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Article 1.

The Washington Post

Muslim Brotherhood asserts its strength in Egypt with challenges to military

Leila Fadel

March 26 -- CAIRO — As Egypt’s ruling generals near the end of their formal reign, the country’s main Islamist party is asserting increasing authority over the political system and openly confronting the powerful military.

The Muslim Brotherhood’s growing influence came into sharp focus Sunday as its political wing and other Islamists established a dominant role in the 100-member body chosen by the parliament to write the country’s new, post-revolutionary constitution.

Liberals and leftists vowed to boycott the assembly, and at least eight withdrew from it, accusing the Islamist parties of taking over the process.

The move came just days after the Brotherhood said it was considering putting forth a presidential candidate from its ranks, something it had promised not to do.

The rift between the once-underground group and the military burst into the open this weekend, with the Brotherhood issuing a scathing statement calling the military-appointed government a failure and raising concern over the credibility of the upcoming presidential election. The military council fired back Sunday, condemning the Brotherhood for “doubting” the institution and making “fabricated” allegations. The Brotherhood and its political wing, the Freedom and Justice Party, were initially hesitant to challenge the military after the revolt that ousted President Hosni Mubarak last year. But the Islamist movement became emboldened after winning nearly half the seats in parliament in elections that ended in February. Now, its leaders are going so far as to oppose the generals’ private requests for immunity from prosecution for accusations of killings and mistakes committed during Egypt’s political transition, something they were open to just two months ago. They are demanding the dissolution of the military-appointed government of Prime Minister Kamal el-Ganzouri. Some in the Brotherhood leadership are even ready to go after the military’s economic holdings. Brotherhood members are calling for various military industries, estimated at 5 to 45 percent of the nation’s economy, to be placed under parliamentary oversight and added to the national treasury. The military has fiercely resisted that prospect. “There’s been a major shift in Egyptian politics,” said Shadi Hamid, an expert on the Brotherhood at the

Brookings Institution's Doha Center. "The Supreme Council of the Armed Forces is entering its lame-duck stage. At this point, no one can stop the Brotherhood." The aged and increasingly unpopular generals are still in control of Egypt, a longtime U.S. ally considered a linchpin for Middle East peace. But the Brotherhood has been able to leverage its influence using the parliament, which is likely to become a key vehicle for channeling popular concerns, analysts said. Already, the military council has been forced to cave on several key issues amid public discontent.

Some analysts said the growing confrontation might endanger the political transition, with presidential elections less than two months away.

The Brotherhood, however, appears emboldened and ready to challenge the military. As the group consolidates power, it is increasingly willing to take up issues popular with its constituents but anathema to the ruling generals, said Marc Lynch, director of the Institute of Middle East Studies at George Washington University.

That includes questioning the continued acceptance of around \$1.5 billion in U.S. aid, which mainly goes to the military. Although that money has helped forge a strong bond between Washington and Cairo, many Egyptians see it as a payoff for Egypt's subservience. Lynch said, however, that he expects the Brotherhood will stop short of outright confrontation and will instead try to maneuver the generals aside as quickly as possible without destabilizing Egypt.

Brotherhood leaders have portrayed themselves as

pragmatists who will maintain the country's peace treaty with Israel and focus on the country's unemployment and poverty rather than social issues such as banning alcohol.

The Brotherhood's more assertive stance has come after months of maneuvering through the murky military-led transition that followed Mubarak's fall. Critics of the Brotherhood have accused the Islamist group of cutting backroom deals with military rulers to secure the organization's rise to power and remaining quiet about military missteps and abuses when others protested.

"The Brotherhood is searching for power, and the military council is looking for a safe ticket out," said Ibrahim Mohyeldin, a member of parliament from the liberal Free Egyptians party. "They have a deal."

The Islamists have denied any such pact.

In the Brotherhood's new headquarters in suburban Cairo, top officials made it clear that they now agree on little with the military council — the Supreme Council of the Armed Forces, or SCAF — other than the plan to transition to an elected president by the end of June. But they also remain cautious.

"We don't have a honeymoon relationship with SCAF, as some people think, and we don't have a tough relationship with them, either," Mahmoud Hussein, the secretary general of the Brotherhood, said in a recent interview. "We praise them when they do something good, and we criticize them when they do something bad."

But the criticisms are mounting. Mahmoud Ghozlan,

the Brotherhood spokesman who just two months ago advocated immunity for the generals, said the group changed its position when it became clear the Egyptian people had rejected the idea. Ghozlan and Hussein signaled that the group intended to go after the generals' previously sacred military production budget.

"When there are [military-owned] companies for water bottling, agricultural companies, petrol stations, food products, why should all those stay a secret?" Ghozlan said.

Liberals and leftists worry that the Brotherhood and other Islamist groups will leave them marginalized. They point to the Brotherhood's huge role in the constitutional assembly, which will draft a document that will map out the role of religion, the executive and parliamentary powers and minority rights in the new Egypt.

"We are going to boycott this committee, and we are going to withdraw and let them make an Islamic constitution. We are going to continue struggling for a secular Egypt in the streets," said Mohammed Abou el-Ghar, head of the Social Democratic Party, who was elected to the assembly but has resigned his post. He noted that Brotherhood officials had said initially the committee would represent all Egyptians' views. "But as you can see, there is no representation of secular Egypt," he said.

The Brotherhood's political wing denied the accusations on Sunday, calling the assembly diverse and representative.

At least 60 percent of the 100 assembly members are Islamists or have Islamist backgrounds. That reflects the role played by the parliament — where Islamists were elected to more than 70 percent of the seats — in choosing the members.

Inside the parliament building, Sobhi Saleh, a leading member of the Brotherhood's political wing, walks with an unmistakable swagger. In a recent interview, he said the liberals and secularists who worry the Islamist ascendancy will cut them out should face the facts and work with the Brotherhood.

“After the revolution, the Brotherhood became a reality that no one can ignore,” he said.

Article 2.

The New York Times

At Arab Summit, Iraq To Display A Rebuilt Image

Jack Healy

March 26, 2012 -- BAGHDAD -- As Arab leaders converge on Baghdad for a landmark summit meeting this week, they will be treated to carefully chosen glimpses of a new Iraq: gleaming hotel lobbies, renovated palaces and young palm trees lining an airport highway once called the Road of Death. For Iraqi diplomats and officials, the three-day meeting of the Arab League is a banner moment for a country emerging from decades of war, occupation and diplomatic isolation. Iraq's leaders see a rare

chance to reassert themselves as players in a transformed Arab world by hosting the first major diplomatic event here since American troops withdrew in December.

But just beyond the cement walls and freshly planted petunias of the International Zone lies a ragged country with a bleaker view. Out in the real Iraq, suicide bombings still rip through the streets. Sectarian divisions have paralyzed its politics and weakened its stature with powerful neighbors like Saudi Arabia and Iran, who use money and militias to aggressively pursue their own agendas inside Iraq. Despite its aspirations to wield influence as a new Arab democracy, Iraq may well remain more of a stage than an actor.

But that is not for lack of effort to reclaim its role as a powerful player in the region. In recent weeks, Iraqi diplomats intensified a campaign of deal-making and diplomacy aimed at wooing Sunni Arab nations while trying to refute the popular suspicion that its rulers are tools of Shiite Iran.

Iraq and Kuwait recently resolved a \$500 million dispute over reparations from the gulf war, an agreement that will now allow Iraq's state-owned airplanes to venture abroad without fear of being seized to pay off its old war debts. Iraq also agreed to pay \$408 million in back pay owed to Egyptian workers who fled Iraq after its invasion of Kuwait. And last month, Iraq and Saudi Arabia tried to overcome years of discord and distrust by signing a joint security agreement and discussing an exchange

of prisoners. The Saudis also named their first ambassador to Iraq in two decades, though he will remain based in Amman, Jordan.

The summit meeting, the first such meeting of the Arab League since last year's popular uprisings began to sweep the region, remains a great gamble for Iraq after more than two years and \$500 million's worth of preparations.

"This country has been isolated, sanctioned, was a rogue state expelled from the ranks of the Arabs and Muslims," said Iraq's foreign minister, Hoshyar Zebari. "It was one of our major obstacles to get this country back on its feet, to show it has become a normal country."

Questions of how to stop the bleeding in Syria are likely to dominate the summit meeting. The Arab League has sent monitoring teams into Syria -- which failed to stem the violence there -- and called for a peaceful transition. Its leaders are not expected to call for military intervention or armed support to the opposition.

Although Arab League members will probably acknowledge the waves of popular uprising, few observers expect any of them to ask hard questions about the pessimism, violence and stagnation that have set in after the heady rush of the Arab spring. Iraq is eager to keep any discussion of its own problems out of the meeting. It does not want to talk about accusations of the creeping authoritarian rule under the Shiite prime minister, Nuri Kamal al-Maliki; the bitter disenfranchisement of Iraq's Sunni minority;

or a worsening dispute between Baghdad and Kurdish leaders in Iraq's north over control of oil resources and division of the national budget.

But Iraq's weakness abroad starts at home. If it wants to truly re-engage with the region as an independent Shiite Arab nation that can counterbalance powerful neighbors like Saudi Arabia, Iran and Turkey, analysts say it will have to move beyond the rigid sectarianism that defines its politics and divides its voice abroad.

"Iraq's internal issues -- and differing interpretations of threats and interests -- make it difficult for the country to pursue a coherent, unified foreign policy and to project its influence," Emma Sky, a former adviser to Gen. Ray T. Odierno, the United States' onetime commander in Iraq, wrote in a forthcoming paper on Iraq.

Just one day after the last American troops left, the Shiite government set off a maelstrom by accusing the Sunni vice president of running death squads. The political opposition is divided and rudderless. And a progressive youth movement, formed in the image of the Tahrir Square uprising, has been pulverized by arrests, intimidation and infiltration by Mr. Maliki's increasingly autocratic government.

Vestiges from decades of war linger. Every year, Iraq still pays billions of dollars in reparations to Kuwait for Saddam Hussein's disastrous invasion. Five percent of Iraq's oil revenues are being garnished as war reparations to Kuwait, and the two nations are scrabbling over competing ports and access to the Persian Gulf. Its own military leaders admit they

cannot secure the desert borders that are conduits for drugs, weapons and militants.

And its efforts at fence-mending -- as well as Iraq's reluctant, tepid calls for change in Syria -- may be real steps toward reintegrating Iraq back into the Arab world. Or they could simply be the price Iraq's leaders are willing to pay to avoid the embarrassment of a half-filled summit hall.

Syria, which has been suspended from the Arab League, will not attend. Syria remains a divisive issue between Iraq and its Sunni Arab neighbors. Recently, Iranian cargo planes suspected of carrying weapons have crossed through Iraqi airspace, bound for Syria, whose government is a staunch Iranian ally. After repeated entreaties from American officials, Mr. Maliki has responded and the flights appear to have all but stopped.

Over the next few days in Baghdad, the leaders at the summit meeting will gather in the former Republican Palace, one of several government buildings and hotels that have been remodeled with new chandeliers, marble, wood trim and the other gilded trappings of what Iraq aspires to look like.

The government has also spent millions to redeploy thousands of security forces to the capital and is juggling transportation and accommodations for thousands of leaders, diplomats and journalists. It has bought 2,000 suits and 2,000 ties with the summit meeting's insignia. It is corralling 600 cars. It is spending \$600,000 on stationery and \$1 million on flowers.

In Baghdad's streets, the response to the Arab summit meeting is complex. Some Iraqis see it as a source of national pride. Others, with a pessimism as hard-baked as desert soil, dismiss it as a waste of money by a self-serving political elite. Fears abound that the summit meeting will attract more suicide bombers to Baghdad than heads of state.

The meeting was postponed last April because of the upheaval in the region, giving Iraqi leaders more time to polish the areas of the city visible to delegates with new sidewalks, streetlights, fountains and grass. But in the poorer precincts of Baghdad, where gutters flow with raw sewage and the power comes on for just four hours a day, little has changed.

Every Iraqi did get one thing, though: In honor of the summit meeting -- and to reduce the congestion and chaos of vehicle bans and checkpoints -- the government has declared a weeklong national holiday.

Article 3.

The Wall Street Journal

How Washington Encourages Israel to Bomb Iran

Reuel Marc Gerecht

March 25, 2012 -- In recent speeches, interviews and private meetings, President Obama has been trying hard to dissuade Israel from bombing Iran's nuclear facilities. All along, however, he's actually made it much easier for Israel to attack. The capabilities and will of Israel's military remain unclear, but the critical

parts of the administration's Iran policy (plus the behavior of the Islamic Republic's ruler, Ali Khamenei) have combined to encourage the Israelis to strike.

Public statements define a president's diplomacy, and in front of the American Israel Public Affairs Committee this month Mr. Obama intensely affirmed "Israel's sovereign right to make its own decisions about what is required to meet its security needs." He added that "no Israeli government can tolerate a nuclear weapon in the hands of a regime that denies the Holocaust, threatens to wipe Israel off the map, and sponsors terrorist groups committed to Israel's destruction."

By so framing the Iranian nuclear debate, the president has forced a spotlight on two things that his administration has wanted to leave vague: the efficacy of sanctions and the quality of American intelligence on Tehran's nuclear program. The Israelis are sure to draw attention to both in the coming months. Given Mr. Khamenei's rejection of engagement, Mr. Obama has backed sanctions because they are the only plausible alternative to war or surrender. Ditto Congress, which has been the real driver of sanctions. But the timeline for economic coercion to work has always depended on Israeli or American military capabilities and the quality of Western intelligence. Neither factor engenders much patience. Even the U.S. Air Force might have difficulty demolishing (with conventional explosives) the buried-beneath-a-mountain Fordow nuclear site near Qom,

where the Iranian regime has been installing uranium-enrichment centrifuges. In Israel, Mr. Netanyahu and his hawkish defense minister, Ehud Barak, may have waited too long to raid this now-functioning facility; steady Iranian progress there certainly means that the Israelis must strike within months if they are serious about pre-emption. Although the Iranian regime dreads new Western sanctions against its central bank, and especially the ejection of the Islamic Republic from the Swift international banking consortium, Tehran still has a huge advantage concerning time. Iran made around \$79 billion last year from the sale of oil. Whatever the cost of its nuclear program, the regime has surely spent the vast majority of the monies required to deliver a nuclear weapon, and Tehran certainly still has the few billions required to finish producing highly enriched uranium, triggering devices, and warheads for its ballistic missiles.

Sanctions that cannot starve the nuclear program could still conceivably collapse the Iranian economy, bringing on political chaos that paralyzes the nuclear program. But if we have learned anything from the past 60 years of sanctioning nasty regimes, it is that modern authoritarian states have considerable resilience and a high threshold of pain. Many Iran observers would like to believe that sanctions could rapidly exacerbate divisions within the regime and thereby force Tehran to negotiate an end to possible nuclear weaponization. But this scenario beggars the Iranian revolutionary identity. Mr. Khamenei has shown no willingness to halt the program.

Commanders of the Revolutionary Guards Corps, who are handpicked by the supreme leader and now control much of the Iranian economy and oversee "atomic research," have not even hinted they differ with Mr. Khamenei on the nuclear question.

The sanctions-political-chaos-nuclear-paralysis scenario envisions either the supreme leader or the Revolutionary Guards abandoning nukes just when they are within grasp. To verify the cessation of the nuclear-weapons quest, so the theory goes, these men would allow the unfettered inspection of all nuclear and military sites by the International Atomic Energy Agency. In other words, everything Mr. Khamenei and his praetorians have worked for since 1979—the independence and pre-eminence of the Islamic Republic among Muslim states in its battle against the "world-devouring," "Islam-debasing" United States—would be for naught.

The supreme leader and his allies are acutely sensitive to the age-old Persian conception of haybat, the awe required to rule. Those who still believe in the revolution are obviously more ruthless than those who want change (hence 2009, when security forces brutalized the pro-democracy Green Movement).

Whoever might want to compromise on the nuclear issue within Iran's ruling elite surely lives in fear of those who don't. Mr. Khamenei hasn't allowed the Revolutionary Guards to expand their economic reach because he wants them to be rich—it's because he wants them to be powerful. Iran's ruling elite are in a better position to survive sanctions today than they

were when President George W. Bush described them as part of an axis of evil in 2002. Sanctions are a good tool to deny Tehran resources, but as a tool to stop nuclear weapons they aren't particularly menacing. They may now have become primarily a means to stop the Israelis, not the Iranians, from achieving their desired ends. Under presidential pressure, the CIA's traditional sentiments toward Israel—suspicion laced with hostility—have likely been forced underground. Sharing intelligence has probably become *de rigueur*. The Israelis (like the British and the French) now undoubtedly know what we know about the Iranian nuclear program.

It's an excellent bet that the Israelis now know that the CIA probably has no sources inside the upper reaches of the Iranian scientific establishment, Mr. Khamenei's inner circle, or the Revolutionary Guards' nuclear brigade. They know whether the National Security Agency has reliably penetrated Iran's nuclear communications, and how Iran has improved its cybersecurity since Stuxnet.

The Israelis surely know that when the administration says it has "no evidence" that Mr. Khamenei has decided to build a nuclear weapon, this really means that Washington has no solid information. That is, Washington is guessing—most likely in the spirit of the 2007 National Intelligence Estimate on Iran, which willfully downplayed Tehran's nuclear progress. Because of his multilateral openness with our allies, Mr. Obama has likely guaranteed that the Western intelligence consensus on the Islamic Republic's

nuclear program will default to what the Israelis and French have always said is most critical to weaponization: How many centrifuges do the Iranians have running, and are they trying to hide them or put them deep underground?

The Israeli cabinet reportedly still hasn't had the great debate about launching a pre-emptive strike.

Democracies always temporize when confronted with war. But that discussion is coming soon and Barack Obama—who, despite his improving efforts at bellicosity, just doesn't seem like a man who would choose war with another Muslim nation—has most likely helped Messrs. Netanyahu and Barak make the case for military action.

Mr. Gerecht, a former Iranian-targets officer in the CIA's clandestine service, is a senior fellow at the Foundation for Defense of Democracies.

Article 4.

National Review

The Israeli Arab Paradox

Daniel Pipes

March 23, 2012 -- Can Arabs, who make up one-fifth of Israel's population, be loyal citizens of the Jewish state?

With this question in mind, I recently visited several Arab-inhabited regions of Israel (Jaffa, Baqa al-Gharbiya, Umm al-Fahm, Haifa, Acre, Nazareth, the Golan Heights, Jerusalem) and held discussions with mainstream Arab and Jewish Israelis.

I found most Arabic-speaking citizens to be intensely conflicted about living in a Jewish polity. On the one hand, they resent Judaism's status as the country's privileged religion: the Law of Return that permits only Jews to immigrate at will, Hebrew as the primary language of state, the Star of David on the flag, and the mention of the "Jewish soul" in the anthem. On the other hand, they appreciate the country's economic success, standard of health care, rule of law, and functioning democracy.

These conflicts find many expressions. The small, uneducated, and defeated Israeli Arab population of 1949 has grown tenfold, acquired modern skills, and recovered its confidence. Some from this community have acquired positions of prestige and responsibility, including Supreme Court justice Salim Joubran, former ambassador Ali Yahya, former government minister Raleb Majadele, and journalist Khaled Abu Toameh.

But these assimilated few pale beside the discontented masses who identify with Land Day, Nakba Day, and the Future Vision report. Revealingly, most Israeli Arab parliamentarians, such as Ahmed Tibi and Haneen Zuabi, are hotheads spewing rank anti-Zionism. Israeli Arabs have increasingly resorted to violence against their Jewish co-nationals.

Indeed, Israeli Arabs live two paradoxes. Although they suffer discrimination within Israel, they enjoy more rights and greater stability than any Arab populace living in a sovereign Arab country (e.g. Egypt or Syria). Second, they hold citizenship in a

country that their fellow Arabs malign and threaten with annihilation.

My conversations in Israel led me to conclude that these complexities impede robust discussion, by Jews and Arabs alike, of the full implications of Israeli Arabs' anomalous existence. Extremist parliamentarians and violent youth get dismissed as a fringe, unrepresentative of the Arab population. Instead, one hears that if only Israeli Arabs received more respect and more municipal aid from the central government, current discontents would be eased; that one must distinguish between (the good) Arabs of Israel and (the bad) Arabs in the West Bank and Gaza; and that Israeli Arabs will metastasize into Palestinians unless Israel treats them better.

My interlocutors generally brushed aside questions about Islam. It almost felt impolite to mention the Islamic imperative that Muslims (who make up 84 percent of the Israeli Arab population) rule themselves. Discussing the Islamic drive for application of Islamic law drew blank looks and a shift to more immediate topics.

This avoidance reminded me of Turkey before 2002, when mainstream Turks assumed that Atatürk's revolution was permanent and Islamists would remain a fringe phenomenon. They proved very wrong: In the decade since Islamists democratically rode to power in late 2002, the elected government has steadily applied more Islamic laws and built a neo-Ottoman regional power.

I predict a similar evolution in Israel, as Israeli Arab

paradoxes grow more acute. Muslim citizens of Israel will continue to grow in numbers, skills, and confidence, becoming simultaneously more integral to the country's life and more eager to throw off Jewish sovereignty. This suggests that as Israel overcomes external threats, Israeli Arabs will emerge as an ever-greater internal concern. Indeed, I predict they represent the ultimate obstacle to establishing the Jewish homeland anticipated by Theodor Herzl and Lord Balfour.

What can be done? Lebanon's Christians lost power because they incorporated too many Muslims into their country and became too small a proportion of the population to rule it. Recalling this lesson, Israel's identity and security require minimizing the number of Arab citizens — not by reducing their democratic rights, much less by deporting them, but by such steps as adjusting Israel's borders, building fences along the frontiers, implementing stringent family-reunification policies, changing pro-natalist policies, and carefully scrutinizing refugee applications.

Ironically, the greatest impediment to these actions will be that most Israeli Arabs emphatically wish to remain disloyal citizens of the Jewish state, instead of loyal citizens of a Palestinian state. Further, many other Middle Eastern Muslims aspire to become Israelis (a phenomenon I call "Muslim aliyah"). These preferences, I predict, will stymie the government of Israel, which will not develop adequate responses, thereby turning today's relative quiet into tomorrow's crisis.

Daniel Pipes is President of the Middle East Forum and Taube Distinguished Visiting Fellow at the Hoover Institution of Stanford University.

Article 5.

The Moscow Times

Putin and Obama Will Be Friends — for Now

Vladimir Frolov

26 March 2012 -- Despite a seemingly lethal overdose of anti-American vitriol during Vladimir Putin's presidential campaign, the stage is being set for a short-term improvement in U.S.-Russia relations.

The Kremlin and Barack Obama's White House are anxious to get down to business as usual and have tacitly agreed to ignore the rhetorical excesses of presidential politics.

The upside for Obama of having to deal with Putin in the Kremlin is that Putin can afford to act more boldly than outgoing President Dmitry Medvedev. This will come in handy in May when Putin and Obama discuss missile defense at Camp David. The contours of the deal are in place. Putin may accept Obama's written statement that U.S. missile defense in Europe will not target Russia's strategic nukes, accompanied by U.S. assurances that the velocity of U.S. interceptors will not allow for a boost-phase

intercept of Russian missiles. Obama may embrace Putin's new proposals for data sharing and joint threat assessment, which build on Putin's 2007 offer to then-President George W. Bush at Kennebunkport.

On Syria, the risk of United States and Russia sliding toward a war by proxy is gone. Washington has concluded that an armed intervention is untenable because President Bashar Assad's regime retains a significant war-fighting capability. Moscow is relieved that the United Nations Security Council will not vote again to sanction regime change in a sovereign country. UN mediation efforts in Syria look promising.

Obama has opened the door for U.S. military action to take out the Iranian nuclear program. Ironically, this could allow closer U.S.-Russia cooperation on Iran, pushing Moscow to seize the opportunity to enhance its standing as a peacemaker of last resort. But if Obama is maneuvered into war with Iran, Putin would not mind seeing the United States bogged down in another conflict, leaving it with less appetite for mischief in countries neighboring Russia.

On the democracy front, the Kremlin is glad to discover that Ambassador Michael McFaul's mission in Moscow may not be to stage an Orange Revolution but to discredit Putin's opponents by tightening the U.S. Embassy's embrace of them. In the short term, Putin and Obama could make for good bedfellows. But in the long term, the relationship lacks a common strategic purpose, making it perilously unstable.

Vladimir Frolov is president of LEFF Group, a government-relations and PR company.

Article 6.

The Weekly Standard

A World Headed for De-Globalization?

Irwin M. Stelzer

March 24, 2012 -- We may be entering an era of creeping de-globalization. It is one thing to be generous with the perceived foibles of your trading partners when your economy is growing and jobs are plentiful. It is quite another to decide to be tolerant when your economy is struggling, and domestic political pressure to create jobs and raise wages is increasing.

Which is the case both in China and the United States. America is in the midst of a drawn-out election campaign, with candidates vying for the China-basher-of-the-year award. Eager to shift blame for high unemployment and to appease an electorate that believes the country to be headed in the wrong direction, President Barack Obama is letting it be known, most especially to his trade union allies, that

he is going to get tough on China for its currency manipulation, export control on rare minerals, buy-China policy, and theft of intellectual property. To which Republican candidates respond with even tougher statements.

Meanwhile, control of the Communist party apparatus that runs China is about to change, the so-far peaceful version of regime change, and the new boys in charge are as eager to prove they are no pushovers for the tough-talking Americans as the American politicians are to prove they are no pushovers for the wily Chinese. And, in a situation similar to America's, China's manufacturing sector is not as robust as the powers-that-be would like. It is suffering its worst quarter in three years, economic growth has slowed for five successive quarters, and layoffs are running at their fastest rate in three years. "Worse may lie ahead," says Markit's chief economist Chris Williamson. And because wages are being raised at double-digit rates to appease a restive work force, the nation's competitiveness is being reduced. Indeed, China has reached a point where its export-led model is under such serious threat that major reforms are being mooted.

Neither these facts—China is, after all, projecting a growth rate around three times what the U.S. expects -- nor the recent trade deficits recorded by China can defuse anger with its willingness to erect barriers to American goods, including its recent decision to levy tariffs ranging from 2 percent to 21.5 percent on U.S.-made cars, apparently in retaliation for America's

decision to levy duties on imports of low-end tires made in China. As World Bank president Robert Zoellick is fond of warning those who would get tough with China, once you start a trade war, there is no telling how it will end. Tires today, autos tomorrow.

If the tiffs between China and the U.S. were the entire story, it could be written off as a phenomenon that will pass once the US elections are over and the new regime in China settles in. After all, China has been manipulating its currency for decades, and the squeals of outrage from members of congress mount whenever a member of China's ruling class visits the United States, only to subside when he is gone—or, like soon-to-be-president Xi Jinping, has reminded farmers in key electoral states how much they export to China. There are two reasons to believe that this brawl will prove more enduring and more widespread. For one thing, the informal China lobby, American businessmen hopeful of tapping the huge Chinese market, have traditionally pressured Washington politicians to cool it, to avoid an all-out trade war. That lobby seems to be fed up with restrictions on American companies' ability to sell their goods in China, and with the persistent theft of their intellectual property—what Bloomberg Businessweek calls “The Great Brain Robbery.” So it has gone virtually silent, removing a key brake on the willingness of any American administration to retaliate.

Moreover, China's practices are now provoking reactions in countries other than the US. Germany has

two new reasons for concern. The Chinese government has ordered its bureaucrats to stop buying foreign—mostly German—cars and spend their \$13 billion annually on made in China vehicles. This has German auto makers, especially Volkswagen, unhappy, since Audis are the bureaucrats' vehicle of choice, and they buy 6.5 million vehicles annually. Germany is also upset because the \$30 billion in annual subsidies lavished by the Chinese government on its manufacturers of solar panels and cells is hurting German companies, until now leaders in that industry. It is the U.S. unit of Germany's Solar-World AG that has led the successful call for the imposition by the U.S. of tariffs on China's manufacturers of solar panels and cells, recipients of \$30 billion annually in government subsidies.

Add Brazil to the unhappy trading nations. It attributes the woes of its manufacturing sector to cheap Chinese imports and dumping by developed countries. "We are not going to just sit by while other countries devalue their currencies to give them a competitive advantage.... We don't want to lose our manufacturing sector," announced Brazil's finance minister Guido Mantega. So taxes on foreign cars have been raised, and state-owned Petrobras will direct about 75 percent of its \$225 billion capital programme, the world's largest for any corporation, to local suppliers, a buy-local move also being considered by the EU. More important, Brazil is re-introducing currency controls to prevent the value of its real from rising. These are not "protectionist

measures,” claims Mr. Mantega, they are “defensive measures” in response to “non-competitive mechanisms.”

Another developing nation has joined the flight from globalization. “India is not a no-tax country, ... not a tax haven, zero-tax or low-tax country,” announced finance minister Pranab Mukherjee. His new budget proposes a tax on some international mergers, retroactive to 1962. Of the foreign companies that have bought assets in India, Vodaphone is the most at risk, liable for \$2.2 billion in taxes on its purchase of Indian wireless operations. Mr. Mukherjee denies this will have an adverse effect on much-needed direct foreign investment.

Then there is the problem of China’s restrictions on the export of minerals, including rare earths essential to the manufacture of high-tech goods such as hybrid cars, iPads, and missiles. The EU and Japan have joined our complaint to the World Trade Organisation; China claims its export restrictions are aimed at protecting the environment rather than distorting trade.

Whether all of this represents a fraying around the edges of the trading regime that has accompanied globalization, or the beginning of a return to autarky is difficult to say. But we can say that the constituency for free trade, always dispersed and less noisy than advocates of protectionist measures, is in retreat.

Article 7.

The Hindu

Rediscovery of non-alignment

Chinmaya R. Gharekhan

March 24, 2012 -- 'Nonalignment 2.0' is not without its flaws but on the whole, the document offers a comprehensive view of foreign policy, makes sensible suggestions and is lucid, readable and deserving of wide debate. A disappointing feature of India's foreign policy since Independence has been the almost complete absence of a meaningful debate about it.

Early on, no one dared, within and without the government, to question the policy laid down by Jawaharlal Nehru. This continued right up to the present times, when the nuclear deal with the United States generated a good deal of discussion, much of it though on ideological grounds. Equally unfortunate is the importance attached to the desirability of consensus in foreign policy. Why should consensus, per se, be essential to the conduct of foreign policy?

Indicates 'strategic autonomy'

Eight eminent men — alas, not a single woman — have rendered a very useful and much-needed service by producing “Nonalignment 2.0: A Foreign and Strategic Policy for India in the Twenty First Century.” The document gives us a comprehensive overview of the challenges facing and opportunities available to India in the years ahead. The analyses of the issues involved are sound and give a good basis on which to take the debate forward. Why did they have to choose “non-alignment” as the title for their

document? In this day and age, to talk of non-alignment is completely un-understandable. The authors explain that they use the term to indicate the “strategic autonomy” of decision-making which was supposed to be the essence of previous non-alignment. This is true only to an extent. The word itself was conceived in the context of the state of the world in the Cold War period and does not necessarily have connotations of success in foreign policy. It is not as if “Nonalignment 1.0” was a golden era for Indian diplomacy. Some of us are unlikely to forget that we did not receive support from a single fellow non-aligned country when China attacked us in 1962. Nehru himself might not have approved the use of this term if he had lived long enough to see the distortions that crept up in the practice of non-alignment. Today, “Non-alignment” sounds backward looking, not forward looking, as is the intention of the authors. Nor was practising non-alignment a demonstration of courage on the part of most of its practitioners. The only country where it called for boldness was Yugoslavia which was in the direct line of confrontation between competing and heavily armed antagonists. We were at a reasonably safe distance from these lines of confrontation and it is debatable whether our non-alignment policy significantly helped in keeping the levels of tension in the world down. It is also not clear if Nehru wanted to build India's national power as “the foundation for creating a more just and equitable world order,” as suggested in paragraph nine. Equally difficult to comprehend is the

almost obsessive use of the adjective “strategic” throughout the document. Why should the autonomy of decision-making be “strategic”? I doubt if Nehru ever described our policy as the strategic policy of non-alignment. How does “strategic” add value to the unexceptionable concept of independence or autonomy of judgment? While deciding on a vote in the Security Council, the government of the day always takes into account all the relevant factors — the immediate impact on our interests, relations with other countries, possible domestic fallout, etc; it is not consciously taking a “strategic” decision. Even communications between the government and people have to be “strategic” — paragraph 260. It is as if adding the adjective at once lends profundity to whatever is being advocated. The document is most useful in that it gives us, in about 60 pages, a good picture of all the elements which go into the doctrine of security, strategic or otherwise. It is not usual for foreign policy mandarins to think of internal security issues while pondering over their agenda. This has been necessitated by the increasingly volatile internal security scene of today which was not the case a few decades ago. In fact, the group could have done well by including an expert on internal security in its work.

On China

The section on China is excellent and contains sound analysis. The general thrust is to take a cautious attitude so as not to unnecessarily provoke China. However, paragraph 33 calls for a reassessment and readjustment of our Tibet policy. But, how realistic is

it to persuade China to reconcile with the Dalai Lama when the presence of His Holiness in India is itself the cause of much of China's unhappiness with us? Is there a mild hint of using the Tibet card? But it is immediately rejected by pointing out the negative reaction of the People's Liberation Army (PLA). And, is there some confusion? Does the election of a prime minister by the Tibetan diaspora indicate replacement of the traditional practice of selecting the Dalai Lama? Paragraph 35 rightly expresses concern at the asymmetry in bilateral trade with China, but it has the impractical suggestion that China's interest in our infrastructure projects could be used as a leverage to secure political concessions in areas of interest to us. There is also the factor of Indian corporate houses acting as a powerful lobby against permitting the government from being firm with China on matters of vital importance to us. This particular section ends with the advice to strike the right balance between competing concepts such as cooperation and competition, economic and political interests. It is ironic that our single most important challenge in the years ahead should be with a country with which we have a strategic partnership agreement. The paper rightly reminds us of the imperative need to work single-mindedly for the economic integration of the South Asian region. The broad conclusion is that India shall have to offer many more unilateral concessions to reassure our neighbours of our good intentions and to make them realise that it is in their interest to ride piggyback on the strength of India's economy. This

has been tried in the past in the famous Gujral Doctrine. Let us hope that our neighbours will at long last see the wisdom in this advice. In general, however, experience shows that it is futile for a big country to expect to be loved by its smaller neighbours; the best that it should expect is to be respected by them.

Pakistan; nuclear energy

On Pakistan, paragraph 56 has the eminently sensible assessment that any improvement in India-Pakistan relations will be incremental and not a one-sweep decisive historical breakthrough. The broad thrust of the authors is that India must continue to take the soft approach. Paragraph 59 has the implied conclusion that the presence of nuclear weapons in both states has negated our advantage in the conventional field.

Paragraph 61 advises that we must “ensure” that no serious terrorist attacks — defined as those with significant domestic impact — are launched on Indian territory by groups based in Pakistan. How does one “ensure” this? The authors' advice to maintain channels of communication even in the event of a major provocation is not likely to command consensus in the country, though in practice there might not be any other option, since not talking is, at best, a temporary response. Maintaining lines of communication is essential for us to convey unambiguously our “redlines”; it would have been useful if we had had an indication of what these redlines could be. There is the bold suggestion that we should directly engage the Pakistan army, something

this writer advocated in an article in the Tribune more than a year ago. On Afghanistan, the advice, by implication, is that we should reactivate the Northern Alliance in case Pakistan attempts to subvert the legitimate government in Kabul after the departure of the Americans. The paper is strongly supportive of nuclear energy as an indispensable element of our search for energy security. It suggests that the percentage of nuclear energy will go up from three per cent at present to 10 per cent by 2030, though some experts might not agree with this optimistic scenario. The need to make the “strategic” shift from the traditional sources to new and renewable has been mentioned; perhaps a reference to solar might not have been relevant. Similarly, there has been no mention of Fukushima, although there is in fact a strategic need to communicate with the people about the safety aspects of nuclear energy. It is not clear to this writer why the publication of a “nuclear doctrine” is such an essential or good thing for us and why Pakistan not having one is “far from reassuring.” In that case, why should we have been so reassuring to Pakistan? Paragraph 235 frankly admits that the possession of nuclear weapons has emboldened Pakistan to pursue sub-conventional options against India and to place restraints against India's strategic response. The eminent authors have more than once cautioned against our depending on others for solving our problems either with Pakistan or any other. They are absolutely right. They also seem to be in favour of India becoming a permanent member of the Security Council even without a veto, a

sentiment with which this writer is in agreement. All in all, the authors have performed a most useful task by producing a paper which is at once lucid, readable and deals comprehensively with foreign policy challenges. It deserves wide debate among our parliamentarians, the media as well as think-tankers.

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