

**From:** Office of Terje Rod-Larsen <[REDACTED]>  
**Subject:** February 24 update  
**Date:** Mon, 24 Feb 2014 16:02:05 +0000

---

24 February, 2014

<a href="#">Article 1.</a>	Reuters <b><u>The threat of Israel boycotts more bark than bite</u></b> Crispian Balmer
<a href="#">Article 2.</a>	Asharq Al Awsat <b><u>Has the Arab Spring silenced the Palestinian issue?</u></b> Amal Mousa
<a href="#">Article 3.</a>	The Washington Institute <b><u>Saudi Arabia's Domestic and Foreign Intelligence Challenges</u></b> <a href="#">Simon Henderson</a>
<a href="#">Article 4.</a>	Asia Times <b><u>US adopts Israeli demand on Iran's missiles</u></b> Gareth Porter
<a href="#">Article 5.</a>	<a href="#">The Guardian</a> <b><u>Libya: the mirage of democracy</u></b> Editorial
<a href="#">Article 6.</a>	The Financial Times <b><u>US v China: is this the new cold war?</u></b> Geoff Dyer
Article 7.	Hurriyet <b><u>An important week in Cyprus diplomacy</u></b> Yusuf Kanli

[Article 1.](#)

Reuters

# **The threat of Israel boycotts more bark than bite**

Crispian Balmer

February 23, 2014 -- Though voices are getting louder inside and outside Israel about the threat of economic boycotts for its continued occupation of Palestinian territories, there seems little prospect of it facing measures with real bite.

With a number of European firms already withdrawing some funds, Israeli Finance Minister Yair Lapid has warned that every household in Israel will feel the pinch if ongoing peace talks with the Palestinians collapse.

U.S. Secretary of State John Kerry has also warned that Israel risks a financial hit if it is blamed for the failure, but investors and diplomats say they are unconvinced.

It is true that some foreign firms have started to shun Israeli business concerns operating in East Jerusalem and the West Bank - land seized in the 1967 war - and the European Union is increasingly angered by relentless Jewish settlement expansion.

But the bulk of Israeli business is clustered on the Mediterranean coast, a world away from the roadblocks and watchtowers of the West Bank, and not even the Palestinian leadership is demanding a total economic boycott.

"The boycott is being used like a bogeyman, a scary story you tell a child at night," said Jonathan Medved, CEO of OurCrowd, a crowdfunding platform looking to provide venture capital to Israeli companies.

"The truth is that Israel is a world leader in water technology, next-generation agriculture, cybersecurity, healthcare innovation and start-ups. What sane person is going to walk away from that?" he said, speaking by telephone during a visit to South Africa to seek out potential partners.

### [EUROPE STIRS](#)

Embargoes, sanctions and boycotts, along with internal resistance, helped bring about the isolation and eventually the end of apartheid in South Africa in the 1980s.

Pro-Palestinian, or anti-Israeli, activists hope to use the same tactics to force Israeli Prime Minister Benjamin Netanyahu to sign a deal to create an independent Palestine based on the 1967 borders. They believe recent action by a handful of European firms to distance themselves from Israel might be the start of something big.

In December, Dutch firm Vitens said it would not work with Israeli utility company Mekorot because of its West Bank footprint. The following month a large Dutch pension fund, PGGM, ended its investment in five

Israeli banks because of their business dealings with settlements considered illegal under international law. Denmark's Danske Bank blacklisted Bank Hapoalim for the same reason.

These moves sent a jolt through the Israeli government.

"If the negotiations with the Palestinians break down and a European boycott begins, even partially, Israel's economy will go backwards, every person will be directly affected in their pockets," Lapid said in a speech earlier this month.

Unlike some of his cabinet colleagues, the finance minister supports the need to pull back from much of the occupied territories in an effort to secure an elusive peace accord.

Looking to convince the sceptics, Lapid said failure to strike a deal could lead to a 20 percent drop in exports to the European Union and a halt in EU direct investment, warning that this would cost the Israeli economy 11 billion shekels (1.8 billion pounds) a year.

Supporting his case, Lapid points to an EU decision last summer to bar financial assistance to any Israeli organisations operating in the West Bank, and warns this could be expanded.

But EU diplomats say business with firms operating in the settlements, such as skincare company Ahava, represent less than 1 percent of all Israeli-EU trade, which last year totalled \$36.7 billion, up from \$20.9 billion a decade earlier.

The European Union matters because it is Israel's largest trading partner and it is the only place where murmurings of sanctions have so far been raised outside the Arab world, where only Egypt and Jordan have formal ties with Israel.

However, Europe is not united on how to deal with Israel and has not yet even agreed to introduce EU-wide labelling to make clear if goods come from settlements, much less anything more radical along the lines suggested by Lapid.

"There is no EU boycott," the president of the European parliament, Martin Schultz, said this month during a visit to Jerusalem during which he questioned whether the 28-nation bloc would want to penalise Israel if the U.S.-backed talks failed.

EU governments say it is up to each firm to decide its own investment strategy.

While a handful of states, including Britain, [Germany](#) and the Netherlands, discourage links with the settlements, there are no consequences for ignoring that steer, beyond the "potential reputational implications" a British Foreign Office agency warns of on its website.

Schultz said he was "not convinced about economic pressure", and also cast doubt on the need for clear labelling of settlement goods that would allow consumers to chose.

"Does it carry such a large weight that it could really change something?" he asked reporters.

## DIVESTMENT

The international Boycott, Divestment and Sanctions (BDS) movement seeks something much more emphatic, eager to turn all Israeli brands into toxic property as a way of forcing the government to roll back settlements and sign a full peace deal.

Omar Barghouti, the BDS co-founder, told Reuters he sensed a changing international atmosphere and was particularly buoyed by news of divestments from Israeli banks.

"We're talking about a completely different league here. Forget boycotting settlements, (that is) peanuts. Targeting the banks, that's where the money is, that's the pillar of the Israeli economy," said Barghouti.

However, divestment moves by the likes of Danske Bank appear to be the exception rather than the norm.

Germany's biggest lender Deutsche Bank AG denied reports last week that it was set to boycott Israeli banks, while the giant Dutch pension fund ABP announced this month that after a review, it saw no need to cut ties with Israeli banks.

All the while, foreign firms continue to pour into Israel. According to the latest Bank of Israel data, direct investment was \$10.51 billion in the first nine months of 2013, up from \$9.5 billion for the whole of 2012. Exports to Europe rose 6.3 percent last year.

Global brands such as Google, Cisco, Microsoft, Twitter, Apple, AOL and Facebook have all invested in Israel, so, like it or not, users of computers, smartphones and apps could well be supporting Israeli engineering.

"All the talk about boycotts has not so far caused any damage to our economy," Uriel Lynn, president of the Israeli Chambers of Commerce, told Reuters.

"Israel has gone through much harsher boycotts in the past. For example, we did not have commercial relations with [China](#) for years, and for a time we could only buy crude oil from Mexico and Egypt. So we can definitely withstand boycotts."

*Crispian Balmer is bureau chief for Israel and the Palestinian Territories. In 20 years with Reuters he has reported from more than 20 countries, covering everything from Hurricane Katrina to the Tsunami and the Balkans conflict. Previous assignments included lengthy spells as chief correspondent in Paris and Rome.*

[Article 2.](#)

Asharq Al Awsat

## **Has the Arab Spring silenced the Palestinian issue?**

Amal Mousa

23 Feb, 2014 -- I do not believe that the Palestinian cause was on a smooth path to a just resolution acceptable to Palestinians before the Arab Spring; however, neither can we accept what some Palestinian figures proclaimed, that the Arab revolutions were a source of strength and momentum for the Palestinian cause. Both points of view have suspect validity and need to be corrected.

Today, the Palestinian issue has almost transformed into an internal issue; the Palestinian cause has become solely "Palestinian," and is not an Arab nationalist issue as it was in the past. This has been true at least since the revolutions in Tunisia, Egypt, Libya, Yemen and Syria. Indeed, the decline in the number of Arab countries concerned about Palestine goes back to the start of these revolutions.

Strategic political interests were weakened by the massive failure of the Brotherhood movements across the Arab world. Their failure did not only strike a fatal blow to the future of political Islam, but also a painful one to the Palestinian political activists who gambled on the rise of Islamist political parties and who saw in those parties a chance to refresh the Hamas movement, and with it the whole Palestinian cause.

Among the important facts that were not given needed attention is that the elite were occupied with their own Arab revolutions. The Palestinian cause was absent from the revolutionary slogans in Tunisia, Egypt, Libya, Syria and Yemen. Neither was there discussion of it in the first phase after the revolutions.

Of course, the revolutions were not born of or for the Palestinian issue. But one only needs to understand the centrality of this issue and its political, cultural and social weight in the Arab world, the coverage it has received in the press, the political alliances that arose from it, and the powerful diplomatic efforts expended on it (regardless of their outcome) to see that it could have been one of the secondary or marginal slogans of the Arab revolutions.

Even months after the elections in some of the Arab revolutionary states, such as Tunisia and Egypt, it became apparent that the Palestinian issue was not a concern.

For example, after the elections for the National Constituent Assembly in Tunisia on October 23, 2011, some political voices with Arab nationalist backgrounds and others from civil society called for the inclusion of a particular article in the Tunisian constitution. That article would have criminalized the normalization of relations with Israel. But those calls were ignored, and many doubted the need to raise the issue to the level of including it in the constitution.

It was a clear message from the ruling troika, and especially from Ennahda, which has a relative majority in the constituent assembly, that introducing the Palestinian issue in that manner was a red line. An Islamist party that seeks or needs American support cannot cross that line.

I mention this example not in support of the criminalization of normalizing ties with Israel per se, but to highlight the massive change in behavior (but, apparently, not position) of Ennahda on the Palestinian issue. Palestine used to be among the top items on its agenda. This shows that Ennahda is using a new approach to the cause; perhaps, it has come to understand the pressures and burdens of governance. This has moderated its political behavior, making it more rational and pragmatic, despite the fact that when it came to political niceties Ennahda became more generous and flexible. (For example, it invited Hamas leader Khaled Meshal to its ninth conference, in June 2012.)

In Egypt, the change in attitude was even more apparent. While former President Hosni Mubarak's government used to sponsor negotiations between different parties on the Palestinian issue, including with active Arab parties such as Saudi Arabia, there was a change after the election of Mohamed Mursi to the presidency. When he was toppled he was subsequently accused of collaboration with Hamas, and in recent days Egypt announced openly that Hamas poses a danger to Egyptian national security.

What we can take from this is that the Muslim Brotherhood falling into the pit of violence has indirectly harmed the Palestinian issue. It has created an impression that political Islam was unable to benefit the Palestinians, because its links to world leaders are weak and marred with suspicion and skepticism. That impression has grown to become a widespread belief. Thus the Palestinian issue has become more complicated, because it has lost both its position and its prominence among the major powers.

*Amal Mousa is a Tunisian writer and poet.*

[Article 3.](#)

The Washington Institute

## **Saudi Arabia's Domestic and Foreign Intelligence Challenges**

[Simon Henderson](#)

February 21, 2014 -- A fatal shootout involving security forces and Shiites coincides with a change in the kingdom's intelligence leadership. Yesterday, two Saudi police officers were killed and two injured in a gunfight while trying to detain "armed troublemakers" in the Eastern Province town of al-Awamiyah. Two Shiites also died in contested circumstances -- opposition activists say they were unarmed, identifying one as a twenty-two-year-old who was shot eleven times while running away, and the other as a local photographer who died as he documented the raid.

The town is close to the coastal city of Qatif, which lies across a bay from Ras Tanura, the world's largest oil export terminal. Although Sunnis make

up nearly 90 percent of the kingdom's population, most of this area's inhabitants are Shiites who have long felt economically and politically disadvantaged -- much like the majority Shiites in the neighboring island-state of Bahrain, which has been wracked by demonstrations and clashes for the past three years. Last month, two German diplomats visiting al-Awamiyah were shot at and had their vehicle burned out; the incident was generally interpreted as Saudi security forces warning foreign diplomats to mind their own business.

Trouble in the Shiite area of Saudi Arabia links the two main foreign policy headaches of ninety-year-old King Abdullah. For one, he fears Shiite Iran's apparent diplomatic rapprochement with Washington, which might leave Tehran with much of its nuclear potential intact. The king has also been supporting the overthrow of Syrian president Bashar al-Assad, viewing regime change in Damascus as a strategic setback for Iran. Abdullah had given his intelligence chief -- Prince Bandar bin Sultan, the longtime former ambassador to Washington -- a leading role in enacting these policies, but in recent days it has become clear that the prince has been sidelined.

Bandar's Syria responsibilities have been taken over by his cousin, Prince Muhammad bin Nayef (known in Washington as MbN). Nayef is the interior minister, which in Saudi terms equates to head of homeland security and the FBI. He was in Washington last week for talks with senior U.S. officials, where he also joined a conclave of intelligence chiefs from Turkey, Qatar, France, and other countries to discuss Syria. The meeting apparently produced a common policy on vetting rebel groups for assistance and excluding the worst jihadists, though differences remain on what weapons to supply, most notably man-portable air-defense systems (MANPADS). According to the Wall Street Journal, MbN will be actively assisted in his role by Prince Mitab bin Abdullah, the king's senior son and head of the national guard, the kingdom's largest and perhaps most efficient paramilitary force.

It is uncertain whether the changes signal any substantive shift in Saudi policy, however. Bandar's removal, which has not been officially announced, is most likely due to health reasons. Past biographers who had close access to him have reported his susceptibility to depression and problems with alcohol. And when he gave a three-hour late-night briefing

to Sen. Bob Corker (R-TN) in December, he supported himself with a stick. Bandar is also believed to have favored recruitment of jihadist extremists -- often the most effective fighters against Assad -- and has been frustrated with the hesitancy of U.S. policy on Syria, declining to meet with visiting CIA chief John Brennan several times.

One tweak in Saudi policy was last month's edict prohibiting citizens from going abroad to wage jihad or providing financial and other support for such activities. The significance of this change is still being debated by analysts, though, especially since supporting such activities has been quasi-official Saudi policy for decades in Afghanistan, Chechnya, and Bosnia, even after negative consequences such as the emergence of al-Qaeda and characters like Usama bin Laden.

An optimistic interpretation of the latest changes is that the reported policy chasm between Riyadh and Washington is being bridged. MbN has a reputation for efficiency -- his accomplishments include the establishment of a deradicalization center for returning Saudi jihadists -- and is said to work well with his U.S. counterparts. He is also considered lucky, having survived the attempted embrace of a suicide bomber who was feigning surrender. But while MbN's late father developed a fearsome reputation during his own time as interior minister, there is uncertainty about the son's ruthlessness in dealing with security threats, considered necessary to win respect.

The clash in al-Awamiyah should serve as a reminder to Washington that Saudi Arabia views its security challenges as part of a continuum rather than distinct. The leadership change in the security and intelligence apparatus could ease friction regarding some of the issues that President Obama and King Abdullah will discuss when they meet in late March, but gaps remain on the urgency of -- and methods for dealing with -- the Syria problem.

*Simon Henderson is the Baker Fellow and director of the Gulf and Energy Policy Program at The Washington Institute.*

[Article 4.](#)

Asia Times

**US adopts Israeli demand on Iran's missiles**

Gareth Porter

Feb 24, '14 -- The Barack Obama administration's insistence that Iran discuss its ballistic missile program in the negotiations for a comprehensive nuclear agreement brings its position into line with that of Israel and senators who introduced legislation drafted by the pro-Israel lobby group AIPAC aimed at torpedoing the negotiations.

But the history of the issue suggests that the Obama administration knows that Iran will not accept the demand and that it is not necessary to a final agreement guaranteeing that Iran's nuclear program is not used for a weapon.

White House spokesman Jay Carney highlighted the new US demand in a statement Wednesday that the Iranians "have to deal with matters related to their ballistic missile program".

Carney cited United Nations Security Council resolution 1929, approved in 2010, which prohibited any activity related to ballistic missiles capable of delivering nuclear weapons, including missile launches. "So that's completely agreed by Iran in the Joint Plan of Action," he added.

Iranian Foreign Minister Mohammad Javad Zarif not only explicitly contradicted Carney's claim that Iran had agreed to discuss ballistic missiles but warned that a US demand for discussion of its missile program would violate a red line for Iran.

"Nothing except Iran's nuclear activities will be discussed in the talks with the [six powers known as the P5+1], and we have agreed on it," he said, according to Iran's IRNA.

The pushback by Zarif implies that the US position would seriously risk the breakdown of the negotiations if the Obama administration were to persist in making the demand.

Contrary to Carney's statement, the topic of ballistic missiles is not part of the interim accord reached last November. The Joint Plan of Action refers only to "addressing the UN Security Council resolutions, with a view toward bringing to a satisfactory conclusion the UN Security Council's consideration of this matter" and the formation of a "Joint Commission" which would "work with the IAEA to facilitate resolution of past and present issues of concern".

It is not even clear that the US side took the position in the talks last autumn that Iran's missile program had to be on the table in order to complete a final agreement. But in any event it was not part of the Joint Plan of Action agreed on November 24.

Past US statements on the problem of the Security Council resolutions indicate that the administration had previously acknowledged that no agreement had been reached to negotiate on ballistic missiles and that it had not originally intended to press for discussions on the issue.

The "senior administration officials" who briefed journalists on the Joint Plan of Action last November made no reference to ballistic missiles at all. They referred only to "possible military dimensions" of the Iranian nuclear program and to "Iranian activities at Parchin".

The demand for negotiations on Iran's missile program originated with Israel, both directly and through Senate Foreign Relations Committee members committed to AIPAC's agenda.

Citing an unnamed senior Israeli official, Ha'aretz reported Thursday that Israeli Minister of Strategic Affairs Yuval Steinitz had met with Sherman and senior French and British foreign ministry officials before the start of the February talks and had emphasized that Iran's missile program "must be part of the agenda" for negotiation of a final agreement.

By early December, however, Israel was engaged in an even more direct effort to pressure the administration to make that demand, drafting a bill that explicitly included among its provisions one that would have required new sanctions unless the president certified that "Iran has not conducted any tests for ballistic missiles with a range exceeding 500 kilometers."

Since Iran had obviously tested missiles beyond that limit long ago, it would have made it impossible for Obama to make such a certification. Although the bill was stopped, at least temporarily, in the Senate when enough Democratic members refused to support it, Republicans continued to attack the administration's negotiating position, and began singling out the administration's tolerance of Iranian missiles in particular.

At a February 4 Senate Foreign Relations Committee hearing, Senator Robert Corker, the ranking Republican on the committee, ripped into Undersecretary of State Wendy Sherman, the chief US negotiator in the nuclear talks with Iran.

After a highly distorted picture of Iran's readiness to build a nuclear weapon, Corker asked, "Why did you all not in this agreement in any way address the delivery mechanisms, the militarizing of nuclear arms? Why was that left off since they breached a threshold everyone acknowledges?" But instead of correcting Corker's highly distorted characterization of the situation, Sherman immediately reassured him that the administration would do just what he wanted them to do.

Sherman admitted that the November agreement covering the next months had not "shut down all the production of any ballistic missile that could have anything to do with delivery of a nuclear weapon". Then she added, "But that is indeed something that has to be addressed as part of a comprehensive agreement."

Sherman also suggested at one point that there would be no real need to prohibit any Iranian missile if the negotiations on the nuclear program were successful. "Not having a nuclear weapon," she said, "makes delivery systems almost - not wholly, but almost - irrelevant."

That admission underlined the wholly political purpose of the administration's apparent embrace of the Israeli demand that Iran negotiate limits on its ballistic missiles.

The Obama administration may be seeking to take political credit for a hard line on Iranian missiles in the knowledge that it will not be able to get a consensus for that negotiating position among the group of six powers negotiating with Iran.

Russia's Deputy Foreign Minister Sergei Rybakov clearly implied that Moscow would not support such a demand in a statement on Thursday that Russia "considers that a comprehensive agreement must concern only and exclusively the restoration of trust in a purely peaceful intention of Iran's nuclear program".

Although US, European and Israeli officials have asserted consistently over the years that Iran's medium-range ballistic missiles are designed to carry nuclear weapons, Israel's foremost expert on the Iranian nuclear program, Uzi Rubin, who managed Israel's missile defense program throughout the 1990s, has argued that the conventional analysis was wrong.

In an interview with the hardline anti-Iran Wisconsin Project on Nuclear Arms Control in September 2009, Rubin said, "The Iranians believe in

conventional missiles. Not just for saturation but also to take out specific targets. ... Remember, they have practically no air force to do it. Their main striking power is based on missiles."

Since 2008, the International Atomic Energy Agency has accused Iran of working on integrating a nuclear weapon into the Shahab-3 missile reentry vehicle in 2002-2003, based on a set of drawings in a set of purported Iranian documents. The documents were said by the George W Bush administration to have come from the purloined laptop of a participant in an alleged Iranian nuclear weapons research program.

But that account turned to be a falsehood, as were other variants on the origins of the document. The documents actually came from the Mujahedin-e-Khalq (MEK), the anti-regime organization then listed as a terrorist organization by the US State Department, according to two German sources.

Karsten Voigt, who was the German foreign office coordinator, publicly warned about the MEK provenance of the papers in a November 2004 interview with the Wall Street Journal.

Voigt, who retired from the foreign office in 2010, recounted the story of how an MEK member delivered the papers to German intelligence in 2004 in an interview last year for a newly published book by this writer.

*Gareth Porter, an investigative historian and journalist specializing in US national security policy, received the UK-based Gellhorn Prize for journalism for 2011 for articles on the US war in Afghanistan. His new book *Manufactured Crisis: the Untold Story of the Iran Nuclear Scare*, was published February 14.*

[Article 5.](#)

[The Guardian](#)

## **Libya: the mirage of democracy**

Editorial

20 February 2014 -- The democracy which Libyans were promised after the fall of Colonel Gaddafi in 2011 has so far been like an ever-receding mirage in the desert. It shimmers in the distance, and seems closer as parliaments are elected, governments set up, and meetings held, but

somehow the country never gets there. So it is no wonder that the men and women voting on Thursday for a 60-member assembly which will draft a constitution were, [according to many reports](#), in a less than enthusiastic mood.

The constitution is supposed to provide a solid foundation for the country's future by laying out the rights and duties of citizens, protecting minorities, defining the legal system and deciding on the form of government. But the problem is that each institutional innovation since 2011 has been accompanied by hopes that it would lead to a normal and, above all, a truly national political life, and none have made much difference.

The hard truth is that power in [Libya](#) has been captured by armed militias, who control much of what goes on in each region. Some are tribal or local. Others are the armed wings of political parties which did not do well in elections but insist, at the point of a gun, in having their say in all decisions. They do not govern or administer in any full sense of the word. That is work for which they have neither the inclination nor the capacity, expecting the task of keeping the streetlights on and the water running to be done by others, but reserving the right to intervene in an arbitrary or predatory way whenever they wish to do so.

The militias have [blocked the export of oil](#), kidnapped politicians and officials, [including the prime minister](#), and burst into meetings to demand that the vote on an issue goes the way they want it to go. Two of the biggest have [recently demanded that parliament be dissolved](#), putting them on a collision course with other armed groups which back Prime Minister Ali Zeidan's government. The army is too small, and also perhaps too divided, to be an effective counterweight.

Ominous developments of this kind have been complemented by comic opera episodes like the one a few days ago when a retired general declared that a military [coup was under way](#) and spoke grandly of a "road map" for Libya which he would soon put into effect. Nothing at all then happened, and the affair remains mysterious. But Libyans would be too sanguine if they were to expect it always to be the case that the many threats to their fragile state will just fizzle out. The vacuum in Libya has allowed Islamist groups, notably Ansar al-Sharia, to establish themselves, and that in turn has brought [American and Nato attention and surveillance](#). It will take more than a new constitution to overcome this dangerous legacy.

The Financial Times

## **US v China: is this the new cold war?**

Geoff Dyer

February 20, 2014 -- To the list of industries now dominated by China, there is one surprising new entry: Miss World. Beauty contests were banned in China by Mao Zedong as one of the worst forms of western decadence but their bland internationalism appeals to modern China's desire to be included. Of the last 10 Miss World pageants, five have been held at the seaside resort of Sanya, on subtropical Hainan island, off China's south coast. While the Miss World show is in town, the swimsuit photo shoots take place across the road, at the Sheraton Sanya Resort, which looks out on to the white sands of Yalong Bay, a crescent-shaped cove lined with palm trees. With a Ritz-Carlton on one side and a Marriott on the other, Yalong Bay is a transplant of multinational tourism on China's southernmost point. The resort has become hugely popular with prosperous Chinese families and on the day I visited, the hotel was hosting a corporate retreat for the Chinese subsidiary of Syngenta, the Switzerland-based company which sells genetically modified seeds. The hundred or so Chinese employees spent the afternoon playing games on the beach. As they enjoyed themselves, they barely looked up when a Chinese Type 054 frigate sailed casually across the bay, in plain view of the tourists. Yalong Bay, it turns out, has a double life. The brand-name hotels occupy only one half of the beach; at the other end lies China's newest and most sophisticated naval base.

Yalong Bay is where the two sides of China's rise now intersect: its deeply connected economy and its deep-seated instinct to challenge America – globalisation China and great-power China vying for a spot on the beach. Celebrating their success in the China market, the Syngenta employees at the Sheraton all wore T-shirts emblazoned with the English-language slogan for their event: "Step Up Together". Yet right next door to their party was one of the most striking symbols of China's great-power ambitions. Ideally situated for quick access to the busy sea lanes of the

South China Sea, the base in Hainan is one of the principal platforms for an old-fashioned form of projecting national power: a navy that can operate well beyond a country's coastal waters. For the past couple of decades, such power politics seemed to have been made irrelevant by the frictionless, flat world of globalisation. Yalong Bay demonstrates a different reality. It is one of the launch pads for what will be a central geopolitical tussle of the 21st century: the [new era of military competition in the Pacific Ocean](#) between China and the US.

...

Asia's seas have become the principal arteries of the global economy yet two very different visions of Asia's future are now in play. Since the defeat of Japan in 1945 – and especially since the end of the cold war – the US Navy has treated the Pacific almost as a private lake. It has used that power to implement an international system in its own image, a rules-based order of free trade, freedom of navigation and, when possible, democratic government. That Pax Americana was cemented when the US and China resumed relations in 1972. The four decades since Richard Nixon met Mao Zedong have been the most stable and prosperous in Asia's modern history. Under the agreement, the US endorsed China's return to the family of nations and China implicitly accepted [American military dominance in Asia](#).

This unwritten understanding between Beijing and Washington on America's role in Asia is crumbling. China now wishes to recast the military and political dynamic in the region to reflect its own traditional centrality. Great powers are driven by a mixture of confidence and insecurity. China wants a return to the leadership position it has enjoyed so often in Asian history. It also frets about the security of its seaborne commerce, especially in the area it calls the "Near Seas" – the coastal waters that include the Yellow, East China and South China Seas. The Yalong Bay naval base on Hainan is one part of the strategy that China is starting to put in place to exert control over the Near Seas, pushing the US Navy ever farther out into the western Pacific. In the process, it is launching a profound challenge to the US-led order that has been the backbone of the Asian economic miracle.

For the past 20 years China has been undergoing a rapid military build-up, and the navy has been given pride of place. More important, China has

been investing in its navy in a very specific way. American strategists sometimes talk about a Chinese “anti-navy” – a series of warships, silent submarines and precision missiles, some based on land, some at sea, which are specifically designed to keep an opposing navy as far away as possible from the mainland. The implication of the investment plan is that China is trying to prevent the US Navy from operating in large areas of the western Pacific. According to Dennis Blair, the former Pacific commander who was head of the US intelligence services early in the Obama administration:

“Ninety per cent of their time is spent on thinking about new and interesting ways to sink our ships and shoot down our planes.”

China’s new navy is both an expression of power and a means to a diplomatic end. By weakening the US naval presence in the western Pacific, China hopes gradually to undermine America’s alliances with other Asian countries, notably South Korea, the [Philippines](#) and maybe even Japan. If US influence declines, China would be in a position to assume quietly a leadership position in Asia, giving it much greater sway over the rules and practices in the global economy. Through its navy, China hopes to reshape the balance of power in Asia. The naval competition in the western Pacific will set the tone for a large part of global politics in the coming decades.

While these pressures have built up quietly over the past few years, they have burst into the open in recent months, especially with the tense [stand-off between China and Japan over disputed islands](#) in the East China Sea – which the Japanese call the Senkaku and the Chinese the Diaoyu. Almost every day, Chinese aircraft fly near the islands, prompting a response from Japanese jets, while Chinese vessels also patrol near the islands, which are administered by Japan. The world’s second and third largest economies are playing a game of military chicken, with the world’s largest economy, the US, committed by treaty to defend Japan. China’s stepped-up claim over the islands is one part of its push for greater control of the surrounding seas but it is also a central part of the growing contest for influence with the US. China’s turn to the seas is rooted in history and geography in a manner that transcends its current political system. It was from the sea that China was harassed during its “century of humiliation” at the hands of the west. China was one of the most prominent victims of 19th-century gunboat diplomacy, when Britain, France and other colonial powers used their naval supremacy

to exercise control over Shanghai and a dozen other ports around the country. The instinct to control the surrounding seas is partly rooted in the widespread desire never to leave China so vulnerable again. “Ignoring the oceans is a historical error we committed,” says Yang Yong, a Chinese historian. “And now even in the future we will pay a price for this error.” This besiegement looks even worse on a map. Chinese talk about the “first island chain”, a perimeter that stretches along the western Pacific from Japan in the northeast, through Taiwan, to the Philippines in the south – all allies or friends of the US. This is both a geographical barrier, in that it creates a series of channels that a superior opponent could block in order to bottle up the [Chinese navy](#), and a political barrier controlled by countries close to Washington. Chinese strategists talk about “breaking through the thistles”: the development of a naval capability that will allow it to operate outside the first island chain.

When China looks out to sea, it also quickly sees the US. In the decades when China had little more than a coastguard, it was largely unaware that the US Navy was patrolling waters near its shores. But now that its capabilities are more advanced, it witnesses on a daily basis that the American navy is superior and operating only a few miles from many of China’s major cities. “For them, this is a major humiliation that they experience every single day,” says Chu Shulong, an academic at Tsinghua University in Beijing who spent a number of years in the Chinese military. “It is humiliating that another country can exercise so close to China’s coasts, so close to the base in Hainan. That is the reason the navy wants to do something to challenge the US.”

Anxieties about history and geography have meshed with broader concerns about economic security. One of the key turning points in China’s push to the high seas took place when it started to import oil for the first time, in 1993. By 2010, China had become the second-biggest consumer of oil, half of which is now imported. New great powers often fret that rivals could damage their economy with a blockade. For every 10 barrels of oil that China imports, more than eight travel by ship through the Strait of Malacca, the narrow sea channel between Indonesia, Malaysia and Singapore, which is patrolled by US ships. Fifteenth-century Venetians used to warn, “Whoever is the Lord of Malacca has his hand on the throat of Venice.” Hu Jintao echoed these sentiments when he warned in a 2003

speech that “certain major powers” are bent on controlling this crucial sea lane. Until now, China’s maritime security has been guaranteed largely by the US Navy. But, like aspiring great powers before it, China has been forced to confront a central geopolitical dilemma: can it rely on a rival to protect the country’s economic lifeline?

...

In 2005, the American writer Robert Kaplan wrote a cover story for *The Atlantic* entitled “How We Would Fight China”. I can remember receiving a copy in my office in Shanghai and tossing it angrily on to a pile of papers, the plastic wrapper still on the magazine. This was the high point of the debacle in Iraq and the idea of talking up a war with China at that moment seemed the height of neoconservative conceit. But when I did eventually read Kaplan’s article, I began to realise that the question he raised was a crucial one. China does not have a grand imperial plan to invade its neighbours, in the way the Soviets did. But in any country with a rapidly growing military – one that is flexing its muscles and is involved in a score of unresolved territorial disputes – there is always the risk that its leaders might be tempted by some sort of military solution, the lure of a quick win that would reorder the regional balance. If China and its neighbours all believe that the US has a credible plan for a conflict, this both deters any eventual Chinese adventurism and reduces the risk that anxious Asians will start their own arms races with Beijing. Or, as TX Hammes, the American military historian, puts it: “We need to make sure no one in the Chinese military is whispering in their leaders’ ears: ‘If you listen to me, we can be in Paris in just two weeks.’”

The US has not lost an aircraft carrier since the Japanese sank the *Hornet* in 1942. Both practically and symbolically, the aircraft carrier has been central to American power projection over the six decades during which it has dominated the Pacific. But it is those same vessels that are now potentially under threat from China’s vast new array of missiles. The loss of a carrier would be a massive psychological blow to American prestige and credibility, a naval 9/11. The mere prospect that carriers might be vulnerable could be enough to restrict their use. Even if the US Navy commanders thought their carriers would probably survive in a conflict, they might be reluctant to take the risk. As a result, the US needs a Plan B.

In the bowels of the Pentagon, that new plan has been taking shape. It is not actually described as a plan – instead, Pentagon officials call it a new “concept” for fighting wars. But it does have a name, AirSea Battle, which echoes the military doctrine from the later stages of the cold war called AirLand Battle, when the massive build-up in Soviet troops appeared to give the USSR the capacity to over-run western Europe. Many of the details about AirSea Battle remain vague. But the few indications that have been made public suggest an approach that, if pushed too far, could be a manifesto for a new cold war.

One senior Pentagon official insisted to me, “This is not an anti-China battle plan.” But when the Pentagon starts to describe the threats it is facing – long-range, precision-strike missiles that can restrict the movements of its ships, advanced submarines and expertise in cyberwar – it becomes clear that AirSea Battle is primarily about China. The hypothetical threat that the Pentagon planners outline describes accurately the precise strategy that China has been developing to restrict US access to the western Pacific. No wonder US military officers sometimes refer to China as “Voldemort” – in the Pentagon’s new battle plan, China is the enemy whose name they dare not speak.

Ninety per cent of China’s time is spent on thinking about new and interesting ways to sink our ships and shoot down our planes

- Dennis Blair, former US Pacific commander

Amid the military jargon there lies an idea that – if taken to its logical conclusion – is fraught with peril. In early 2012, the Pentagon released a document called “Joint Operational Access Concept” (known in the building as Joac). In the event of a conflict, the paper says, the US should “attack the enemy’s cyber and space” capabilities. At the same time, it should attack the enemy’s anti-access forces “in depth”. The clear implication of this advice is that, if war ever were to break out, the US should plan to launch extensive bombing raids across mainland China. China’s “anti-navy” of missile bases and surveillance equipment is based at facilities spread across the country, including in many built-up areas. The basic idea behind AirSea Battle leads to a fairly uncompromising conclusion that, in the early stages of a conflict with Beijing, the US should destroy dozens of military sites. It is the navy’s version of “shock and awe” for 21st-century Asia.

There are several reasons why this would be a dangerous way to think about a conflict with China. For a start, it is a recipe for rapid escalation. Given that two nuclear powers are involved, there should be big incentives to leave room for diplomats to try and find a way to resolve the situation. Yet, in calling for US forces to take out China's missile batteries at an early stage, the Pentagon's ideas could intensify any conflict quickly. The Chinese might well conclude that the US was also targeting its nuclear weapons.

Using AirSea Battle's ideas against China is an all-or-nothing battle plan. If commanders quickly order bombing raids across China, there is little scope to create space for diplomacy. Short of complete Chinese capitulation, it is difficult to see how such a war would end.

AirSea Battle would be expensive, too. It would require the Pentagon to fast-track a lot of weapons projects, such as a new generation of stealth bomber, at a time when budgets are under pressure. It is not only the usual critics of the military-industrial complex who fear this is part of the hidden agenda of AirSea Battle. Towards the end of the cold war, the arms race ultimately bankrupted the Soviet Union before the pressures of defence spending began seriously to undermine the US. But if a deeper arms race were to develop between China and the US, it is not at all clear that Washington would be starting from a stronger financial footing.

Then there are the allies. Asian governments are keen on a US military that can push back against Chinese aggression and are eager to enlist US help in this regard. But some allies might balk at the prospect of a plan to attack deep into mainland China, especially if it involved launching bombing raids from their territory. Ben Schreer, an Australian military strategist, says AirSea Battle is suited to "a future Asian cold war scenario". Rather than providing assurance, Washington's new battle plan could easily rattle some of its friends and allies.

...

All these objections create one final problem with AirSea Battle: is such an approach politically viable? Given the risks, especially the chance of nuclear escalation, it is not at all clear that a US president would endorse a war plan that involved such a rolling bombing campaign. Successful deterrence relies on being able to demonstrate a military threat that is credible and realistic. Pentagon planners hope the Chinese military will be

cowed by the mere thought of an American military strategy based on AirSea Battle. But, equally, the Chinese might come to see it as a one great big bluff.

At the very least, AirSea Battle concentrates the mind. It is prompting a much broader debate in the US about how to respond to the Chinese challenge. With its superiority now under threat, Washington faces a choice: it can try to retain its primacy at all costs or it can shift to a more defensive approach that is geared towards preventing another power from ever controlling the region. Deterrence is not always the same as dominance.

The US can use some of China's own logic against it. Together with its allies, it can develop defensive arrangements that take advantage of the region's geography and which would make it almost impossible for China to seize contested areas – and to hold on to those islands if it were to try. By making clear the high penalties that would be involved in any attempt to snatch disputed islands, it can ensure that China cannot change the region's status quo. Such a goal would be both much cheaper to achieve and much less confrontational than planning for mainland air strikes.

The American naval historians Toshi Yoshihara and James Holmes suggest that the US partly focuses on what they call “war limited by contingent” – smaller-scale operations which prevent dramatic escalation but make life difficult for the Chinese navy. They draw the analogy of Wellington's campaign in Spain and Portugal in 1807-14, which in military terms was a sideshow to the broader conflict with France but which Napoleon complained gave him “an ulcer”. The geography along the first island chain provides many strategic locations which can be used to construct small-scale facilities with missile batteries that could create havoc for a rival navy. Submarines and mines would add to the deterrent effect against any land-grabs. “The ideas that China is pursuing about denying access can work both ways,” Holmes told me. “There are many ways to give China an ulcer, which could be one of the best ways of deterring aggression before it ever happens.”

For the more pessimistic observers, the US and China are doomed to repeat the intense security competition of the cold war. John Mearsheimer, the University of Chicago scholar, argues that the rivalry could be even more volatile than with the Soviet Union because there are more potential

disputes. He also says he would not be surprised if China and Japan “start shooting at each other” at some stage over the next five years.

Such bleak outcomes are not inevitable, of course – powerful economic connections narrow the space for reckless behaviour. Yet a previous era of globalisation failed to prevent the UK and Germany from going to war. Shinzo Abe, the Japanese prime minister, is not alone in comparing the current situation in Asia to Europe in 1914. Asian militaries lack the meticulous war plans that helped push Europe into conflict then but the region offered a familiar mixture of nationalism and the potential for miscalculations that can spin out of control. The western Pacific may now be the cockpit of the world economy but it is also turning into one of its most dangerous flashpoints.

*Geoff Dyer covers US foreign policy and is a former Beijing bureau chief for the FT. His book, [‘The Contest of the Century: The New Era of Competition with China’](#), is published this month by Knopf (US) and Penguin (UK).*

[Article 7.](#)

Hurriyet

## **An important week in Cyprus diplomacy**

Yusuf Kanli

February 24, 2014 -- The government is about to collapse in southern Cyprus. In the north, Foreign Minister Özdil Nami is unhappy - if not with Kudret Özersay, then with himself, who has the very title of negotiator. The character of the problems on the two sides of Nicosia’s Green Line, which divides the island into two democracies with different languages, religions and ethnicities, is not at all identical. On the [Greek](#) side, one coalition partner is against the process and is trying to torpedo it. On the Turkish side, the foreign minister wants to play an even more active role in the process and is unhappy with the prospect of being sidelined by a respected new negotiator.

Semantics have always been very important for Cypriots. Excluding a brief period in late 1970s when the late Ümit Süleyman Onan was named as

negotiator, or when Prime Minister Mehmet Ali Talat was appointed for a brief period in 2004 during the Burgenstock process, there has never been an “authorized negotiator” for the Turkish Cypriot people other than its elected leader.

What’s in a title? If that title means the negotiator is “fully authorized to negotiate” with the [Greek](#) Cypriot side, and if the U.N., the U.S. and others trying to mediate a resolution find in him a partner willing to negotiate, then there is a problem. So far in Turkish Cyprus there has been a presidential representative to the talks who managed to develop an image of being rigid, who used his diplomatic skills to antagonize his opponents, and who is far more hardline than the president. That was an image haunting Osman Ertuğ, though in his professional and private life he was known as an exemplary diplomat, a perfect gentleman, and a truly gentle friend. As is always said, sometimes perceptions are more important than the reality.

Özersay, on the other hand, particularly since he was forced to quit the post of representative of President Derviş Eroğlu at the talks two years ago, shined as a man of integrity. Though he was forced to step down because of his social media activity and his “we’re getting organized” clean politics campaign, he returned with a presidential promise that he could continue his clean politics push and social media activity.

When he was absent he was not out of the picture altogether. Both in the country and outside, Özersay was meeting with eminent personalities involved in Cyprus peacemaking diplomacy and contributing in a modest manner to the process. Yet over the past two years, for obvious reasons, the pro-resolution Foreign Minister Nami has become a sort of “alternate” or “parallel” negotiator, frustrating the conservative presidency.

This week will be crucial to Cyprus peacemaking. Firstly, Özersay will be in Ankara, while on Thursday he will be in Athens for the first-ever official reception of a Turkish Cypriot at the [Greek](#) Foreign Ministry, though only at the secretary-general level. The same day in Ankara, for the first time since the 1962 visit of Archbishop Makarios, a [Greek](#) Cypriot, Foreign Ministry Secretary-General and negotiator Andreas Mavroyannis, will be received at the Foreign Ministry by Undersecretary Feridun Sinirlioğlu. On the island of Cyprus, meanwhile, talks will most likely start for a coalition government between Disi and the socialist Akel, as anti-

settlement Diko will be leaving the coalition.

Of course, the cross visits to [Ankara](#) and Athens by Mavroyannis and Özersay will not bring about a resolution immediately, but they will constitute important steps to eroding the mutual psychological barriers that impede progress to a resolution.