably link the U.S. to dynamic economies of the Asia-Pacific; including Australia, Brunei, Chile, Malaysia, New Zealand, Peru, Singapore, Vietnam, Mexico and Canada. These nations have a combined GDP of over \$11 trillion (excluding the United States). This is still somewhat less than the European Union. However, other factors make TPP nations more appealing to U.S. economic interests. While the TPP would encourage increased economic interaction with many of the most vibrant economies in the world, the ETP would focus American trade policy towards Europe – a continent of moribund economic and demographic countenance.

The population of the European Union is forecast to decline with increasing speed over the next five decades, and economic growth remains generally senescent. The Asia-Pacific already accounts for sixty percent of global GDP and fifty percent of international trade. The region is expected to record more than five percent growth this year and next. The EU and U.S. already enjoy the most integrated economic relationship in the world. The U.S. invests three times more in the EU than in all of Asia combined. EU investment in the U.S. is eight times higher than the sum of EU investment in India and China. Some may suggest that this indicates America should focus her policy attention on fully exploiting this primary relationship, but this can hardly be justified on economic grounds. In fact the reverse is true.

Trans-Atlantic economic integration is near full bloom. Trans-Pacific trade relations are comparatively immature, demonstrating strong potential for growth, and are more deserving of the finite policy attentions of the Obama administration. Economic gravity ensures that European fortunes will probably always be tied to American consumers. America will remain Europe's largest market, but the U.S. is unencumbered by Europe's dictates of geography. Forging an ever-more perfect trading union across the Atlantic can wait until the U.S. is ready. The dynamic economies across the Pacific will not. Extensive negotiation towards a free trade agreement with Europe offers little economic incentive to the United States above the status quo. The reduction of already low average tariffs would probably not stimulate positive trade growth with Europe sufficient to offset that continent's negative economic and demographic trajectory.

The most positive reforms of an ETP would stem from the reduction of Non Tariff Measures, such as regulatory divergence. In the best possible case, eradicating the Non Tariff Measures which disrupt trans-Atlantic trade would benefit the EU GDP to the tune of €122 billion, and the U.S. GDP €41 billion, according to EU forecasting. While clearly advantageous to the EU, the relatively small sum likely to flow to the United States is not worth the diplomatic chase. Moreover, there is no guarantee the U.S. could secure any meaningful reduction of complex Non Tariff Measures from the notoriously over-regulated European Union. In contrast, the United States and Asian countries frequently subject one another to high tariff duties. For example, in 2011 the United States exacted tariffs averaging 11.4 percent on imported clothing and 7.9 percent on textiles.

Chinese duties on transport equipment and manufactures hover around 12 percent. Clearly, there is more scope for the U.S. to expand international commerce by liberalizing trade policy with Asia than can be weaned from Europe. The United States can expect diminishing returns for as long as trade policy is skewed away from the Asia-Pacific. Also, the U.S. has a shrinking window of opportunity to structure the international trading environment in its favor. Although trade between the U.S. and Asia continues to grow, the American share of Asian international trade has actually declined by nine percent since 1990. In part, this is because Asian nations continue to broker preferential deals among themselves.

Regional governments are drawing up a new architecture for international trade, which threatens to draw "a line down the middle of the Pacific." ASEAN's ten member states – along with Australia, China, Japan, India, South Korea, and New Zealand are now working towards the world's largest-ever regional trade agreement, the Regional Comprehensive Economic Partnership (RCEP). This proliferation of free-trade agreements will proceed with or without U.S. involvement. It is in American interests to exercise leadership in designing this system, or risk becoming politically and economically isolated in the region. China's promotion of the RCEP threatens just that.

While initial membership of the TPP would not include many of Asia's largest economies (such as China), signatory countries share a similar trajectory of growth and will each benefit from proximity to these significant emerging markets. Moreover, the TTP is widely considered a prelude to far broader economic integration, encompassing much (if not most) of the Asia-Pacific. The TPP could establish a framework for other countries to sign on without being subject to the exhausting negotiations required for bilateral agreements. Countries could simply elect to join the TPP, via what has been described as a "docking" arrangement. As one representative of the AFL-CIO states, the TPP could be the last trade agreement the U.S. negotiates. From now on, other countries could simply elect to join the Trans-Pacific Partnership.

Obama has invited China to join the TPP, and the agreement could form a building block towards a wider Free Trade Agreement of the Asia-Pacific Region (FTAAP) – a goal endorsed by APEC leaders in 2006. Such an outcome is to be encouraged. It would buttress America's economic stake in the Asia-Pacific for the foreseeable future, as well as encourage U.S.-Sino cooperation across a range of international issues. One such issue likely to be addressed by the TPP is the protection of U.S. intellectual property. The requirement for "adequate and effective protection and enforcement of intellectual property rights" was clearly enunciated in Article 1.1 of the TPP Main Agreement.

Indeed, the TPP is reported to establish binding rules on everything from service-sector regulation, investment, patents and copyrights, government procurement, financial regulation, and labor and environmental standards, as well as trade in industrial goods and agriculture. Action across all of these issues is more urgent among the developing countries of the Asia-Pacific than in the prosperous EU. The TPP not only offers clear economic advantage to the U.S., but also complements the grand strategy of American rebalancing towards the Asia-Pacific. It will enable the Obama administration to help draft the blueprints for increased Asian integration and economic growth, cementing American leadership in the region.

This is not a matter of choice, but an economic and strategic necessity. The ETP would doubtless help streamline U.S. – EU trade. But in a highly contested legislative environment, where the ratification of major trade agreements requires the investment of precious political capital, that capital is better invested in the TPP. After decades of trimming her sails across the Atlantic, it is time for the United States to unfurl the spinnaker and make haste for the Asia-Pacific.

Duties without borders

Politics Syndicate, 10.03.2014



More than 130,000 people are said to have died in Syria's civil war. United Nations reports of atrocities, Internet images of attacks on civilians, and accounts of suffering refugees rend our hearts. But what is to be done – and by whom?

Canadian scholar-politician Michael urged Obama to impose a no-fly zone over Syria, despite the near-certainty that Russia would veto the United Nations Security Council resolution needed to legalize such a move. In Ignatieff's view, if Syrian President Assad is allowed to prevail, his forces will obliterate the remaining Sunni insurgents – at least for now; with hatreds inflamed, blood eventually will flow again.

In an adjoining article, the columnist Thomas Friedman drew some lessons from the United States' recent experience in the Middle East. First, Americans understand little about the social and political complexities of the countries there. Second, the US can stop bad things from happening (at considerable cost), but it cannot make good things happen by itself. And, third, when America tries to make good things happen in these countries, it runs the risk of assuming responsibility for solving their problems. So what are a leader's duties beyond borders?

The problem extends far beyond Syria – witness recent killings in South Sudan, the Central African Republic, Somalia, and other places. In 2005, the UN General Assembly unanimously recognized a “responsibility to protect” citizens when their own government fails to do so, and in 2011 it was invoked in UN Security Council Resolution 1973, authorizing the use of military force in Libya. Russia, China, and others believe that the principle was misused in Libya, and that the guiding doctrine of international law remains the UN Charter, which prohibits the use of force except in self-defense, or when authorized by the Security Council. But, back in 1999, when faced with a Russian veto of a potential Security Council resolution in the case of Kosovo, NATO used force anyway, and many defenders argued that, legality aside, the decision was morally justified. So which arguments should political leaders follow when trying to decide the right policy to pursue?

The answer depends, in part, on the collectivity to which he or she feels morally obliged. Above the small-group level, human identity is shaped by what Benedict Anderson calls “imagined communities.” Few people have direct experience of the other members of the community with which they identify. In recent centuries, the nation has been the imagined community for which most people were willing to make sacrifices, and even to die, and most leaders have seen their primary obligations to be national in scope. In a world of globalization, however, many people belong to multiple imagined communities. Some – local, regional, national, cosmopolitan – seem to be arranged as concentric circles, with the strength of identity diminishing with distance from the core; but, in a global information age, this ordering has become confused.

Today, many identities are overlapping circles – affinities sustained by the Internet and cheap travel. Diasporas are now a mouse click away. Professional groups adhere to transnational standards. Activist groups, ranging from environmentalists to terrorists, also connect across borders. As a result, sovereignty is no longer as absolute and impenetrable as it once seemed. This is the reality that the UN General Assembly acknowledged when it recognized a responsibility to protect endangered people in sovereign states. But what moral obligation does this place on a particular leader like Obama? The leadership theorist Barbara Kellerman has accused former US President Bill Clinton of the moral failure of insularity for his inadequate response to the genocide in Rwanda in 1994. In one sense, she is right.

But other leaders were also insular, and no country responded adequately. Had Clinton tried to send American troops, he would have encountered stiff resistance in the US Congress. Coming so soon after the death of US soldiers in the 1993 humanitarian intervention in Somalia, the American public was in no mood for another military mission abroad. So what should a democratically elected leader do in such circumstances? Clinton has acknowledged that he could have done more to galvanize the UN and other countries to save lives in Rwanda. But good leaders today are often caught between their personal cosmopolitan inclinations and their more traditional obligations to the citizens who elected them.

Fortunately, insularity is not an “all or nothing” moral proposition. In a world in which people are organized in national communities, a purely cosmopolitan ideal is unrealistic. Global income equalization, for example, is not a credible obligation for a national political leader; but such a leader could rally followers by saying that more should be done to reduce poverty and disease worldwide. As the philosopher Kwame Anthony Appiah has put it, “Thou shalt not kill is a test you take pass-fail. Honor thy father and thy mother admits of gradations.” The same is true of cosmopolitanism versus insularity.

We may admire leaders who make efforts to increase their followers' sense of moral duties beyond borders; but it does little good to hold leaders to an impossible standard that would undercut their capacity to remain leaders. As Obama wrestles with determining his responsibilities in Syria and elsewhere, he faces a serious moral dilemma. As Appiah says, duties beyond borders are a matter of degree; and there are also degrees of intervention that range from aid to refugees and arms to different degrees of the use of force. But even when making these graduated choices, a leader also owes his followers a duty of prudence – of remembering the Hippocratic oath to first of all, do no harm. Ignatieff says Obama already owns the consequences of his inaction; Friedman reminds him of the virtue of prudence. Pity Obama.

China draws 'red line' on North Korea

Aljazeera, 08.03.2014



Beijing calls for renewed talks over Pyongyang's atomic programme, saying it will not allow war on Korean peninsula. China has declared a "red line" on North Korea, saying it will not permit chaos or war on the Korean peninsula, and that denuclearisation is the only way to achieve peace.

China is the most important diplomatic and economic supporter of North Korea, a country largely isolated as it faces UN sanctions for refusing to abandon its atomic bomb programme. However, Beijing's patience with Pyongyang has been wearing thin following three nuclear tests.

The last of such incidents took place on March 7, when China voiced "deep concerns" to North Korea following reports that a missile launched by the latter passed by a Chinese civilian plane, according to a Reuters news agency report. "The Korean peninsula is right on China's doorstep. We have a red line, that is, we will not allow war or instability on the Korean peninsula," Chinese Foreign Minister Wang Yi told reporters on Saturday, on the sidelines of China's annual largely toothless parliament. Wang called upon all parties to "exercise restraint", adding that "genuine and lasting peace" on the peninsula was only possible with denuclearisation.

US Secretary of State John Kerry visited China last month and said after talks in Beijing that China and the US were discussing specific ways to press North Korea to give up its nuclear programme. Western countries and independent experts have accused China of failing to implement properly UN sanctions on North Korea, including punitive measures adopted after Pyongyang's third nuclear test in February last year. North Korea has forged ahead with its nuclear development after declaring the so-called six-party talks dead in 2008, overturning its commitments made under a 2005 disarmament deal aimed at rewarding it with economic incentives. Wang reiterated China's calls for a resumption of the talks between North Korea, South Korea, the US, Japan, Russia and host China.

China to help Afghanistan fight ‘terrorism’

Aljazeera, 08.03.2014



Offer comes as China accuses fighters from neighbouring countries of supporting Muslim ‘separatists’ in China. China has said that it will work with Afghanistan to fight “terrorism”, after it blamed a deadly train station attack on “extremists” from its western Xinjiang region, which shares a short border with the war-torn nation.

Saturday’s announcement from FM Wang Yi comes as Beijing expressed increasing concern about security in restive Xinjiang, where it says Muslim fighters receive help from those in neighbouring countries. China says separatists from the region, home to a large Muslim Uighur minority.

China will work with the international community for political reconciliation in Afghanistan and support reconstruction, the foreign minister said at a press briefing during an annual session of China’s largely rubber-stamp parliament. “We will also work with Afghanistan and other neighbours to resolutely fight all terrorist forces,” he said. China will host a foreign ministerial conference on Afghanistan in August to encourage “a move toward lasting peace”, Wang added. Wang visited Afghanistan last month as US and allied troops prepare to draw down their forces after more than 12 years of fighting the Taliban.

China has been stepping up its engagement with other regional players in recent months in Afghanistan, Beijing-based diplomats say, mainly out of concern that the NATO-led force’s pullout may spawn instability that could spill into Xinjiang. Many Uighurs in the energy-rich region, which borders ex-Soviet Central Asia, Afghanistan, Pakistan and India, chafe at Chinese restrictions on their culture and religion. More than 100 people there have been killed in unrest in the past year, according to Chinese state media reports. China bristles at suggestions from exiles and rights groups that the violence is driven more by unhappiness at government policies than by any serious threat from separatist groups who want to establish an independent state called East Turkestan.

Announcements & Reports

► *Reiderstvo: Asset-Grabbing in Russia*

Source : Chatham House

Weblink : <http://www.chathamhouse.org/publications/papers/view/198133>

► *The Legal Classification of the Armed Conflicts in Syria, Yemen and Libya*

Source : Chatham House

Weblink : <http://www.chathamhouse.org/publications/papers/view/198023>

► *The Kurdish Question and US-Turkish Relations in a Changing Middle East*

Source : Atlantic Council

Weblink : http://www.atlanticcouncil.org/images/publications/Kurdish_Question_and_US-Turkey_Relations.pdf

► *“Cyber Threat and Response”*

Source : Center for Strategic and International Studies

Weblink : http://csis.org/files/publication/140313_FireEye_WhitePaper_Final.pdf

► *Peace and Stability in the Post-Conflict Era/Colombia*

Source : Center for Strategic and International Studies

Weblink : http://csis.org/files/publication/140304_Meacham_Colombia_Web.pdf

Upcoming Events

► *8th International Turkish - African Congress*

Date : 16 – 17 April 2014
Place : Accra-Ghana
Website : http://www.tasam.org/en/Icerik/5010/the_8th_turkish_-_african_congress_in_ghana

► *9th International Turkish - African Congress*

Date : 24 – 25 April 2014
Place : Turkey
Website : http://www.tasam.org/en/Etkinlik/592/9th_international_turkish_-_african_congress

► *3rd World Turkic Forum*

Date : 28 – 30 May 2014
Place : Edirne – Turkey
Website : http://www.tasam.org/en/Etkinlik/579/3rd_world_turkic_forum

► *Feeding the World Summit*

Date : 13 February 2014
Place : London - UK
Website : <http://www.economistinsights.com/sustainability-resources/event/feeding-world-2014?region%5B4%5D=4®ion%5B7%5D=7>

► *The Lisbon Summit*

Date : 18 February 2014
Place : Lisbon - Portugal
Website : <http://www.economistinsights.com/countries-trade-investment/event/lisbon-summit?region%5B4%5D=4®ion%5B7%5D=7>

► *Arctic Summit 2014*

Date : 4 March 2014
Place : London - UK
Website : <http://www.economistinsights.com/sustainability-resources/event/arctic-summit-2014?region%5B4%5D=4®ion%5B7%5D=7>

► *The CFO Summit 2014*

Date : 6 March 2014
Place : London - UK
Website : <http://www.economistinsights.com/business-strategy/event/cfo-summit-2014?region%5B4%5D=4®ion%5B7%5D=7>

► *The Azerbaijan Investment Summit*

Date : 11 March 2014

Place : Baku - Azerbaijan

Website : <http://www.economistinsights.com/countries-trade-investment/event/azerbaijan-investment-summit?region%5B4%5D=4®ion%5B7%5D=7>

► *9th International Turkish - African Congress*

Date : 24 – 25 April 2014

Place : Turkey

Website : http://www.tasam.org/en/Etkinlik/592/9th_international_turkish_-_african_congress

► *European Energy Horizons 2014*

Date : 8 May 2014

Place : Stockholm - Sweden

Website : <http://www.economistinsights.com/energy/event/european-energy-horizons-2014?region%5B4%5D=4®ion%5B7%5D=7>

► *3rd World Turkic Forum*

Date : 28 - 30 May 2014

Place : Edirne - Turkey

Website : http://www.tasam.org/en/Etkinlik/579/3rd_world_turkic_forum

► *World Water Conference*

Date : 11 November 2014

Place : Edirne - Turkey

Website : <http://www.economistinsights.com/sustainability-resources/event/world-water-forum?region%5B4%5D=4®ion%5B7%5D=7>