Politics & Economics Bulletin

▶ 28.03.2014



Turkey 'to re-negotiate' Customs Union with EU

Hürriyet Daily News, 23.03.2014



Turkey will bring up the Customs Union deal for negotiation with the European Union by June, Economy Minister Nihat Zeybekci has announced.

The move comes amid Ankara's mounting frustration with the accord, particularly after Brussels recently kicked off the free trade deal process with Washington. "By June, we're going to re-open for negotiation the Customs Union Agreement, to which no sovereign independent state should agree," Zeybekci said March 23, speaking with local businessmen in the southern province of Burdur. "I was with economy and trade ministers and delegations of 28 EU member countries.

I pressured these men about the Customs Union ... We met three times and we're now going to get together for a fourth time," he said. Critics of the accord that was agreed in 1996, including Zeybekci's predecessor Zafer Caglayan, say it restricts Turkey's export competitiveness. This is because the bloc is able to enter into free-trade agreements with other nations that are binding for Ankara, without the Turks having a say. The Transatlantic Trade and Investment Partnership, for which negotiations have started between the United States and the European Union, is the latest such agreement to deal a blow to Turkey, causing the resentment of many local exporters. Free trade deals between the EU and third parties enable other countries' goods to enter Turkish markets via Europe with zero duties, but the decision to provide the same privileges to Turkey is up to the third party.



Turkey commits to HEU removal to boost nuclear security

Today's Zaman, 25.03.2014



Turkey, along with 11 other countries, has agreed on a joint statement for the elimination of HEU from within its borders and promoting the development of LEU for research reactors.

The statement was announced in The Hague, where world leaders gathered for a nuclear security summit. Other countries endorsing the declaration are Chile, the Czech Republic, Denmark, Georgia, Hungary, Mexico, the Republic of Korea, Romania, Sweden, Ukraine and Vietnam. Gathered in The Hague on the occasion of the third Nuclear Security Summit, leaders of Chie, wish to highlight the elimination of HEU from within our borders.

Noting the extensive security measures and significant financial costs associated with the possession of this material, and the technology that has been developed to fuel research reactors with low enriched uranium (LEU) fuel and to conduct the vast majority of experiments and to produce isotopes without the use of HEU, the removal of HEU from our territories has had clear and tangible benefits," the statement reads. The White House welcomed the joint statement as well, stating, "The leadership role these nations are playing in a growing global trend away from highly enriched uranium in civilian uses." The joint statement expressed "appreciation" to the US, Russia and the International Atomic Energy Agency (IAEA) "for their assistance in converting research reactors from HEU fuel to LEU fuel and in related HEU removal efforts."

"This material, once removed, shall be appropriately secured until ultimately disposed of or down blended to LEU and utilized for civilian purposes," the joint statement said. Energy-hungry Turkey seeks to build two nuclear power plants, in cooperation with Japan and Russia, as part of its efforts to diversify its energy resources and decrease dependence on gas and oil imports. An agreement Turkey signed with Japan in January to build a nuclear plant led to speculation that Ankara may end up acquiring HEU, which can in turn be used in development nuclear weapons. The Hague declaration appears to remove prospects for Turkish acquisition of HEU.

President Abdullah Gül, who attended the nuclear summit in The Hague, said Turkey supported nations' rights to acquire nuclear energy for peaceful purposes and "fully in line with international obligations." The summit took a major step on Tuesday in the direction of forming what US Energy Secretary Ernest Moniz called "the closest things we have to international standards for nuclear security," when the majority of the participant countries pledged to turn international guidelines on nuclear security into national laws. The initiative, endorsed by 35 of the 53 nations attending the summit, is aimed at preventing terrorists from getting their hands on nuclear material. In a step towards creating a legal framework to combat nuclear terrorism, the initiative also commits the countries to open up their security procedures to independent review.



Israeli government agrees to free flow of Turkish aid to Gaza strip

Daily Sabah, 26.03.2014



Israel will pay \$21 million in compensation and lift Gaza siege to restore relations with Turkey after the Mavi Marmara raid that left nine Turkish nationals death. While relations between the two countries started to normalize after Israeli PM Netanyahu called PM Erdogan and apologized for the incident, bilateral relations were blocked without the payment of reparations by Israel and the lifting of the siege of Gaza.

Bilateral talks were initiated by the Undersecretary of Turkey's Minister of Foreign Affairs Feridun Sinirlioglu in April 2013. The two sides met in Istanbul in December and agreed on fundamental principles.

Arınc noted that the latest consensus was reached last month with Israel. "But we are busy during this process, so are they," said Arınc, who explained both states will focus on reaching a binding legal resolution on the payment of reparations following Turkey's local elections that will be held on March 30. The official document would then be sent to the Turkish Grand National Assembly (TBMM) for approval. Previously, Israel refused to agree to the reparations requested by the Turkish side. Israeli news sources claim the total amount Israel will pay is projected at \$20 million, whereas the Ministry of Foreign Affairs sources claim the amount will reach about \$21 million. Currently, final modifications are being made to the agreement text and Turkey made no concessions to the amount they deemed appropriate and rightful.

Foreign Affairs sources also said Turkey took into consideration international norms and regulations in the process and aimed for a just resolution. Officials claimed the agreement was multidimensional and the reparations were only a single aspect of the agreement. Under the scope of the agreement to be signed between Turkey and Israel, the lifting of the siege on Gaza will also be guaranteed. Turkey will be exclusively authorized to send humanitarian aid supplies to Palestine and Gaza. Turkey will send an ambassador to Tel Aviv following the ratification of the agreement and the ambassador will be responsible for coordinating the delivery humanitarian aid supplies.

Officials pointed out Turkey do not recognize the embargo, and the closure of the Rafah border exacerbated the humanitarian crisis in Gaza. The agreement sets forth the establishment of an order to permit Turkey to send humanitarian assistance to Gaza at its own discretion and the appointment of an ambassador to establish this order. Relations between Turkey and Israel became strained following the storming of the Mavi Marmara, a humanitarian aid ship carrying supplies to Gaza 'n international waters as part of the Gaza Freedom Flotilla. Israeli soldiers killed nine unarmed Turkish activists and injured many. The attack was widely criticized by various countries and international organizations. The United States played a significant role in the reconciliation process between Turkey and Israel, according to Arınc.



"Prime Minister Netanyahu told President Barack Obama during his visit to Israel last year in March that he would accept the conditions set by Turkey," said Arınc. Arınc asserted the current state of events is a direct result of diplomacy and the American president played a significant role in the process by encouraging reconciliation, which resulted in the official apology by Netanyahu and paved the way for reconciliation talks. Turkey consistently emphasized the significance of lifting the siege on Gaza with the significant humanitarian crisis. There is a serious destruction of the infrastructure and basic social services, preventing people from carrying on their everyday lives. The International Red Cross termed the crisis "intolerable" and a "full blown humanitarian crisis" with over 1.7 million Palestinians confined to the Gaza strip and cut off from the outside world.

Opposition fails to get Syria Arab League seat

Aljazeera, 27.03.2014



SNC unable to convince body to hand it Syria's seat but will attend ministerial meetings on an "exceptional basis". The opposition Syrian National Council (SNC) has made only marginal gains at a meeting of the Arab League, despite two days of intense lobbying.

The 22-member summit, which concluded in Kuwait City on Wednesday, decided to allow the SNC to participate in ministerial meetings on an "exceptional basis". But the league stopped short on Wednesday of granting the group the official recognition it sought to be Syria's sole legitimate representative.

Nor did the body accede to SNC requests for weapons to be sent to rebels fighting to overthrow President Bashar al-Assad. Nabil al-Araby, the league's general-secretary, said Syria's seat had been kept empty during the summit because "the SNC is not a government and council seats are for governments". He said this was the reason he "was against giving the SNC a seat" at last year's League meeting in Cairo. Louay Safi, a spokesman for the SNC, appeared to confirm reports that Egypt had aligned itself with Algeria, Lebanon and Iraq in rejecting the handover of Syrian representation to the SNC. "Egypt had reservations," he told Al Jazeera. Safi told reporters: "We are surprised that Nabil al-Araby is still trying to reach a decision in a way that is not positive but we are not going to come to any conclusions."

On Tuesday, Ahmad al-Jarba, the head of the SNC, criticized the Arab League's decision to keep the seat empty, saying it was a message to Assad that "he can kill, and that the seat will wait for him to resolve his war". Al Jazeera reported earlier that Lebanon had threatened to pull out of the summit if the SNC were granted the Syria seat. The Lebanese finance minister tweeted during the opening session that he stormed out of the session during Jarba's speech "in line with his convictions and principles". Iraqi Foreign Minister Hoshiyar Zebari disagreed with the access granted to the SNC, telling Reuters news agency:



"Where is their sovereignty? Where is their authority? They are not a state; they don't have a government even." Following the declaration, Safi said: "The decisions of the summit are not against the opposition - they maintained recognition of the Syrian National Coalition as the legitimate representative of the Syrian people." According to a declaration issued following the summit, the bloc condemned the "mass killing" by the Syrian government, insisting that a political solution to the three-year civil war remained a priority. The summit did not explicitly address the diplomatic row between Qatar and its Gulf neighbors. Earlier this month, Saudi Arabia, the UAE and Bahrain withdrew their envoys from Doha "to protect their security and stability". The next Arab League Summit is due to be held next spring in Egypt.

'Persian Gulf islands belong to Iran forever'

Mehr News Agency, 27.03.2014



Iran's FM spokeswoman has rejected Arab League's recent statement supporting a wrong claim by UAE over Iranian triple islands in the Persian Gulf. Afkham said that "Greater Tunb, Lesser Tunb and Abu Musa's belonging to Iran is rooted in history and this is an undeniable historical fact."

She reiterated that "the Islamic Republic of Iran holds a permanent and organized policy to expand the relations with the Islamic, neighboring and Arabic countries" and added that "solving regional and international issues requires discourse and cooperation among the Islamic countries and Iran always tries to help the same objective."



Kerry meets Abbas as peace process founders

Aljazeera, 27.03.2014



Kerry and Abbas spoke for more than four hours over a working dinner as efforts to salvage peace talks continue.US Secretary of State John Kerry has met the Palestinian President Mahmoud Abbas in a bid to salvage foundering peace talks that were dealt a new blow when Arab leaders said they would never recognize Israel as a Jewish state.

Kerry and Abbas spoke for more than four hours over a working dinner in the Jordanian capital of Amman that US officials said were "constructive." No other details of the meeting were released. Kerry planned further talks with Abbas and with Israeli PM Netanyahu in the coming days.

Kerry flew from Rome to Amman to see Abbas as negotiations approached a critical April 30 deadline for a settlement. The Palestinians have threatened to walk away before then unless Israel releases a group of prisoners, as it agreed to, by Saturday. Speaking to reporters earlier on Wednesday in Kuwait, Abbas said he still was waiting to receive a formal framework proposal from Kerry. He said there have been no talks on extending negotiations beyond the April deadline, adding that the coming month would be "a very important period". Wednesday's announcement by the Arab League, blaming Israel for a lack of progress in the Middle East peace process, put up another roadblock.

The communique, issued at the end of a two-day summit, also rejected "the continuation of settlements, Judaisation of Jerusalem, and attacks in its Muslim and Christian shrines." The League's announcement that it would not recognize Israel as the homeland of the Jewish people rejected a key demand of Netanyahu. The Palestinians say such recognition would undermine the rights of Palestinian refugees and Israel's Arab minority. In Amman, Kerry met first on Wednesday with Jordan's King Abdullah II before the dinner with Abbas. Kerry planned to return to Rome on Thursday to join President Barack Obama at meetings with Pope Francis and Italian officials. Kerry will then join Obama in Saudi Arabia on Friday and Saturday.



US State Department 'not backing any candidate' in Egypt elections

I24 News, 27.03.2014



Former army chief Sisi, who led coup against Morsi, strongly favored to win presidential seat. The US vowed Thursday it was not backing any particular candidate in upcoming elections, with Army Chief Sisi strongly favored to win.

Sisi's candidacy is being hailed by the millions of Egyptians weary of more than three years of turmoil since the overthrow of veteran strongman Hosni Mubarak. But experts warn he is certain to continue the crackdown on Islamists that started when he overthrew elected president Mohamed Morsi in July. Washington has long held an official position of non-interference in its Arab ally's political process.

"The United States does not support individual parties or candidates in Egypt's elections," deputy State Department spokeswoman Marie Harf said in an email to AFP. "We have said repeatedly that we will respect the Egyptian people's choice for their next president, and it's the Egyptian people themselves who must decide both the direction of their country and its leadership." She added it was "critical that they are able to do so in an environment that allows the free expression of political views without intimidation or fear of retribution." Sisi earlier ditched his military fatigues and resigned as Egypt's defense minister, a day after announcing he would stand for president.

Declaring his widely anticipated candidacy in a televised address on Wednesday, Sisi vowed to fight "terrorism" and work toward restoring Egypt's battered economy. The wildly popular candidate faces no serious competition in the election to be held before June and is widely seen as the only leader able to restore order. Harf reiterated US calls for Army-backed Egyptian authorities to ensure "free, fair and transparent" elections. During her daily press briefing, Harf said Washington was closely monitoring the conduct of elections as part of "our assessment of where Egypt is in this transition that has had, quite frankly, some bumps in the road over the past six, eight, nine months now."



West seeks to isolate Russia over Ukraine dispute

Today's Zaman, 24.03.2014



Seeking to isolate Russia, President Obama and Western allies moved to indefinitely cut Moscow out of a major international coalition on Monday, including canceling an economic summit President Putin was to host this summer.

The moves came amid a flurry of diplomatic jockeying as the US and Europe grappled for ways to punish Russia for its annexation of the Crimean Peninsula and to prevent Moscow from pressing further into Ukraine. Also in the Hague, in an unexpected development, Russia's FM met with his Ukrainian counterpart, the highest level of contact between the two nations since Russia moved forces into Crimea.

Obama huddled with the leaders of Britain, France, Germany, Italy, Canada and Japan for an emergency meeting of the Group of Seven. Ahead of their private talks, British Prime Minister David Cameron and German Chancellor Angela Merkel declared that the G-7 would not join with Russia this year for the annual meeting of the Group of Eight. "As long as the political environment for the G-8 is not there, as at the moment, there is no G-8 - neither as a concrete summit nor as a format," said Merkel, one of Putin's closest Western allies. Russia had been scheduled to host the summit this summer in Sochi, site of the recent Winter Olympics. A Western diplomat said the G-7 leaders would instead meet in Brussels in June.

The choice of location was symbolic, putting the meeting in the headquarters city of the European Union and NATO, two organizations seeking to bolster ties with Ukraine. White House officials indicated Obama was in step with Merkel. Deputy National Security Adviser Ben Rhodes said that as long as Putin keeps "flagrantly violating international law," there's no reason for the G-7 to engage with Russia. At the same time, he suggested that the US and other nations were not prepared to permanently disband the G-8. "The door is open to Russia to de-escalate the situation," Rhodes said. Russia's actions have sparked one of Europe's deepest political crises in decades and drawn comparisons to the Cold War era's tensions between East and West.

Obama and other Western leaders have condemned Russia's movements as a violation of international law and have ordered economic sanctions on Putin's close associates, though those punishments appear to have done little to change the Russian leaders' calculus. Hours before world leaders began meeting in The Hague, Russian forces stormed a Ukrainian military base in Crimea, the third such action in as many days. Ukraine's fledgling government responded by ordering its troops to pull back from the strategically important peninsula. The G-7 leaders were expected to discuss plans for increasing financial assistance to Ukraine's central government. Obama was also seeking to win support from European leaders for deeper sanctions on key sectors of the Russian economy, including its energy industry.



But the US leader was expected to face resistance from some European officials. Russia is one of the European Union's largest trading partners and officials fear that the still economically shaky continent could suffer if Moscow retaliates, particularly by curbing oil and gas supplies. In another attempt to isolate Russia, Obama held a separate meeting Monday with Chinese President Xi Jinping, whose country frequently sides with Moscow in disputes with the West. The US has been appealing to China's vehement opposition to outside intervention in other nations' domestic affairs and scored a symbolic diplomatic victory when Beijing abstained a week ago from voting on a United Nations Security Council resolution declaring Crimea's secession referendum illegal.

With Russia vetoing the measure and the 13 other council members voting in favor, China's abstention served to isolate Moscow internationally. "I believe ultimately that by working together, China and the United States can help strengthen international law and respect for the sovereignty of nations and establish the kind of rules internationally that allow all peoples to thrive," Obama said while standing alongside Xi ahead of their hour-long meeting. In a counterpoint to Obama and his G-7 partners, a group of five major emerging economies - Brazil, Russia, India, China and South Africa - issued a statement Monday opposing sanctions and urging nations to work through the U.N. instead. The so-called BRICS nations said hostile language, sanctions and force do not "contribute to a sustainable and peaceful solution."

The scheduled purpose for Obama's long-planned trip to the Netherlands was the two-day Nuclear Security Summit, an international forum the president created during his first term that focuses on eliminating or securing the world's nuclear materials. While the nuclear talks were overshadowed by the dispute with Russia, Obama did score a key victory on that front Monday when Japan announced that it was turning over to the US a portion of its weapons-grade plutonium and highly-enriched uranium stockpiles. Obama arrived in the Netherlands Monday morning after an overnight flight from Washington. He opened his visit with a stop at Amsterdam's Rijksmuseum, where he admired Rembrandt's massive 17th-century painting "Night Watch." The president's weeklong trip also includes stops in Brussels, where he'll meet with European Union leaders, and Rome, where he'll have an audience with Pope Francis. He'll close his trip in Saudi Arabia, a visit aimed at soothing tensions with a key Gulf ally.



IMF announces \$14-\$18 billion rescue for Ukraine

Hürriyet Daily News, 27.03.2014



The IMF announced on Thursday a \$14-\$18 billion bailout for Ukraine to avert bankruptcy for the crisis-hit country amid its escalating standoff with Russia. The agreement in principle, worth the equivalent of 10.8-13.1 billion euros, is tied to tough reform conditions which will have a big impact on the Ukrainian economy and people.

The Fund's Ukrainian mission chief Nikolai Georgiyev said the rescue would form the central part of a broader package released by other governments and agencies amounting to \$27 billion over the next two years. Georgiyev said the actual size of the "standby agreement" would be determined only.

Once the new Western-backed leaders of Ukraine implemented the reforms the Fund had sought in vain from the cabinet of Kremlin-backed president Viktor Yanukovych. That government was toppled in February by three months of protests. "The programme will be approved by the IMF board when the steps that I mentioned are implemented," Georgiyev told reporters after holding a decisive round of talks with Ukrainian President Arseniy Yatsenyuk on Wednesday. "We expect (the approval) by the end of April." The package announced by the Fund is only slightly smaller than that \$15-20 billion (10.9-14.5 billion euros) requested by the former Soviet state's new leaders when Georgiyev's mission first arrived in Kiev on March 4.

The Fund has made an immediate end to Ukraine's costly gas subsidies one of its main conditions for the programme's approval. It also wants the central bank to stop propping up the Ukrainian currency and for the government to cut down on corruption and red tape. Georgiyev called these two steps as a more committed effort to fight bureaucratic red tape and state corruption "the foundation for stable and sustainable growth". The IMF programme was announced one day after the Ukraine's state energy company Naftogaz said it would increase domestic heating gas prices by 50 percent on May 1. Naftogaz added that rates for district heating companies would go up by 40 percent on July 1 and that further rate increases were likely in the coming years.

Ukraine's central bank has already limited its currency interventions -- a decision that has seen the hryvnia loses more than a quarter of its value against the dollar since the start of the year. The IMF programme's formal approval in April will set in motion the release of further assistance from both Washington and the European Union. Yatsenyuk said he expected European Union officials to send 1.6 billion euros (\$2.2 billion) to Kiev within two months of approval of the loan deal. The United States has also pledged \$1 billion (720 million euros) in loan guarantees while Japan has promised up to \$1.5 billion (1.1 billion euros). Economist believe that the IMF decided to move faster than it may have initially wanted out of concern that the Ukrainian government could become insolvent within a matter of months.



A lesson from Ukraine: balance threats internally

The Diplomat, 13.03.2014



Russia's invasion of Crimea and Ukraine's lack of preparedness holds some important lessons for other states. One of the shocking lessons of the Ukraine crisis is just how weak the Ukrainian military was internally and how ill-allocated its resources were, considering Russia's lasting interests in Crimea.

Ukraine had very good reasons to remain perpetually mistrustful of its larger neighbor to the east, but it never quite got there. Yanukovych's close ties to the Kremlin proved to keep Russia at bay temporarily; we now see that Ukraine was ill-equipped to resist a Russian invasion.

Part of Ukraine's military preparedness problems emerge from the fact it was and is financially destitute. Following the Crimean invasion, the new Ukrainian government resorted to crowd-sourcing funding for its armed forces via text message. Ultimately, only 6,000 combat-ready troops were available to mount the defense of some 600,000 square kilometers of Ukrainian land. However, the bigger problem was that Ukraine in effect had all of its eggs in one basket in Crimea – a heavily militarized peninsula. When Russia invaded and Crimea-stationed Ukrainian forces did not respond, pending the referendum, it effectively guaranteed that what remained of Ukraine's military strength would be immediately incapacitated.

IHS Jane's reports that the Ukrainian navy, for example, was effectively decimated by the Russian invasion – losing 12 of its 17 major warships to Russia. Additionally, 12,000 of its 15,450 naval personnel and 2,000 air force personnel were based in Crimea as well. According to IHS Jane's, the last holdout Ukrainian battalion requested passage across the "border" with all their equipment and vehicles but was instead arrested by the Russians on March 24. The heavy militarization of Crimea amounted to a forward position for the Ukrainian armed forces. Holding such a position during a time of peace only makes sense if one resists during a potential invasion. Obviously Ukrainian forces did not do this against the Russian invasion for a variety of reasons, but the political reasoning underlining the Ukrainian allocation of troops was unsound.

Ukraine's leaders – regardless of how close or far their personal relationships were with Vladimir Putin – should have remained permanently cognizant of Crimea's vulnerability and Russia's immense interest in preserving its foothold on the Black Sea. Despite close relations between the two governments, Kiev has always had reason to remain skeptical of Moscow's intentions for Crimea – the strategic importance of the territory was simply too high. However, instead of publicly airing this or approaching Moscow about it, Kiev chose to rely on assurances provided by both the West and Moscow that its territorial integrity would be preserved.



The Budapest Memorandum (note: not a formal treaty), signed in 1994 by Ukraine, Russia, the United States, and the United Kingdom, guaranteed that the sovereignty and territorial integrity of Ukraine as an independent state would be preserved in exchange for it handing over its Soviet-era nuclear weapons and signing the Nuclear Non-Proliferation Treaty. The tit-for-tat made sense for Ukraine at the time and there was no reasonable belief by Ukrainian leaders that Russia would renege on the terms of the agreement without a severe backlash from the West.

Ukraine should have internally balanced against Russia but never did. The reasons are above all political. Militarizing against another state is often transparent and results in that state not owing you any favors; Kiev long relied on Moscow for its economic well-being. External balancing is often less transparent but also less reliable. Fortunately, most states – especially in the Asia-Pacific – don't seem to be making the same mistake. Internal balancing against the rise of China is well underway across Asia. Alliances and partnerships can prove fickle and unreliable when push comes to shove; in the end, the only reliable instrument of preserving a state's interests is its own armed forces. Ukraine's experience showcases this all too well.

No more resets

Politics Syndicate, 26.03.2014



With Ukraine in turmoil and the US and Russia warily eyeing each other's every move, the world seems to be on the brink of a prolonged confrontation similar to the Cold War.

Russia, accusing the West of supporting a coup d'état by "fascists" and "terrorists" in Kyiv, has annexed Crimea, tested an inter-continental ballistic missile, and reserved the right to intervene militarily in eastern Ukraine to protect the Russian population there. The US has sanctioned Russia and called Crimea's annexation illegal. But it has also called for cooperation to resolve the situation and declared that Ukraine should pursue productive ties with both Russia and the West.

So far, the Russians have dismissed those sentiments. But nor is it an ally. The two sides disagree on a wide range of questions. Yet there are critical international issues – such as Iran and Syria – on which progress is not likely without some cooperation. The challenge is not to try again to "reset" bilateral relations, but rather to find – once the Ukrainian crisis abates – a basis on which the two sides can collaborate where their interests overlap. But we have to be realistic. Every US President since 1992 has sought to refashion the US-Russian relationship and move it beyond the ideological and military competition of the Cold War. But each attempt, while producing some results, ended in disappointment. A key reason is that the US and Russia have fundamentally different understandings of what an improved relationship would look like. In reviewing these efforts, one constant stands out: the US has made the most progress on issues where Russia has felt that America respected its interests. The first diplomatic reset, at the end of George H.W. Bush's presidency, took major steps toward defusing the nuclear dangers resulting from the collapse of the Soviet Union.



As a result, Russia remained the only nuclear state in the post-Soviet space, while legislation pioneered by then-US Senators Sam Nunn and Richard Lugar helped to secure nuclear sites, scientists, and materials. The second reset, under President Bill Clinton, was more ambitious: a full-fledged effort to create a partnership that promoted substantial US involvement in Russia's economy and evolving political system. It also involved persuading a reluctant Russia to support two NATO interventions in the Balkans. But the second war over Kosovo in 1999 led to the collapse of that reset. The third reset came at Russian President Vladimir Putin's initiative, when he offered Russian assistance in the campaign in Afghanistan after the terror attacks of September 11, 2001. But the expectations of George W. Bush's administration were very different from Putin's. Russia sought an "equal partnership of unequals," especially US recognition of Russia's sphere of influence in its neighborhood.

Instead, Russia had to deal with the Iraq war, NATO enlargement to the Baltic states, pro-Western revolutions in Ukraine and Georgia, and the Bush administration's "Freedom Agenda" aimed at global democratization. The Kremlin viewed with great apprehension the specter of regime change, especially in its neighborhood. By the time this reset ended in the rubble of the 2008 Russia-Georgia war, the US had come to view Russia as a global spoiler. The Obama administration's reset – the fourth since the Soviet collapse – was the most successful, at least during the president's first term in office. With more realistic expectations, it achieved results: the New START arms control treaty, tougher sanctions on Iran, cooperation on transportation to and from Afghanistan, and Russia's accession to the World Trade Organization.

CommentsView/Create comment on this paragraphBut this reset was largely facilitated by the personal ties between Obama and Dmitri Medvedev, who served as President for four years before Putin returned in 2012 for a third term. When Putin blamed the US for the opposition demonstrations that accompanied his return, the relationship began to deteriorate. With the Kremlin's decision last August to grant temporary asylum to the former US intelligence contractor Edward J. Snowden, the reset ended. The ideological antagonism of the Cold War may be gone, but Russia now defines itself as an alternative civilizational and social model. Pointedly, Russia claims that it is a status quo power, contrasting itself with the US, which it calls a "revisionist" power seeking to destabilize the world by promoting regime change, especially in the Arab world.

The Kremlin also views the US as a source of instability in the former Soviet space and blames the West for the Ukrainian unrest. Nonetheless, the US-Russia relationship has always been compartmentalized, and there are pressing multilateral issues on which the US must work with Russia, particularly Syria, Iran, and Afghanistan (where the US will withdraw its troops this year). Whereas the US and Russia disagree about how to end the Syrian civil war, they have cooperated in disarming Syria of its chemical weapons. Similarly, neither side wants to see Iran develop a nuclear-weapons capability.

The past two decades of bilateral great expectations, followed by serial disappointments, suggest that, once the Ukraine crisis is resolved, more modest and realistic US goals toward Russia are in order. Unless and until both countries move beyond the legacies of the Cold War, the 1990's, and today's crisis, any reset – regardless of whether it originates in the White House or the Kremlin – can at best manage more effectively what will remain a limited and trying relationship. For the US, this means recognizing Russia for what it is: a large, still-important country with a hybrid political system and serious domestic economic, demographic, and political challenges.



UN general assembly: Crimea vote was illegal

I24 News, 27.03.2014



Resolution drafted by Ukraine declares Russian referendum illegitimate and passes with comfortable majority. Russian soldiers stand near a tank outside a former Ukrainian military base in Perevalnoye, near the Crimean capital Simferopol, on March 27, 2014.

The UN General Assembly on Thursday adopted a Western-backed resolution declaring Crimea's breakaway referendum illegitimate and refusing to recognize Russia's annexation of the peninsula. The non-binding resolution passed with a comfortable majority in the 193-member body, with 100 votes in favor and 11 votes against.

But 58 abstained and more than 20 did not vote. Ukraine, which drafted the resolution, welcomed the adoption of the resolution and called for a "stronger and more concrete" united, international front against Russian aggression. "I'm very much satisfied with the vote...(an) overwhelming majority of nations in the world supported this resolution," acting Ukrainian Foreign Minister Andriy Deshchytsya said. He had urged the international community to back the text, hoping an overwhelming show of support would ward off further Russian intervention on its territory. "I am convinced that a strong vote today will help to deter further aggressive moves," Deshchytsya told the assembly.

"It sends an essential message that the international community will not allow what has happened in Crimea to set a precedent to further challenges to our rules," he added. Western diplomats wanted a strong majority vote to press home what they say is Russia's isolation, but there had been fears that a high number of countries would abstain. The resolution garnered more support than a similar text passed in 2009 over the Georgia crisis. Ukraine submitted the draft resolution, writing the text in moderate language in the hope of attracting a maximum number of votes, and it makes no direct reference to Russia. The text is similar to a US-drafted resolution submitted to the Security Council on March 19, which Russia vetoed. China abstained and the other 13 members of the council voted in favor.

Thursday's resolution repeats that the March 16 referendum in Crimea has "no validity" and asks countries not to recognize any alteration of the status of the Black Sea peninsula. It calls on all states to refrain from any attempts to modify Ukraine's borders through the threat or use of force or other unlawful means and calls for dialogue to resolve the crisis. Ukraine said that a vote for the resolution was a vote for the UN charter, while a vote against or an abstention undermined it. "One month has cost us dearly. More inaction may cost us this organization," he added. The United States backed Ukraine's request and criticized Russia. US Ambassador Samantha Power told the assembly it was "disheartening in the extreme to see Russia carry on as if Ukrainians have no legitimate interest in Crimea."



"Ukraine is justified in seeking our votes in reaffirming and protecting its borders," Power said. "We urge you to vote yes on a resolution that enshrine the centrality of territorial integrity and that calls for a diplomatic not a military solution to this crisis," she said. Russia stuck to its position, saying it had no right to refuse support to Crimeans in their right to self-determination. "For several centuries," Russian ambassador Churkin told the assembly, Crimea was "an integral part of our country. "Only an arbitrary decision by the USSR to transfer it to Ukraine upset this natural sate of affairs," he said. The 11 countries that voted against the text were Armenia, Belarus, Bolivia, Cuba, North Korea, Russia, Nicaragua, Sudan, Syria, Venezuela and Zimbabwe. NATO and Western powers voted overwhelmingly in favor. Among the abstentions were Afghanistan, China, India and Pakistan, as well many South American nations.

Putin's reality check for Europe

Politics Syndicate, 24.03.2014



For far too long, the West has harbored illusions about Vladimir Putin's Russia – illusions that have now been shattered on the Crimean peninsula. The West could (and should) have known better: Ever since his first term in office as Russian president, Putin's strategic objective has been to rebuild Russia's status as a global power.

To this end, Putin used Russia's energy exports to recover gradually the territories lost when the Soviet Union collapsed a generation ago. Ukraine has been at the heart of this strategy, because, without it, the aim of a revived Russia is unachievable.

So Crimea was just the first target; the next will be eastern Ukraine and persistent destabilization of the country as a whole. Before our eyes, the post-Soviet international system in Eastern Europe, the Caucasus, and Central Asia is being overthrown. Nineteenth-century concepts of international order, based on zero-sum balance-of-power considerations and spheres of interest, are threatening to supersede modern norms of national self-determination, the inviolability of borders, the rule of law, and the fundamental principles of democracy. As a result, this upheaval will have a massive impact on Europe and its relations with Russia, for it will determine whether Europeans live by twenty-first-century rules.

Those who believe that the West can adapt to Russian behavior, as Putin's Western apologists suggest, risk contributing to further strategic escalation, because a soft approach will merely embolden the Kremlin. Indeed, whether or not its leaders acknowledge it, the European Union is now in direct conflict with Russia over its enlargement policy since the end of the Cold War. That is because Russia's re-emergence as a global power requires not just the reintegration of lost Soviet territories, but also direct access to Europe and a dominant role there, especially in Eastern Europe. So a fundamental strategic struggle is now a given. From a Western perspective, willful confrontation makes little sense, because the EU and Russia are and will continue to be neighbors.



Looking ahead, Russia will need the EU even more than vice versa, because in its Far East and in Central Asia, China is emerging as a rival of entirely different dimensions. Moreover, Russia's rapid demographic decline and enormous modernization deficit imply the need for a joint future with Europe. But seizing this opportunity is possible only on the basis of the rule of law, not of force, and must be guided by the principles of democracy and national self-determination, not great-power politics. Instead, Putin has now triggered a lasting crisis. The West's response will be a new containment policy, mainly taking the form of economic and diplomatic measures. Europe will reduce its energy dependence on Russia, review its strategic alignment and priorities, and scale back investment and bilateral cooperation.

In the short term, Putin seems to have greater leverage, but the weakness of his position will soon become apparent. Russia is completely dependent, economically and politically, on its commodity and energy exports, which go primarily to Europe. Lower European demand and an oil price that no longer suffices to sustain Russia's budget stand to hobble the Kremlin very quickly. Indeed, there is reason to believe that Putin may have overplayed his hand. The collapse of the Soviet Union at the beginning of the 1990's was caused not by the West, but by a wave of secession, as nationalities and minorities, seeing the party-state weakened, seized the opportunity to break free. Today's Russia has neither the economic nor the political strength to regain and integrate the lost Soviet territories, and any attempt by Putin to press on with his plan would impoverish its people and lead to further disintegration – a bleak prospect.

Europeans have reason to be worried, and they now have to face the fact that the EU is not just a common market – a mere economic community – but a global player, a cohesive political unit with shared values and common security interests. Europe's strategic and normative interests have thus re-emerged with a vengeance; in fact, Putin has managed, almost singlehandedly, to invigorate NATO with a new sense of purpose. The EU will have to understand that it is not acting in a vacuum in its eastern and southern neighborhood, and that, for the sake of its own security interests, the conflicting interests of other powers there cannot simply be ignored or, worse, accepted.

The EU's enlargement policy is not merely some expensive, expendable annoyance; it is a vital component of the EU's security and outward projection of power. Safety comes with a price tag. Perhaps now there will be a reassessment in the United Kingdom of the costs of an EU exit. And maybe there will be a realization on the Continent that European unification must move forward more quickly, because the world – and Europe's neighborhood in particular – has turned out to be not as peaceful as many, above all the Germans, perceived it to be. The EU peace project – the original impetus for European integration – may have worked too well; after more than six decades of success, it had come to be considered hopelessly outdated. Putin has provided a reality check. The question of peace in Europe has returned, and it must be answered by a strong and united EU.



Russia's imperialism vs globalization

Hürriyet Daily News, 25.03.2014



In the sanctions against Russia announced by the U.S. and the EU, we begin to see the outline of a titanic struggle. It is one between imperialism and globalization. The Western states have been reminded that imperialism is alive and well, and threatens the vision for a more global world economy.

"Russia can be an empire with Ukraine," said a senior Russian banker earlier this month in an off-the-record briefing. "Without it, it cannot. Simple." Having Ukraine does not mean possessing it. It is enough for Ukraine to be closely linked to Russia, run by leaders who understand and acquiesce in that necessity.

The large failure underlying Russia President Vladimir Putin's great success in seizing Crimea is that he has propelled much of the rest of Ukraine away from Russia and guaranteed instability; or worse. The targeting through sanctions of the Russian political and financial elite, including their favored bank, Bank Rossiya, described by a Russian fund manager as "a pocket bank and special purpose vehicle" for the Kremlin elite, has one goal in mind. That is, to drive a wedge between Putin's imperial strategy and the Russian political and financial aristocracy who have homes in France; yachts moored off Tuscany, children in British private schools and businesses that depends on global markets.

A talk with Sergei Guriev, Russia's leading free market economist, revealed both Russia's vulnerability and the huge dangers that Putin brings upon himself, his country and the world. Guriev left Moscow and his post as rector of the New Economic School last year, fearful that his support for the anti-Kremlin campaigner Alexei Navalny would lead to his imprisonment. He now lives and teaches in Paris. Guriev does not see Putin as a monster. In Putin's early years he instituted reforms that benefited the economy, repaid the large foreign debt and built up a large reserve fund. He also had good luck. He came to presidential office in 2000 as oil prices were going up and as high unemployment and low output had produced many workers willing to work for low wages.

But by 2012, the growth rate of 7 percent or more a year was rapidly slowing. In 2013, it reached an anemic 1.3 percent. Social tensions and divisions among the powerful could no longer be bought off. Consumption growth, booming since 2000, could no longer be sustained. A new ideology was needed to unite the country, and that has turned out to be an aggressive nationalism and a stress on recreating the Soviet empire in a new form. Putin needed "a small victorious war," said Guriev. When the EU offered Ukraine an association agreement that would have given the former Soviet state trade and investment advantages in return for reforms in the economy and in politics, this ran directly counter to the new spirit of the Russian leadership. For Putin, the risk was to "lose" Ukraine. Guriev thinks the enthusiasm will be short-lived. The new elite, including those closest to the president and the big oligarchs, are increasingly tied into the rules and customs that go with globalization. They have reasons to be grateful to Putin. But gratitude is short-lived when wealth and influence begin to suffer.



Russia is rich in energy. Part of the hesitation that was evident when the EU leaders debated sanctions was because European states — Germany above all — rely on its oil and gas supplies. London feeds richly on its financial transfers. But the longer-term threat to Russia's well-being will be the consequences of its present behavior and its tendency to use gas supplies as a cudgel against those it wishes to whip into line. Europe has long worried about its dependence on such a capricious neighbor. Increasingly they are making plans to diminish it.

The EU is not a fighting organization. Some of its leaders desperately hope that a red line can be drawn after Crimea and that, bit by bit, trade and business can continue as before. But no red line can be drawn. Ukraine has a government that is dependent on the West, especially the EU, for financial and political support. Putin did not take Crimea to "lose" the other 95 percent of Ukraine. He must find a friendly, or at least not hostile, government in Kiev after the election in May. He must destabilize it and frighten or bribe a future administration back on to his side. The tragedy for him, temporarily hidden by his small victory, is that such an outcome is likely to be impossible.

Obama plays up US-Europe bond amid Russia tension

Daily Sabah, 26.03.2014



President Obama and the EU leaders presented a unified front against Russia's annexation of Crimea, promoting trans-Atlantic trade as an antidote to Russia's influence in the region and a way to help Europe become less dependent on Moscow for energy.

President Obama spoke during a news conference yesterday at the Council of the EU, after a working lunch with European Council President Herman Van Rompuy and EC President Barroso that participants said was dominated by discussion of Ukraine. Van Rompuy called Russia's action in Crimea "a disgrace in the 21st century and we will not recognize it."

Obama said if Russian leaders thought they could drive a wedge between Europe and the United States, "they clearly miscalculated." Obama said coordination between the U.S. and Europe on economic sanctions against Russia has been excellent and warned that if Russia continues on its current course, "the isolation will deepen." The leaders also expressed confidence they would complete a Trans-Atlantic Trade and Investment Partnership that seeks to remove trade barriers between the 28-nation bloc and the U.S. Obama noted the deal arrangement would have a Ukraine connection because it could provide a counterweight to Russian energy leverage in Europe. Obama said some countries have legitimate questions about whether free trade deals will benefit them in the long-term. But he cautioned skeptics to wait to see what's negotiated before reaching conclusions. The president said some suspicions about the so-called TTIP have been unjustified.



He declared that he has fought for consumer and environmental protections during his political career and will not sign legislation that would weaken those protections. "I'm confident we can actually shape a trade deal" that is acceptable to critics on consumer protections and climate issues, he said. Obama's own relations with Europe have been hurt by revelations of communications prying by the U.S. National Security Agency. Van Rompuy said EU leaders conveyed their concerns directly to Obama in their meeting, and the president agreed to take aggressive steps to address the issue. Van Rompuy called for "equal treatment of EU and U.S. citizens."

Obama came to Brussels to shore up commitments he received from allies in The Hague, Netherlands, to reassure Eastern European members of NATO that the alliance will stand by them and to make a larger point about European security a quarter-century after the fall of the Iron Curtain. He planned to meet later with NATO Secretary-General Anders Fogh Rasmussen, head of the alliance born as a bulwark against the Soviet Union. Obama said that he wants to see every NATO partner "chip in" for mutual defense and that the members should examine their defense plans to make sure they reflect current threats. "I have had some concerns about a diminished level of defense spending by some of our partners in NATO," Obama said.

"The situation in Ukraine reminds us that our freedom isn't free." With tensions running high on the continent, Obama earlier called for a recommitment to peace during a solemn pilgrimage to a World War I site, Flanders Field American Cemetery and Memorial in northwest Belgium. "This visit, this hallowed ground, reminds us that we must never ever take our progress for granted," Obama said. "We must commit perennially to peace, which binds us across oceans." Followed by the stirring sound of a bugler playing Taps, Obama joined Belgian Prime Minister Elio Di Rupo and King Phillipe in laying a trio of wreaths at the white stone monument at the center of the cemetery, the site of a significant World War I battle. The three leaders then walked among some of the white crosses that mark the burial site of 368 American troops, most of whom gave their lives in liberating Belgium from German occupation.

The Belgian leaders did not mention Russian President Vladimir Putin by name in remarks afterward, but clearly were referencing his audacious annexation of Crimea as they recalled the lessons of world war. "Our countries have learned the hard way that national sovereignty quickly reaches its limits" when confronted with armed adversaries, who don't respect that sovereignty, said King Phillipe. "We have to continue to draw lessons from the terrible war that started 100 years ago," Di Rupo said. "And, above all, we have to prevent new conflicts. Those who ignore the past are taking the risk to relive it." The president, stepping up the task of solidifying broad-based support against Russia, dismissed Russia a day earlier as a mere "regional power" that was threatening its neighbors "not out of strength, but out of weakness."

He said that as president, he worried more about a nuclear device in Manhattan than he did about Russia. It was the kind of brush-off-your-shoulder language sure to antagonize the nationalistic Putin, but it also belied the time and energy Obama and European leaders have devoted to isolate Russia and fashion a menu of sanctions designed to stop Moscow's aggression. Obama planned to conclude his day with his only speech of the weeklong, four-country trip, tying the current Ukraine crisis to his vision of the United States and Europe as anchors of democracy and international law. Obama also used the cemetery visit to criticize Syria's chemical weapons use, noting that gases were also used during battles in the wider area.



Obama, in message to Iranians, says there is chance to reach deal

Today's Zaman, 22.03.2014



US President Barack Obama sent a video message to Iranians on Thursday to say there is a chance to reach a nuclear agreement with Iran if Tehran takes verifiable steps to assure the West its nuclear program is for peaceful purposes only.

"I'm under no illusions. This will be difficult," Obama said in a message to mark the Iranian holiday Nowruz. "But I'm NEWS1committed to diplomacy because I believe there is the basis for a practical solution." The United States and five other major powers are trying to reach a comprehensive deal to deny Iran a nuclear bomb capability after reaching a sixmonth temporary deal implemented on Jan. 20.

Under that deal, which can be renewed, Iran agreed to curb its nuclear program in return for gaining access to more than \$4 billion in oil revenues that had been frozen by Western sanctions. Obama's Nowruz message was aimed at fostering good will with the Iranian people and encouraging them to welcome a nuclear agreement. "There is a chance to reach an agreement if Iran takes meaningful and verifiable steps to assure the world that its nuclear program is for peaceful purposes only," he said. "Iran would have access to peaceful nuclear energy." Obama's Iran overture is not without controversy in the US Congress. A wide majority of US senators this week urged Obama to insist that any final agreement state that Iran "has no inherent right to enrichment under the Nuclear Non-Proliferation Treaty." In his Nowruz message, Obama said a comprehensive agreement would help move Iran along a new path and ease the economic hardships that sanctions have caused.

"If Iran meets its international obligations, we know where the path of dialogue and greater trust and cooperation can lead. It will mean more opportunities for Iranians to trade and forge ties with the rest of the world," he said. Meanwhile, positions between Iran and world powers diverge widely in some areas but Iranian negotiators seem "very committed" to reach an agreement on the country's disputed nuclear program, a senior EU official said in an email seen by Reuters on Thursday. Russia, one of the six major powers seeking to persuade Iran to scale back its contested atomic activities to deny it any nuclear bomb breakout capability, separately said the two sides were "far apart" on the issue of uranium enrichment.

The remarks underlined the uphill task confronting negotiators, who aim to hammer out a final settlement of the decade-old dispute over the nature and scope of Iran's nuclear activity in the next four months. The brief email from European Union official Helga Schmid to senior officials of EU member states was written after a meeting between Iran and the United States, France, Germany, China, Russia and Britain in Vienna on Tuesday and Wednesday. Schmid is the deputy of EU foreign policy chief Catherine Ashton, who is coordinating talks with Iran on behalf of the six nations. Tehran says its nuclear program is peaceful but the West fears it may be aimed at developing the capability to make atomic bombs and wants it curtailed.



World stocks mostly rise amid China stimulus hopes

Today's Zaman, 25.03.2014



Global stock markets mostly rose Tuesday on hopes that China will provide stimulus to its economy, the world's second-largest.

Expectations that China might announce new spending measures were boosted Monday by a survey that showed Chinese manufacturing contracted in March. "The general mood is somewhat expectant of stimulus measures coming out of China," said Dariusz Kowalczyk of Credit Agricole in Hong Kong. Sentiment was also supported by an easing in concerns of an escalation in sanctions between Russia and western powers.

The US and European countries said Monday that they could still target economic sanctions against Russia, but suggested that would only happen if it tried to occupy more Ukrainian territory. In Europe, Britain's FTSE 100 was up 1.2 percent at 6,598.54 while France's CAC-40 climbed 1.5 percent to 4,342.33. Germany's DAX rose 1.7 percent to 9,346.65 despite a drop in the country's Ifo business confidence survey. The survey showed companies are slightly more concerned over the risk of an economic impact from sanctions on Russia, but said it may be a temporary setback. In the US, the S&P 500 was up 0.6 percent at 1,868.90 while the Dow gained 0.7 percent to 16,388.08. New economic data showed US home prices edged down in January for a third month, but were still up at a strong rate from a year earlier.

Earlier, in Asia, trading was more cautious. Though China's Shanghai Composite rose 0.5 percent to 2,067.31, Japan's Nikkei 225 closed 0.4 percent lower at 14,423.19 and Hong Kong's Hang Seng fell 0.5 percent to 21,732.32. Benchmarks fell in Australia, South Korea, and most of Southeast Asia and were up in Taiwan, New Zealand and Malaysia. In energy markets, the oil contract for May delivery was flat at \$99.59 per barrel in electronic trading on the New York Mercantile Exchange. The contract rose 14 cents to close at \$99.60 on Monday.



Beijing watches the Taiwan protests

The Diplomat, 27.03.2014



Popular protests in Taiwan over a trade agreement with China could alter Beijing's approach to cross-strait relations. As J. Michael Cole reported from Taipei, thousands of Taiwanese protestors have occupied the Legislative Yuan to demand reconsideration of a new trade agreement with China.

Over the weekend, a group of protestors occupied the Executive Yuan and were driven out by riot police. The protests in the Legislative Yuan, however, are still going strong. After remaining largely silent about the protests, a Chinese official has finally commented (albeit indirectly) on the situation.

Ma Xiaoguang, spokesman for China's Taiwan Affairs Office, told reporters that the proposed Cross Strait Service Trade Agreement would be "mutually beneficial" for both Taiwan and the People's Republic of China (PRC). Ma tried to defend the controversial agreement against accusations from Taiwanese opponents that it will decimate Taiwan's economy by forcing small and medium businesses to close. Ma emphasized that the agreement will benefit people on both sides of the Taiwan Strait. Ma also rebutted claims that the agreement will allow a flood of mainland Chinese workers into Taiwan, or that it will allow Chinese businessmen to effectively buy Taiwanese residency by investing a certain amount of capital in Taiwan.

"I heard rumors that by investing 48,000 yuan (\$7,730), mainland people could move to Taiwan, and I wonder how that could be possible," Ma said. Meanwhile, public opinion in China also seems to be against the protestors. Chinese netizens expressed shock and dismay at what was seen as excessive destruction by the protestors, which was viewed as evidence of a mob-like mentality. According to South China Morning Post, in an online poll by Sina Weibo, 60 percent of netizens said that the protest was "too irrational and populist." Others said the protest was "typical of Taiwan's often ill-tempered democracy"—not exactly a ringing endorsement of the protestors. Other netizens compared the protestors to "Red Guards," the ultra-Maoist groups of students who terrorized China during the Cultural Revolution.

Bewilderment in China over the protests is exacerbated by the fact that many Chinese believe the CSSTA is actually unfairly balanced in Taiwan's favor. The pact famously promises to open 80 service sectors in the PRC to Taiwanese investment, while only opening 64 for mainland Chinese investment in Taiwan. Some netizens said that China should back out of the pact, rather than having Beijing make concessions to Taipei only to receive anger in return. China's government may be thinking the same thing. Both Hu Jintao and current Chinese President Xi Jinping have adopted a strategy of peaceful negotiations with Taiwan, ever since current President Ma Ying-jeou came to power promising to improve cross-strait relations. Taiwan-China relations have blossomed ever since, with ever-closer economic ties. Now it seems Taiwan and China are on the cusp of moving into political talks.



Last month saw an historic high-level meeting between the heads of the Taiwan Affairs Office and the Mainland Affairs Council, and people on both sides of the strait are wondering if a meeting between Ma and Xi is on the horizon. However, the fierce protests over the CSSTA have the potential to bring this era of progress to a screeching halt. First, the protests are an undeniable sign of Taiwanese uneasiness with closer relations to the mainland. Even if the CSSTA itself eventually passes through Taiwan's legislature, future agreements (whether economic or political) will be increasingly difficult. As a result, even if Ma Ying-jeou is willing to ignore plummeting approval ratings in order to continue advancing cross-strait ties, eventually he may find it impossible to push through such measures.

Beijing is watching closely now to see if Ma will be able to make good on the CSSTA, which was finalized between the Association for Relations Across the Taiwan Straits and the Straits Exchange Foundation. For the PRC, the CSSTA should have been a done deal. Now, the protestors are trying to force at least a clause-by-clause reconsideration of each proposal (effectively negating the negotiations already done between ARATS and the SEF)—and are hoping for the entire agreement to be scrapped. If public opposition in Taiwan can overrule agreements negotiated between the governments in Beijing and Taipei, then Beijing will rapidly lose its desire to negotiate.

In a larger sense, it's important to remember that Beijing's ultimate goal always has been reunification. Completely aside from any economic benefits, each move China makes in cross-strait relations is designed to bring the PRC closer to realizing direct political control over Taiwan. Whether one believes the Communist Party of China is seeking this goal simply by boosting its image ("winning the hearts and minds" of Taiwan's people) or by the more nefarious (and direct) means of seeking to subvert Taiwan's economic and political system, the CPC's end goal is undeniable. The current protests indicate that the existing strategy of incremental increases in economic and cultural ties may have run its course. If so, Beijing will start to consider alternative options for achieving reunification.



How Japan could turn the table on China

The Diplomat, 24.03.2014



Although Japan should repent for its crimes against China, so too should the CCP. An old movie scene comes to mind whenever the Sino-Japanese history wars flare up. You know the pattern: Beijing lodges some outlandish claim about Japan's reverting to militarism.

Tokyo assumes a defensive crouch, looking a tad shameful. Japan gets the worst of the exchange. Which is the point for China. The movie sequence that springs to mind comes from the classic National Lampoon comedy Animal House, It suggests how Japan can play diplomatic offense rather than remain perpetually on the defense.

That would be a welcome change, and not a minute too soon. Prime Minister Shinzo Abe has committed far too many unforced errors during his first year in office. Publicly musing about whether Japan's invasion of Korea qualified as an invasion was obtuse. And why even hint you're considering retracting an apology to wartime Korean "comfort women" two decades after it was tendered? That's what you call self-defeating rhetoric. A good diplomatic rule of thumb: if it is not necessary to say something, it is necessary to say nothing. Nevertheless, there is some candor that would abet Tokyo's cause. Which brings us back to Hollywood. Set in 1962, Animal House takes place at the fictitious Faber College back in the days when reserve military training — a.k.a. Army ROTC — was mandatory for all male students.

Here's the scenario: ROTC student officers are abusing pledges from the screwball Delta Tau Chi fraternity within eyeshot of Delta upperclassmen Otter and Boon. The odious Niedermeyer berates the pledges. Pushups are ordered and —sort of — done. Misery prevails. Otter exclaims, "He can't do that to our pledges." Replies Boon, "Only we can do that to our pledges!" Hilarity ensues as the fraternity brothers exact vengeance on the priggish army types. Methinks this exchange is evergreen because it's zany and says something elemental about human nature — namely that people may take outsiders to task for deeds they excuse or softpedal if perpetrated among the incrowd. This dynamic dates back at least to classical Greeks' concept of barbaros, or barbarians.

In all likelihood it's as old as humanity itself. By barbaros, loosely speaking, ancient Greeks meant something like those guys, foreign peoples who practiced strange if not unintelligible customs. Herodotus, for instance, wrote extensively about exotic lands while showing little animus toward those who dwelt there. He was mainly just curious. Over time, though, barbarians took on the ominous overtones familiar to us today. Outsiders were not just strange. They were not just oddballs but menacing, worthy of fear and loathing. So it was with Greeks of antiquity. So it is with their pseudo-Greek knockoffs on college campuses today. Now substitute Xi Jinping for Otter. That lets Animal House illustrate the logic of Communist Chinese diplomacy vis-á-vis Japan.



"Hey, you Japanese can't do that to the Chinese people," exclaim Chinese leaders. "Only we can do that to the Chinese people!!!" This is the ground where Tokyo should fight the history wars. Chancellor Willy Brandt's apology on Germany's behalf doubtless remains the gold standard for national contrition. Yet the leaders of democratic Japan have conceded the long-dead imperial regime's wrongdoing. Tokyo has performed reasonably well in the apology department. It should continue owning up to Japanese history rather than dissembling.

But who was the 20th century's biggest abuser of Chinese citizens? Not Japanese militarists but the Chinese Communist Party, the party responsible for the Great Leap Forward, the Cultural Revolution, and countless casualties from these self-inflicted traumas. And unlike Imperial Japan's military potentates, the CCP remains alive and in power. The offender can and should atone for its crimes. So if Beijing's standard is that those who once abused the Chinese people should repent, then CCP poobahs should 'fess up and make amends for their misbegotten past. Wanna take bets on when the latter will happen? Me neither. That's the point. Welcome the debate. Let's make China's rulers defend the indefensible for a change.

The world's largest free trade zone in the works

Daily Sabah, 26.03.2014



President Barack Obama says the European Union and the United States should push ahead with negotiations to create what would be the world's largest free-trade zone. Obama said Wednesday concluding the free trade deal would also facilitate exports of natural gas from the U.S. to the 28-nation the European Union.

The EU relies heavily on Russia for gas supplies but the crisis following Moscow's annexation of Ukraine's Crimean Peninsula opened the prospect of Russia limiting gas shipments in retaliation against economic sanctions imposed by the West.

Obama said during a visit to the EU headquarters that a free trade agreement would mean shipments of liquefied gas to Europe "would actually be much easier." The U.S. and the EU combined account for almost half of the world's GDP and a third of world trade.



Announcements & Reports

► Crimea's Demonstration Effect in Asia

Source: Center for Strategic and International Studies

Weblink : http://csis.org/files/publication/Pac1422.pdf

▶ Lessons from Abroad for the U.S. Entitlement Debate

Source: Center for Strategic and International Studies

Weblink : http://csis.org/files/publication/140324_Jackson_LessonsFromAbroad_Web.pdf

► New Perspectives in Foreign Policy

Source : Center for Strategic and International Studies **Weblink** : http://csis.org/files/publication/140326_new_perspectives_issue6.pdf

► Middle East Daily Bulletin

Source : ORSAM

Weblink : http://www.orsam.org.tr/tr/trUploads/OrtadoguBulteni/2014327_27%20Mart%202014.pdf



Upcoming Events

▶ 8th International Turkish - African Congress

Date : 16 – 17 April 2014
Place : Accra-Ghana

Website : http://www.tasam.org/en/lcerik/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

▶ 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