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How Have China's Pre-1978 Historical Experiences Shaped It's "China Goes Global" Policies?

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Before 1842, China was a major world economic power, about 30% of the world economy. From 1842 to 1901, China was forced to sign 29 "unequal treaties", depriving China of much of its sovereignty. (China lost tariff autonomy, consular jurisdiction over foreigners, control over land in concession areas, inland shipping rights, control over foreign troops, and the right to outlaw opium and to tax businesses). These sovereignty losses correlated with China's economy shrinking to about five percent of the world economy by 1949 (Maddison, 2009). Communist China regained full sovereignty in 1949 and, even with a post-Korean War US-led Western blockade; China's planned economy model achieved average GDP per capita growth of 2.8% annually from 1949 to 1973, despite the disasters of the Great Leap Forward and Cultural Revolution (Maddison, 2009, p. 216). Though twice the per capita growth rate of India (1.4%), China's growth was only 35% of Japan's growth rate (eight percent from 1950 to 1973). After Mao's 1976 death, Deng Xiaoping, with the new global political/economic environment, opened China to the global economy, achieving annual per capita growth of more than five percent (Maddison, 2009). China's per capita income increased from USD 200 in 1978 to about USD 5000 in 2012, making China the world's second largest economy. We will explore how China used its post-1949 full sovereignty to combine lessons from China's semi-sovereign past and its domestic experiences (Great Leap Forward and Cultural Revolution) to engage in Western-style market reforms and "China Goes Global" policies. These Chinese reforms were also based on the post-WWII changed international environment and the success of Japan and the Four Tigers in creating "miracle" economies.

Keywords: pre-1949 Chinese unequal treaties, East Asian development, world economy, China goes global

Introduction

In this article we will argue that China's post-1978 policies for foreign direct investment (FDI), for outbound Chinese foreign direction investment (OFDI), for currency controls and rules, and for treatment of foreign trade and foreign businesses, have been influenced by three major historical factors: (1) Chinese pre-1949 experiences with an open door to Foreign Direct Investment, foreign trade, and foreign business activities; (2) Chinese domestic experiences from 1949 to 1978, particularly the Cultural Revolution; and (3) The successful post-WWII economic development model of Japan and the four East Asian tiger economies (South Korea, Taiwan, Hong Kong, and Singapore) and major improvements in the post-WWII global political, economic and business environment.

Pre-1949 Experiences

China suffered major economic losses due to limitations on its pre-1949 sovereignty. These sovereignty limitations resulted from militarily-imposed provisions contained in 29 unequal treaties forced on China by foreign imperialist powers (Great Britain, France, the US, Russia, Japan, Germany, Austria, and Portugal), from 1842 to 1919.

Before 1842, the Chinese Qing dynasty (1644-1911) was largely cut off from international trade and foreign direct investment (FDI) due in part to Qing government concerns about outside influences that might stimulate anti-Qing movements. Qing officials were fearful of popular opposition because Qing rulers were Manchus, a minority nationality from Manchuria in Northeast China. Qing officials also believed that China did not need foreign goods.

The Qing government limited international trade to 13 officially designated Canton (Guangzhou) merchant firms ("Co-Hongs") who were the sole government authorized Chinese agents able to export tea, silk and various fabrics and to import foreign goods.

Foreigners were unable to live in China, except for temporary all-male residency in their foreign "factories" (warehouses and offices) in Canton during the short trading season. Instead, foreigners had to live in the Portuguese colony of Macau, down the Pearl River from Canton.

Before the 1830s, the balance of trade favored China because while Chinese tea, silk, and fabrics had a large and profitable market in Europe and other parts of the world, there was comparatively much less Chinese demand for Western products. The difference in trade levels had to be made up by foreign payments of silver to Chinese merchants.

Many British merchants at that time believed that if they could trade in more Chinese ports, free of the Chinese official "Co-Hong" merchants, the export of British goods to China would increase and British merchants would not have to pay China so much silver for their purchases of Chinese products.

Chinese officials, however, resisted such foreign requests (such as the 1793 British Lord McCartney mission to Beijing asking for increased diplomatic contact and more open trade). Emperor Qianlong responded that China had a self-sufficient economy with enough of everything the Chinese people needed.

One product that seemed to have promise to balance the foreign trade was the sale of opium to Chinese. The East India Company established an elaborate trading scheme partially relying on legal markets, and partially leveraging illicit ones. British merchants carrying no opium would buy tea in Canton on credit, and would balance their debts by selling opium at auction in Calcutta. From there, the opium would reach the Chinese coast hidden aboard British ships then smuggled into China by native merchants. British exports of opium to China grew from an estimated 15 tons in 1730 to 75 tons in 1773.

By the 1820s China was importing 900 tons of Bengali opium annually. By 1834, when the British East India Company lost its monopoly on British trade with China, foreign merchants were selling about 1,400 tons per year, reversing the balance of trade and causing an outflow of Chinese silver to purchase opium that hurt the Chinese economy and brought great personal grief to Chinese families.

The Qing Imperial court consequently sent Commissioner Lin Zexu to Canton in 1838 to combat the illegal opium trade. Lin wrote a letter to Queen Victoria suggesting that she stop the dangerous and illegal opium trade. Initially British traders turned over their illegal opium stocks for destruction, but within a year the

British initiated the first Opium War in retaliation for China's exercise of its sovereign rights to regulate foreign trade and enforce its ban on opium. Unfortunately, China lost the war and was forced to agree to the first unequal treaty, the Treaty of Nanjing, signed on August 29, 1842. The Treaty had the following unequal conditions and limitations on Chinese sovereignty: (1) The Chinese island and port of Hong Kong was seized by Great Britain; (2) China was forced to open five Chinese sea ports to British business and British residence (Guangzhou, Fuzhou, Xiamen, Ningbo and Shanghai); (3) China's sovereign power over setting trade tariffs was taken from China. Tariffs on imports and exports were set at about five percent; (4) The British government demanded that its subjects in China enjoy "extraterritoriality", which meant that they were thenceforth able to live without having to obey Chinese laws, to pay most Chinese taxes, or to be held accountable for defrauding Chinese through non-compliance with contracts; and (5) China was forced to pay as an indemnity the large sum of 21 million ounces of silver to cover the costs of the destroyed opium and British military expenses in the Opium War.

The 1842 Treaty of Nanjing continued until 1943 and was followed 28 additional unequal treaties signed with eight foreign powers between 1842 and 1915. All the unequal treaties extended the same humiliating and Chinese sovereignty-limiting conditions to all foreign "treaty powers" through the "most favored nation" provision of the treaties.

China only began to regain its sovereignty in 1917 when Germany and Austria/Hungary were forced to relinquish their privileges after their defeat in WWI. In 1917 Russia voluntarily abandoned its treaty rights because of Leninist principles. The UK and the US, however, did not give up their treaty privileges until 1943, just after the Cairo Conference. France was the last power to abandon its unequal treaties, in 1946.

There were three areas of losses resulting from the unequal treaty limitations on Chinese sovereign control over foreign business: direct financial losses and social costs, indirect financial losses, and losses from lost economic opportunities.

Direct financial and social costs: The yearly cost to China from the import and consumption of foreign opium was roughly 28 million taels, or Chinese ounces of silver (about USD 30 million) annually from 1842 to 1897 (Thomas, 1984, p. 66). The social cost was an estimated 15 to 30 million regular users of opium by 1900, or one in five Chinese adult urban males (Park, 1899). Besides the direct financial losses from Chinese opium purchase and consumption, there were enormous indirect losses due to family instability and drug-induced incapacity to work.

China also lost administrative power over one of the two major sources of government income, i.e. trade tariffs and land taxes, in that pre-income tax time. Great Britain set high tariffs on opium exports from India, and high tariffs on Chinese tea exported to the UK. But the unequal treaties limited the level of tariffs that China could set as "a fair and regular tariff on imports and exports" that British officials set at a nominal five percent on most exports and imports. That was a very low level, even in the days of "free trade".

The First Opium War was attacked in the (British) House of Commons by a newly elected young Member of Parliament, William Ewart Gladstone, who wondered if there had ever been "a war more unjust in its origin, a war more calculated to cover this country with permanent disgrace, I do not know".

After China was again attacked and defeated in the Second Opium War in 1860, the opium trade was actually legalized and the tariff on opium was set at eight percent.

Indirect Costs: There were significant indirect costs for Chinese owned and controlled enterprises in banking, manufacturing (cotton yarn and cotton goods, cigarettes, steel, silk, tea and many other areas), transportation (shipping and railways), and energy (mostly coal mines).

In all these areas of modern industry, many foreign merchants followed sharp business practices (they often violated Chinese law) and operated at a competitive advantage over Chinese enterprises since foreigners did not have to pay taxes. There were numerous examples of sharp dealing, of fraud and of cheating by foreigners that could not be punished in Chinese courts because of the treaty-required extraterritoriality of foreign businesses in China until 1949. For example, during the Boxer Rebellion a young American mining engineer and later US president, Herbert Hoover, representing a British mining company, Bewick Moreing, defrauded the Chinese-owned Kaiping Coal Mines Company of about 2/3rds of its ownership. Chinese officials sued and won in British courts, but British officials in China refused to enforce the court ruling, citing their responsibility to protect British interests.

China's lack of control over its foreign exchange (mostly deposited in foreign banks) leads to major losses in tariff income. As the value of silver decreased in relation to the price of gold, the foreign powers only permitted China to collect its tariffs in silver, while having to make payment on loans from foreign banks, such as the Hong Kong and Shanghai Banking Corporation, in gold. China's five percent tariff became an effective three percent by 1900 due to this limitation on China's sovereignty, costing China millions of taels in lost tariff income annually. China was permitted to renegotiate its effective tariff rate back up to five percent only after the imposition of the huge Boxer Indemnity and the increased tariff income was used to pay the Boxer indemnity and foreign loans, not to help China develop.

After 1895, there were two new areas of major economic loss resulting from additional foreign-imposed limitations on China's financial sovereignty. First, foreign lenders demanded railway development concessions in exchange for the foreign loans that China needed to pay off its 1895 war indemnity to Japan. Chinese greatly resented these arbitrary economic concessions to foreigners that took the opportunity for most railway development in China away from Chinese. Chinese reactions sparked a "rights recovery movement" in the early 1900s and it was an additional railway concession demanded by the British in 1911 that helped trigger the 1911 Revolution. These concessions caused China to lose control of most Chinese railway development at a time when building railways was one of the most profitable areas of economic development everywhere in the world.

Second, when foreign promoters gained these uncompensated concessions to build Chinese railways, they agreed in their contracts to purchase Chinese rails if quality and price were comparable. The Chinese Hanyang Ironworks was established in 1889 to sell iron and steel products, particularly steel rails to railway companies in China, both Chinese and foreign. But foreign-financed railway companies reneged on their contract obligations and not one foreign railway promoter ever bought a Chinese rail. This loss of the Chinese rail market led to financial failure and by 1911 Hanyang Ironworks (then renamed HanYehPing Iron and Steel Company) was bankrupted and taken over by a Japanese creditor (Thomas, 1984, p. 148-149).

China was also unable to tax or regulate foreign businesses because of the unequal treaty-imposed provision of foreign extraterritoriality that is total freedom from Chinese law. The Chinese government therefore could only tax Chinese businesses, such as the Nanyang Brothers Tobacco Company, which therefore had higher costs, and lost market share to British American Tobacco (Cochran, 1980).

The overall effect of the unequal treaties on Chinese-owned economic development efforts was to limit Chinese to about 30-40% ownership of most areas of modern industry in China until 1949: railways (as described above), steamship companies (Liu, 1962), coal mines (such as the British company's takeover of the Kaiping Coal Mines), banks (SHBC), cotton mills, and manufacturing (such as the Hanyang Ironworks). China had to wait to its regain full sovereignty in 1949 to begin to industrialize and develop its economy.

These losses in Chinese ownership correlated with a dramatic fall in Chinese per capita income from 1842 to 1949 (Maddison, 2001).

Chinese Experiences from 1949 to 1978

In 1949, the Chinese Communist Party (the CCP), led by Mao Zedong, took control of China after defeating the Nationalist Party (the KMT) in a civil war. The new Chinese government then regained its full Chinese sovereignty and repudiated the remaining unequal treaties and other foreign economic obligations incurred from 1842 to 1949.

The new Chinese government then set about rebuilding the economy and in 1950 they adopted the Soviet development model. China turned to the Soviet model first because they were fellow communists, and also because the Korean War brought about a US-led Western economic blockade of China. In 1950, China and the Soviet Union signed a Treaty of Friendship, Alliance and Mutual Assistance that included technology training and the construction of 156 industrial projects to assist China in its industrialization.

China's pre-1949 experiences of economic loss and economic development failure from interaction with the pre-WWII global trade system seemed to confirm what Lenin had argued: that workers, and peasants would be exploited, and capitalist countries would colonize (take away the sovereignty of) non-Western countries and exploit them through force of arms. The British colony of India and the French colony of Indochina (including Vietnam) were examples of imperialism in Asia. Colonization also occurred on a mass scale in Africa. Angus Maddison's data on the pre-WWII showing the generally poor economic performance of the colonies provides evidence in support of this view (Maddison, 2001, p. 216).

Chinese communist leaders were convinced of the moral and economic superiority of socialism because of its supposed commitment to a better life for workers and peasants and because of the predatory policies of pre-WWII British and French imperialists. They also were convinced of the technological competitiveness of socialist countries by the SU defeat of Nazi Germany on the Eastern Front, the acquisition by the Soviet Union of atomic and hydrogen nuclear weapons, and finally the successful Sputnik satellite launching in 1957. Chinese communist leaders saw the Soviet Union as the leader of the growing communist world and as the model for China's future.

China adopted the Soviet economic state-planning model, with various features that it has still kept. First the new post-1949 Chinese communist government took ownership of the entire economy, including the agricultural sector, the industrial sector, and the financial sector. Using its ownership of the economy, it began Soviet-style state planning of economic development (rather than using free market signals and prices), including setting the prices of all inputs such as labor, capital, energy, and raw materials, as well as all outputs such as types of products, and quantities, prices, and planned profits.

The government allocated labor and guaranteed and planned for employment, housing, schooling, and health for all Chinese through government established "dan-wei" (work units). In the "dan-wei", the

government controlled most aspects of Chinese daily life, such as what type of employment at what wages, what size and type of living accommodations, and even when to marry and how many children to have.

In China's financial sector, the post-1949 communist government took over all aspects of the financial system including the issuing of currency (the RMB or "people's currency") and state ownership of what little foreign currency China had. All foreign exchange was deposited in the state-owned Bank of China. In 1978 control of all foreign exchange was turned over to a new agency administered by the Bank of China, the State Administration of Foreign Exchange (SAFE). SAFE still has most of the original Bank of China control functions over China's foreign exchange.

Since there was a great Chinese reluctance to trade with western capitalist countries after 1949, and China was economically blockaded by the US, China came to depend heavily on the Soviet bloc: later, after the 1960 Sino-Soviet split, China followed a policy of "self-reliance and hard struggle" due to the continued US embargo and without any Soviet Union assistance. In 1964, China declared itself free of both domestic and foreign debts.

Economic development progress was most impressive until 1957. But in 1958, Mao ordered the labeling of about 553,000 intellectuals as "rightists", condemning them to political and social punishment for 20 years. In 1958 Mao also mistakenly started the "Great Leap Forward", a policy failure and human disaster that led to the starvation deaths of 30 to 40 million people, the largest famine in human history.

After five years of recovery from 1960 to 1965, Mao started another disastrous campaign, the 1966-1976 "Cultural Revolution", that saw more millions suffer undeserved persecution, mistreatment, and sometimes death.

During the Cultural Revolution, China was mostly isolated. There were few political, economic, cultural or diplomatic interactions with the world. There were few reports or press coverage of the outside world except for negative reports on the West as part of the political education experienced by all Chinese.

In 1971, however, Chairman Mao (with President Nixon) turned to the US to balance the growing threat of the Soviet Union, just as the US played the "China Card" to balance the power of the Soviet Union. By 1974, some pragmatic Chinese communist leaders, particularly Prime Minister Zhou En-lai, also had begun to argue for the "four Modernizations" (agriculture, industry, technology, and military), and for following a path that would depend much more on advanced Western technology (despite the Soviet Sputnik), and trade with Western countries. Contacts between China and US were opened by Ping-Pong diplomacy and the desire of US companies to gain access to the "China Market".

By 1976, with the death of Chairman Mao and the end of the 10-year Cultural Revolution, Chinese had come to hate endless political campaigns and political persecution of cadres, intellectuals, and people unjustly and labeled as anti-revolutionaries. The Chinese people were thirsty to know what was going on outside of China and eager to improve their standard of living.

Successful East Asian Development Model

The third factor that influenced China between 1949 and 1976, was that while China was developing its economy using the Soviet development model with some success compared with other developing countries outside of East Asia, China's immediate neighbors, led by Japan and including South Korea, Taiwan, Hong Kong and Singapore, began in the 1970s to experience an economic miracle of rapid (8%-10%) GDP growth

rate through export-led development (Maddison, 2001, p. 216). The East Asian Tiger model featured a relatively free market but with government-led economic development institutions (such as the Japanese Ministry of International Trade and Industry, or MITI). The East Asian tigers also shared cultural traits with China such as high savings, emphasis on education, collective efforts, and hard work. Overseas Chinese dominated the economies of most East Asian countries and were a growing economic force in East Asia. Japan and the Four Tigers also had various types of government control of foreign exchange, restrictions on foreign ownership of property, and quasi-neo-mercantilist trade policies and practices.

The global trade economy had also improved after WWII. Imperialism was no longer acceptable to the world community and international economic relationships were based on free competition rather than military conquest and unequal treaties. This environment created opportunities for China to enter the world market and to pursue economic development without losing its sovereignty.

China's Post-1978 Rejoining of the World Economy

China's post-1978 open door policies were influenced by the three above factors. The policies were developed by Long-March veteran Deng Xiaoping, who was able to gain power after a post-1976 struggle within the party with Maoists, including the "Gang of Four". Deng set out a new national policy of shifting emphasis from class struggle to economic development. In 1978 Chinese leaders began rehabilitation of almost all of the people labeled "rightists" in 1958 and cadres labeled revisionists and capitalist roaders during the Cultural Revolution. Their personal dossiers were purged of past accusations, they were given back their jobs, and they were welcomed back to a normal Chinese life. To most Chinese, particularly young people, the Cultural Revolution was a time of social chaos and cultural destruction, and had resulted in 10 years of lost education and youth.

Based on China's historical experiences with its first open door, when China had only limited sovereignty, and post-1949 China's relative economic development successes with full sovereignty but traumatic and costly Maoist political campaigns, and finally the successful economic development example China's East Asian Tiger neighbors and the apparent improved opportunities for economic growth from interaction with the global economy, China's leadership decided to engage in unprecedented domestic economic reforms and a carefully controlled "going global" open door policy.

Beginning in 1978, Deng instituted a series of economic reforms in response to the continuing poverty of Chinese people. The first economic reforms were in agriculture, where he established the household responsibility system and reopened free agricultural markets, giving the peasants much more control over their local agricultural production decisions and permitting peasants to sell surplus production on the free market. The agricultural reforms led to a major upsurge of agricultural production.

The second market reform was to move most of the economy from state-determined prices to market prices for inputs and outputs, and over time to free up wages and labor mobility. The third area of reforms was to begin to open China up to the world economy through four special economic zones (SEZs) across from Hong Kong, Macau, and Taiwan, and to permit and encourage foreign direct investment (FDI), for the first time since 1949.

These were major changes in economic development policy and met much resistance within the Chinese Communist Party. Nevertheless, Deng and other reform leaders persisted and the reforms began to take hold and produce impressive results.

Post-1978 policy was to invite in foreign investors but carefully control them to try to insure that Chinese national interests were protected and that China gained maximum benefits from foreign capital, foreign technology, and foreign marketing skills. Methods to achieve these goals included: close control of the Chinese currency, and the use of FDI to build foreign exchange reserves, to assist Chinese be able to better export to international markets, to gain access to technology and know-how, to gain management skills, and finally to develop independent research and development capabilities.

To maximize Chinese benefit from opening to the world, the Chinese government controlled the allocation of Chinese labor and many other inputs to foreign investments through state allocation agencies, such as the State Administration of Foreign Experts Affairs following its plan of Overseas Expertise Introduction (OEI).

The Chinese government also controlled all foreign exchange through the State Administration of Foreign Exchange (SAFE). Beginning in 1979, foreign exchange was traded for "foreign exchange certificates", designated in Chinese money. Later (1995), a simpler exchange system was introduced, from foreign exchange to Chinese currency, but still with government controls through SAFE.

Since 1991, Chinese foreign exchange current accounts have been freed up, but not capital account transactions (long term capital investments). Until today, the Renminbi (RMB) is still not freely convertible, as local currency is in Japan, South Korea, Taiwan, Hong Kong, and Singapore, though it becoming more widely available to Chinese enterprises and citizens, and more widely used abroad.

China's FDI originally began with limits on levels of foreign ownership in businesses in China (no more than 49%). Later foreigners were permitted to set up wholly owned businesses in China, except in economic sectors such as telecommunications, transportation, certain energy sectors, and other industries related to national interest. These limits, similar to those in most East Asian countries as well as in the US, are meant to protect strategic Chinese industries.

Chinese regulations originally required that, in the initial stages, foreign businesses would only export their products to the international market, not the Chinese domestic market. That limitation has also been modified to some extent.

Chinese officials made strong efforts to convince foreigners to take a long-term perspective on their investments, to keep foreign currency within China, and to see China as a poor developing country that could use help from the generous side of developed economy citizens and investors.

In order to gain the maximum advantage from interaction with the global economy, China has continued many 1949-1978 Soviet-style policies and controls, such as: (a) Overseeing the collection, planning and allocation of all foreign currency. This system, along with low-priced Chinese currency that has helped fuel large and growing Chinese exports, has permitted China to accumulate huge foreign exchange reserves, at USD 3.5 billion trillion, the largest in world history. This Chinese foreign currency reserve has provided China with sufficient foreign exchange that China could afford to import foreign technology (Japan, Hong Kong, Taiwan, and Singapore, using similar neo-mercantilist policies, also have very large foreign exchange reserves); (b) Continuing government involvement and at least partial ownership of major Chinese industries such as transportation, telecommunications, iron and steel, energy, and financial services; (c) Keeping a primary role for the Communist Party in all decision-making in the economy; and (d) Maintaining a complicated set of rules and the establishment of various agencies to control and regulate all aspects of foreign (and Chinese) economic activities in China to assure that Chinese society and Chinese individuals can gain maximum benefit from foreign direct investment.

In short, China has moved toward a more open economy with some private, state and collective and foreign ownership all coexisting, permitting foreign investment including wholly owned foreign subsidiaries, making foreign exchange gradually freely convertible, setting up export processing zones and special economic zones, and finally actively encouraging FDI, under strict Chinese control. China is also encouraging Outbound FDI by many of its most successful enterprises.

Conclusions

China has been very successful as a latecomer to the world economy over the last 30 years. Our analysis argues that the three factors, China's pre-1949 experiences of forced opening, China's 1949 to 1978 Soviet economic development model and costly political campaigns during that time, and the impressive successes of the East Asian Tiger model and the new economic development opportunities presented by the world economy, all have formed and influenced the policies that have permitted China's successful post-1978 economic development.

Chinese leaders' reactions to the costs of the Soviet model and of Maoist political campaigns, as well as the economic successes that the market reforms and opening up have brought China, will continue to motivate the Chinese to not only keep the door open, but also to make it wider by Going Global.

The East Asia economic development model will have less influence on future Chinese economic expansion. China will instead conduct independent research on appropriate methods to continue developing the country of 1.3 billion people, already ranked as the second largest economy in the world.

China will still have the memory of its pre-1949 experiences, the 100 years of national humiliation ("bai nian guo chi"). China will also still keep in mind the destructive economic and social consequences due to China's pre-1949 lost sovereignty. These memories will continue to make Chinese policy makers cautious about foreign investment and design gradualist policies both in FDI in China and Chinese investment in foreign countries (OFDI). At the same time, China will continue to carefully manage economic development to insure that Chinese will gain the most benefit from having a market system and access to the global system.

Chinese officials will not return to the Maoist campaign-style approach to development that in the end cost so many lives and caused so much suffering in the Anti-Rightist Campaigns, the Great Leap Forward, and the Cultural Revolution.

So far, China has suffered less each year from the poverty that it had previously experienced and that still stalks many of the poorest countries in the world (such as India, Pakistan, Bangladesh, and much of Africa).

As a result of the 30 years of rapid economic expansion, China faces serious new challenges: such as environmental degradation, worsening air quality, water pollution, shortage of major resources, government corruption, and the long-run problems of an aging population. China also faces social challenges such as basic human rights, and uneven income distribution between the poor and rich and the coastal and inland regions.

China will have to begin a new round of reforms to deal with these serious issues that are currently emerging. We believe that the new reforms will still be influenced by China's historical experiences and continued changes in international conditions.

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The Belt and Road Initiatives and China's Middle East Energy Policy*

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The paper analyses the roots of the Belt and Road Initiative as well as China's Middle East Energy Policy in an age of great transformation. China's rapidly progressed economic growth leading to a dramatic increase in China's energy demand in recent years. The Middle East countries play a critical role in the international energy markets. Stable relations with the Middle East countries become increasingly important for Chinese energy security, and the continued development. The protection of these relations lies at the core of the Belt and Road Initiative. Within The Belt and Road Initiative, Chinese Middle East energy policy proceeds according to the energy cooperation framework known as "1+2+3", which seeks to build a reliable China-Arab strategic cooperative relationship based on long-term friendship. To avoid over dependence on the energy resources of the Middle East, China will also continue to search for other overseas energy sources and protect transportation channels. Despite risks and challenges associated with energy imports from the Middle East, China has cultivated strong relations with states in the region and will develop these economic ties further in the coming years.

Keywords: the Belt and Road Initiative, Middle East, China's foreign policy, China-Arab relations

Roots of the "One Belt, One Road" Strategy

The genesis of the "One Belt, One Road" (OBOR) strategy—also known as the Belt and Road Initiative—can be traced to three noteworthy public events that occurred in rapid succession in the latter part of 2013. On September 7, 2013, in a speech delivered at Kazakhstan's Nazarbayev University, Chinese President Xi Jinping proposed building the Silk Road Economic Belt. Addressing the Indonesian parliament on October 3, 2013, he recommended that China and Southeast Asian countries work together to revive the Maritime Silk Road. On October 24-25, 2013, at a work forum on "periphery diplomacy" held by the Chinese Communist Party (CCP) in Beijing, Xi stressed that China is committed to forging amicable and mutually beneficial relations with its neighbors, such that they will benefit from Chinese development and China will benefit from a prosperous neighborhood. In this way, the president conceptually linked the notion of the "Chinese dream" to regional development (Mu, 2013; Glaser & Pal, 2013; Pei & Wang, 2013). This conference marked the official birth of China's "Silk Road strategy".

A year later, the strategy began to take shape. In October 2014, Beijing committed \$50 billion to form the new Asian Infrastructure Investment Bank (AIIB), together with several partner countries. The bank aims to raise \$100 billion for infrastructure projects across Asia. On November 8, 2014, Xi said that China would

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contribute \$40 billion to its new Silk Road Fund, which is designed to improve trade and transport links in Asia. From January to August, 2016, China invested nearly 10 billion US dollars in countries along the Belt and the Road through financial institutions including the Asian Infrastructure Investment Bank (AIIB) and the Silk Road Fund, according to the ministry. Preliminary estimates showed that loans provided by the AIIB were to the tune of 1.2 billion US dollars in 2016 and are expected to rise to 2.5 billion US dollars in 2017 and 3.5 billion US dollars in 2018 (Guan, 2016).

In his keynote address at the 2015 Boao Forum for Asia, Xi for the first time explained in depth China's vision of the Silk Road Economic Belt and the Maritime Silk Road. During the forum, China's National Development and Reform Commission (NDRC), in cooperation with the foreign ministry and commerce ministry, issued an action plan for the Belt and the Road.

According to the action plan, the Belt and the Road will run through Asia, Europe, and Africa, connecting the East Asian economic sphere at one end with the European economies at the other. The Silk Road Economic Belt—a series of land-based infrastructure projects including roads, railways, and pipelines—focuses on strengthening links between China, Central Asia, Russia, and Europe (particularly the Baltic). China will gain improved access to the Persian Gulf and the Mediterranean Sea through Central Asia and West Asia, and to the Indian Ocean through Southeast Asia and South Asia. The 21st-Century Maritime Silk Road is designed as two paths: one from China's coast to Europe through the South China Sea and the Indian Ocean, and the other from China's coast through the South China Sea to the South Pacific region.¹



Figure 1. The 21st-Century Maritime Silk Road.

The Belt and the Road Initiatives is in line with the purposes and principles of the UN Charter. It upholds the Five Principles of Peaceful Coexistence: mutual respect for sovereignty and territorial integrity, mutual nonaggression, mutual noninterference in internal affairs, equality and mutual benefit, and peaceful coexistence. The Initiative is intended to be inclusive and to follow market principles.²

The “One Belt, One Road” Initiative emphasizes international cooperation according to the following five priorities: (1) Policy coordination; (2) Facilities connectivity; (3) Unimpeded trade; (4) Financial

¹ National Development and Reform Commission, Ministry of Foreign Affairs, and Ministry of Commerce of the People's Republic of China. Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road. March 2015, http://news.xinhuanet.com/english/china/2015-03/28/c_134105858.htm

² Ministry of Foreign Affairs and Ministry of Commerce of the People's Republic of China. Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road.

integration (linking economies through institutions such as the Asian Infrastructure Investment Bank, the BRICS New Development Bank, and the Silk Road Fund); and (5) People-to-people bonds (providing public support for implementation)³.

China's strategic coordination with the Arab world is an important part of its "One Belt, One Road" vision, and China has proposed a comprehensive cooperation strategy known as 1+2+3 (Yang, 2014). "One" refers to the need for increased cooperation on energy, covering a range of issues that include oil and natural gas production, ensuring the safety of energy transport routes, and establishing a mutually beneficial, long-term China-Arab energy relationship. "Two" stands for the two wings of infrastructure development, construction and trade/investment facilitation. "Three" relates to breakthroughs that need to be made in the high-tech areas of nuclear energy, aerospace satellites, and new energy in order to upgrade practical cooperation between China and the Arab world (Meng, 2014).

China's Energy Policy in the Middle East

The Middle East contains 60% of the world's proven oil reserves and thus plays a critical role in the international energy markets. China's economic development has progressed rapidly since the government initiated reforms to open up the economy, leading to a dramatic increase in China's energy demand in recent years. Stable relations with Middle Eastern states have therefore become increasingly important for Chinese energy security, and the continued development and protection of these relations lies at the core of the "One Belt, One Road" strategy.

As early as 1993, through its "going out" strategy, the Chinese government encouraged its three major energy companies—the China National Petroleum Corporation, the Sinopec Group, and the China National Offshore Oil Corporation—to go abroad and secure supplies of oil and gas through investment, exploration, drilling, and the construction of refineries and pipelines.

From 1990 to 2000, Middle Eastern oil accounted for 45%-50% of China's oil imports. In 2011, China imported 130 million tons of oil from the Middle East, and the volume continued to increase, climbing to 146.54 million tons in 2013 (Kang, 2014). The charts below illustrate the immense importance to China of oil sourced from the Middle East and North Africa (MENA) and conversely, China's importance as a major export market for MENA oil producers.

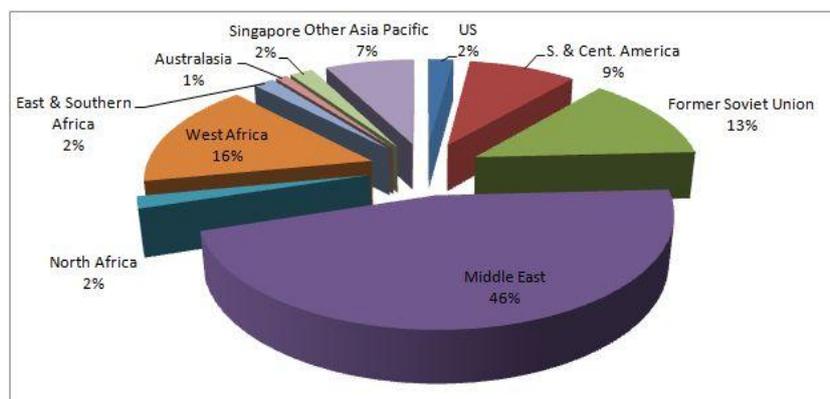


Figure 2. China's Oil Imports by Source 2013.

³ Ministry of Foreign Affairs and Ministry of Commerce of the People's Republic of China. Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road.

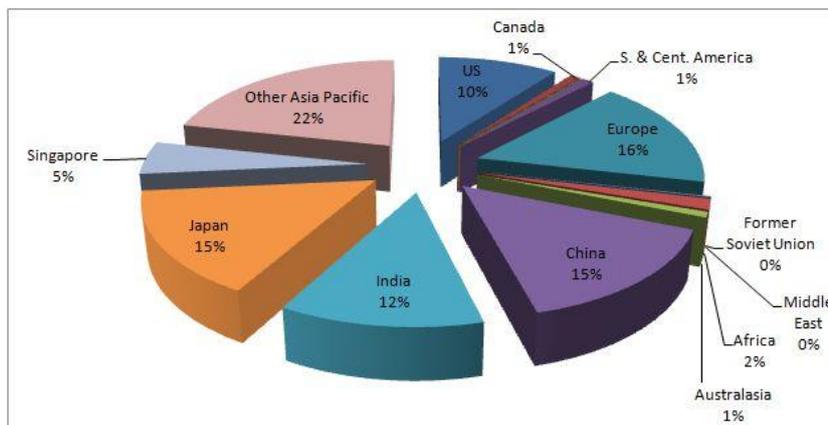


Figure 3. MENA oil exports by destination 2013.

Source: BP Statistical Review Workbook (2014).

Pivotal to the Silk Road initiative is the development of the western region of China. The North Western Province of Xinjiang has extensive resources of minerals, oil, gas and coal, which will play a central role in the ambitious \$45bn, 3,000km China-Pakistan Economic Corridor (CPEC) project. The project aims to connect Kashgar in Xinjiang with the warm-water port of Gwadar, which is strategically positioned close to the Strait of Hormuz, giving it easy access to a key shipping route in and out of the Persian Gulf (The potential of One Belt, One Road, 2015).

In response to China's rising energy dependence on the Middle East, Beijing has been making adjustments to its energy policy. Energy production in the western part of the country has been encouraged, the energy consumption structure has been remodeled, a national energy reserve system has been constructed, energy saving has become a top priority, and increased emphasis has been placed on active energy development overseas. To ensure the diversification of oil and gas imports and their transportation routes, China has invested in dozens of major energy projects around the world, in Central Asia-Siberia, Indonesia-Australia, Africa, and Latin America. In spite of such measures, as the data show, China remains heavily reliant on Middle Eastern oil.

China's Middle East Energy Policy in an Age of Great Transformation

China's energy policy in the Middle East faces several challenges.

First, the intensifying Saudi-Iran rivalry has undoubtedly complicated China's efforts to maintain and further develop its energy relations in the region. Relations between Riyadh and Tehran have been tense ever since the Islamic Republic of Iran was established in the revolution of 1979, adding religious competition to a burgeoning geopolitical rivalry. In recent years, Saudi Arabia and Iran have become embroiled in a number of proxy conflicts, as collapses in political order elsewhere opened up new chances to compete for influence. Ever since Saudi Arabia executed Shia Cleric Nimr al-Nimr for terrorist offences, tensions between Iran and Saudi Arabia have been escalating by the day. In Yemen, Saudi Arabia has spent the best part of a year leading a multinational coalition of Arab states in an air campaign to crush a rebellion by Shia Houthi separatists, who have driven the country's leaders into exile and whom the Saudis are convinced receive support from Iran. In Syria, which sees Riyadh and Tehran supporting different sides in a seemingly intractable civil conflict that has killed around 250,000-300,000 people and displaced around 11m. With Iran's involvement, coupled with the support from Hezbollah—another Iranian ally—has strengthened Assad's position (Mabon, 2016).

Second, terrorist organizations are seeking to attack oil tankers and transportation channels, members of staff of Chinese firms in Middle East countries have been kidnapped and attacked, causing casualties and serious safety concerns. ISIS not only threatens to destabilize China's efforts at creating East-West linkages but has also declared Xinjiang a part of its caliphate. The threats posed by ISIS in Iraq have forced many Chinese enterprises in Iraq to suspend their business or consider closing down. As a result, China has taken a firm stance against the terrorist group.

Third, non-economic factors, especially corruption issues in some countries, could prove harmful to Chinese investors' interests.

In the nine countries (Algeria, Egypt, Jordan, Lebanon, Morocco, the Palestinian enclaves, Sudan, Tunisia and Yemen) surveyed—generating 11,000 individual responses—one in three adults had paid a bribe in return for an ostensibly free public service. One in three had paid at a court. One in four to a police officer. One in five reported doing so to a higher authority, but of them, almost half said they feared retaliation. Transparency International says that the 30 percent of respondents who paid some kind of bribe represents the equivalent of 50 million people across the region. Generally, the officials seen as the most corrupt were tax officials, members of parliament and government officials, though court clerks and police officers did not lag far behind. Business leaders were seen as even more corrupt than those in the public sector. (Bearak, 2016)

Nevertheless, energy cooperation between China and the Middle East rests on a solid foundation. China is a huge energy consumer, and its demand for energy continues to rise. Middle East suppliers are eager to expand their respective market shares in China and in Asia as a whole. Furthermore, China now has more than \$3.16 trillion in foreign exchange reserves—resources that can be used not just as payment for oil and gas imports but to invest in the Middle East energy market. Chinese energy companies possess the expertise to participate in energy development projects in the Middle East, while China itself has become an attractive environment for public and private investors from the region, particularly in the petrochemical sector. Overall, China has managed to develop good political relations with all Middle Eastern countries, including Israel and Iran, creating a sound strategic basis for Sino-Middle Eastern energy cooperation.

Conclusions

Within the broad “One Belt, One Road” strategy, Chinese Middle East energy policy proceeds according to the energy cooperation framework known as “1+2+3”, which seeks to build a reliable China-Arab strategic cooperative relationship based on long-term friendship.⁴ To avoid overdependence on the energy resources of the Middle East, China will also continue to search for other overseas energy sources and transportation channels. Despite risks and challenges associated with energy imports from the Middle East, China has cultivated strong relations with states in the region and will develop these economic ties further in the coming years.

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Modernization, Globalization and Europeanization in the Cities of Anatolia, Turkey in Post 1980s

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This study will portray the socio-economic and cultural bases of the alternative modernity claims of three Anatolian cities: Kayseri, Gaziantep and Eskisehir. The intention is to build a picture of the local socio-economic and cultural capacities of these cities and compare them. This comparative analysis will also involve a temporal dimension in the differentiation between the pre-1980s and post-1980s periods. It is hoped that this will offer a better perspective on the different starting points of the cities that resulted from historical levels of state involvement, which in turn produced variation in the formation of industrial and manufacturing capacities. Various practices of market based policies, which influenced the socio-economic conditions in these cities, will be presented to help us conceive of the differential impacts of these policies. Similarly, by looking at export capacities and labor market indicators in each city, we will have a more complete picture of the basis for claims of success. Two external processes, globalization and Europeanization and the changes and transformations they elicited, will also be discussed as additional and significant components in these cities' claims to success.

Keywords: local economic development, Anatolian tigers, Turkey, globalization, Europeanization

Introduction

This study contributes to debates that seek to understand the largely economic transformation that occurred in Anatolia throughout the 1990s and 2000s. One major driver of this transformation was the rapid industrialization of the Anatolian Tigers and their opening up to the world market. In this dissertation, the Anatolian Tigers are understood in a broad sense to include the cities of Kayseri, Gaziantep, Corum, Konya, Eskisehir, and Denizli, all of which have demonstrated notable economic performances beginning in the 1980s. Their success and vitality reveal that there is in fact another Turkey beyond Istanbul, one that is not as backward as is commonly assumed.

The emergence of the Anatolian Tigers as new loci of economic growth and dynamism occurred at a time when the Turkish economy, society and political life were increasingly subject to outside influence. The post-1980s period in Turkey is often characterized by the expansion of globalization, Europeanization and the implementation of market-centered reforms.

In investigating the basis of the claims to "success" of the Anatolian Tigers, it is important to start with the socio-economic context of the cities under investigation. Even though the implementation of market based reforms since their repercussions have had serious effects on the socio-economic landscapes of these cities, it is

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initially necessary to consider the historical cornerstones of their socio-economic development. After the 1980s, the national state's role in the economy gradually began to decline. Unlike the ISI period, which granted certain benefits through five year development plans, development projects, infrastructure support and public investments, under neo-liberalism the Anatolian cities were expected to survive on their own (Kösebalaban, 2007). This decreasing state involvement should be interpreted in the context of the simultaneous state decentralization process. The resulting decentralization of municipal procurement procedures opened up new opportunities for local businesses. This created new opportunities for local SMEs and enhanced the power of municipal governments in city and local party politics (Eraydin, 1998; Eraydin, 2002). At the same time, the devolution of urban planning to municipalities in the mid-1980s, and the collection of local property taxes meant that the investment by the banks and their regional directorates in municipalities' development expenditures began to shrink. In response, a new form of municipal finance emerged based on the increasing use of foreign credit and participation in international businesses and organizations.

Another important change has been in the increasing use and influence of foreign credit and international institutions in local infrastructure projects' development and funding. In the 1990s and especially in the latter half of the decade, the use of foreign credit in urban projects increased significantly. This new model marked a shift in centre-periphery relations as it allowed municipalities to bypass the center given their direct links with international organizations and banks. In this period, the total international commercial credit used by Turkish enterprises rose dramatically from \$2.6 billion in the 1990-1995 period to \$6.1 billion in the 1995-2000 period. Although this developed into a common practice across the country, with the exception of Gaziantep, Anatolian cities were relatively less enthusiastic about this possibility. Kayseri largely relied on and benefited from workers' remittances from Europe, but this is not counted as credit because this money was primarily transferred through Islamic sects and networks (Demir et al., 2004; Kösebalaban, 2007; Demir, 2005).

Dependence on foreign credit did not always yield positive outcomes. While the total credit used by the Municipality of Gaziantep in the 1995-2000 period amounted to \$45 million, after the severe financial crises of 2000 and 2001, and the devaluation of Turkish Lira by 50%, the burden of the debt grew reaching \$300 million in the 2000-2005 period. The fiscal retrenchment of the Guzelbey period (post-2004) and similar municipal practices were enacted in an attempt to eradicate this considerable debt. Eskisehir faced less risk in this regard because the amount of foreign credit owing was low thanks in part to the relatively higher public investment expenditures of the central government.

The level of overall public investment between 1990 and 2010 in these cities was strikingly lower than Istanbul, Izmir and Ankara.¹ Private sector incentive expenditures followed a similar pattern. Throughout this same period, for instance, Istanbul received almost 20% of total private investment incentives, Kayseri and Gaziantep received approximately 3%, and Eskisehir only 1.1%. This was another cause of the search for alternative methods of capital by the Anatolian cities. These alternative methods, however, were not without their own risks (Ozcan & Cokgezen, 2003, pp. 14-18).

The considerable debt acquired by cities in a short period of time was one important drawback to financing local activities through international institutions. In 2005, the Greater City Municipality of Gaziantep was \$300 million in debt to international creditors.² This credit had been used to fund sewage, water treatment

¹ For more information <http://www.tuik.gov.tr/sta>

² Precise names of the institutions were not made public.

and urban development projects. The municipality also had \$20 million in tax debts to the central government. The real problem with this model of financing was that while local businesses benefited from project financing via increased business opportunities and local public procurement, the financial burden and debt of often municipal fiscal regimes was left to local taxpayers, who have little control over municipal finances or affairs.

The impact of the 2000-2001 economic crisis has been identified as a significant factor in the radical decrease in municipal workforce size. This suggests that in some respects, the economic crises were used as justifications for the adoption of increasingly market centered policies. Dogan (2007) identified this tendency in the public speeches of Kayseri Mayor Ozhasaki which touted that his administration ran the municipality much as if capitalists run their companies. Market centered policies allowed the Ozhasaki administration (and other administrations) to justify their policies of downsizing, privatizing, contracting out and making better use of clientelist networks.

In Eskisehir a slightly different pattern emerged. Even though there was still a decrease in the size of the municipal workforce in the post-2000 period, immediately after the election of Mayor Buyukersen, the decline slowed down. As my interview with Tasci (2009), head consultant for Mayor Buyukersen, suggested, this slight decrease during the social democratic Buyukersen period was mostly due to a desire to correct the populist and clientelist hirings of the previous periods, rather than a desire to enact market oriented practices. Overall, in terms of municipal workforces, Eskisehir appears to be least affected.

In the cities of Gaziantep, Kayseri and Eskisehir, as well as the Anatolian Tigers in general, exporting was the common mechanism for generating economic growth. Urban growth coalitions, which became even stronger with the increasing autonomy of municipalities, played a key role in organizing and coordinating local resources in order to pursue aggressive exporting strategies. Exporting strategies have been considered the basis for much of the success claims in these cities. Higher exports and the diversification of target countries are seen as the benchmarks of this growth and success. Even though the average growth rate of the Turkish economy decreased, Kayseri, Gaziantep and Eskisehir were able to maintain the pace of their export-based growth rates. This is due in part to their increasing concentration on foreign rather than domestic markets. Thus, in 2001 while Turkey experienced a negative growth rate of 6.1% due to the severe financial crisis, the three cities maintained their positive growth rates by relying on exports. This strategy became even more advantageous after the devaluation of the Turkish Lira. The sustainability of real growth rates was doubtlessly crucial for the increases in GDP per capita as this remained higher in the three cities than in national statistics as well. Accordingly, in each city, the contribution of the city economy to the total Turkish GDP gradually increased. In the case of Kayseri, for instance, the city's contribution to the national GDP was 0.67% in 1990, but increased to two percent in 2010. Similarly, in Gaziantep it increased from 0.86% to 2.3% and in Eskisehir from 0.64% to 1.6%.

Exports continue to constitute an important share of total production. In Kayseri at the end of 2000, the share of exports to total production reached approximately 30%, in Gaziantep 40% and in Eskisehir 25%. As noted in the previous study, instabilities in domestic markets due to successive financial crises had contributed to an increased emphasis on exports to foreign markets. Allocating local resources to the penetration of foreign markets was seen as a safer strategy for entrepreneurs in these cities.

Another indicator of the importance of an export-oriented strategy has been the increasing number of firms involved in exporting. In 1985, 5.2% of firms (including both large holdings and SMEs) were involved in

exporting in Turkey and in Kayseri only four percent of local firms were involved in export. Ten years later, while 14% of national companies were involved exporting, in Kayseri 25% of local companies were exporting. By the late 2000s, approximately 30% of Turkish firms and 45% of firms in Kayseri were involved in exporting. A similar pattern can be observed in Gaziantep and Eskisehir. These numbers suggest that the three city economies had become deeply entrenched in global markets over time and that their success was increasingly dependent on their exporting performance.

Another indicator that the city economies were becoming more and more export dependent was the portion of exporting firms among each city's total firms. Until 1995, the ratio of total exporting firms to total firms among the Anatolian Tigers was lower than the national average. After 1995, however, when the real growth of Anatolian Tigers began, exporting companies came to occupy a higher place in the city economy as compared to the national economy. The Anatolian cities experienced double digit growth rates in the second half of the 1990s with the economic crisis of 1994 as a crucial stimulator of exports due to the currency devaluations. The signing of the Customs Union agreement with the EU and the ability of Turkish exporters to penetrate the Eurozone without taxes or tariffs was also a key factor in the 1995-2000 period. Simultaneously, as Yildirim (2009) argued, the post-1994 period was troublesome for companies producing for the domestic markets, and widespread shut downs especially among Istanbul-based companies were a prominent cause of the decrease in the total number of firms in Turkey.

External Factors: Globalization and Europeanization

Globalization and Anatolian Cities

In Kayseri, the process of globalization can be studied on at least two interrelated levels. The first pertains to the way in which the process of globalization is understood as an economic phenomenon resulting in closer integration into global capitalist flows and greater economic success. Secondly, this economic dynamism has led to a perception that Kayseri's globalization experience is symptomatic of how global capitalism and religion, or globalization and Islamization, can co-exist. Thus, Kayseri has been portrayed as a case in which these seemingly paradoxical processes take place simultaneously. Through the increasing internationalization of the Turkish economy, Kayserian entrepreneurs broadened their horizons beyond national markets and sought opportunities in global markets. During the interviews, there were repeated references to the number of countries Kayseri now exports to as a means of conveying the extent of Kayseri's economic success.

Globalization was a process that allowed Kayserian entrepreneurs to find new *niche* markets and in their quest to do so culture and religion often played a role since 2000, stagnating European markets have also led Kayserian entrepreneurs to establish new investment strategies in African countries, especially Muslim African nations. The interest in exporting to Muslim African nations can partly be interpreted as a manifestation of cultural affinity. Kayseri GESIAD (Young Businesspeople Association) has been instrumental in establishing these key business relations. Yet not limited to Muslim African nations, looking at the activities of GESIAD since 2002, there is an obvious increase in the number of exhibitions, business involvements and fairs organized between Kayserian entrepreneurs and African business people. Recently, GESIAD organized a "trade and investment" visit to South Africa in November 2009, with the participation of the Minister of Foreign Trade, Zafer Caglayan.

Other similar activities have been arranged including that of the Chief Consultant of the President of Senegal, Moustapha Ndiaye's visit to GESIAD Kayseri in June 2009. His visit was an attempt to build new

business networks between Senegal and Kayserian entrepreneurs. Ndiaye brought many investment incentives to the table including the provision of free land, customs duties exemptions, tax exemption for five years and infrastructural and technical assistance. Likewise, 50 Nigerian businesspeople were hosted by GESIAD in February 2008, and in December 2007, a group of businesspeople from Egypt visited Kayseri with the intention of establishing new contacts. Overall, there have been an increasing number of Kayserian businesspeople making investments in countries such as Senegal, Sudan, Nigeria and South Africa. A second geographical focus for GESIAD since 2008 has been Latin America, especially Brazil.

The number of countries Kayseri exports to has gradually increased since the 1990s. Export volumes increased as well, reaching approximately 3.5 billion dollars in 2010. When the number of destination countries and export volumes are examined together, it is possible to conclude that globalization brought about a significant diversification of export partners and a host of new geographies for trade relationships. One important effect of having diverse geographies as trading partners has been the ability of Kayserian entrepreneurs to avoid the fragility of domestic markets. As Kilci notes, exporting to global markets has also meant a strong push for local producers to increase their quality and efficiency. In order to be more competitive in the global markets, there was a need for higher quality products and innovation.

For Kayseri, however, the fruits of globalization were not limited to diversification of export markets. Kayserian producers were also the beneficiaries of capital imports that brought with them new technologies and enabled the establishment of more efficient production units. There were also new opportunities for the Chambers of Industry and Commerce, as both became members of the World Chambers Association in 2002. As Kilci from the KTO indicated, subsequent global congresses helped the Chambers to establish new business contacts and enhance their vision for new practices.

Kayseri aspires to produce more technologically intensive goods and to sustain better production standards. Hence, there is an urgent need for the aforementioned learning processes as well as for foreign capital.³ Mustafa Boydak, argues that in order to compete in the global economy, Kayseri needs better marketing, technological and investment skills and better access to financial intermediaries. From his perspective, the process of globalization is vital for Kayseri, since the internalization of these skills is possible only through the in-flow of foreign capital and foreign expertise. While for some, the role of foreign capital and foreign presence is still a significant point of debate, most entrepreneurs acknowledge the fruits of the globalization process, and believe that Kayseri's economic resurgence would not have been possible without the liberalization of the economy and the opportunities offered in global markets.

In Gaziantep, the process of globalization, is both similar to and distinct from Kayseri. As in Kayseri, globalization is portrayed as opening opportunities outside of the national economy. Like in Kayseri, entrepreneurs in Gaziantep have found new trading partners: the total number of countries the city exports to reached 142 countries in 2009. This broadening of export destinations along with increasing export volumes meant that exports from Gaziantep exceeded four billion dollars in 2009. Middle Eastern countries, Russia and the Turkic Republics are among Gaziantep's main export markets. As in Kayseri, the share of exports destined for European countries has gradually increased since the 1996 Customs Union Agreement. Nejat Kocer, President of GSO explains this situation as "export mobilization". According to the export mobilization scheme,

³ As Ali Coşkun, former Turkish Minister of Industry and Commerce commented, Kayseri as the "leading" Anatolian Tiger has earned a powerful place in the global integration process with regards to its position as the industrial and commercial center of the Anatolian Region. This has occurred as Turkey seeks to become a center of attraction for foreign as well as domestic investors.

the GSO and GTO provided assistance to firms who sought to produce for foreign rather than national markets. The GSO's support of these firms included quality management, branding, and instruction on how to become more competitive in reaching foreign markets.

An important difference between Gaziantep and Kayseri emerges in terms of city marketing. Urban growth coalitions in Gaziantep have been better able to benefit from the city's historical, economic and cultural potentials. They have also been better equipped with the organizational capacity to establish market centered urban policies, including projects designed specifically to market their city. It is not a surprise that many interviewees identified Trademark City Gaziantep and Innovation Valley, pioneered by the GSO, as evidence of Gaziantep's success in deciphering and following the "globalizing" rules of the game. According to Kocer, President of GSO, the aim of the Trademark City project is to create 100 national brands from Gaziantep, which corresponds to 1,000 new industrial units and employment for 50,000 workers until 2014. This target has been framed by the GSO as falling within the aim of making Antep a national model for Turkey. This strategy is indeed a national model as through Trademark City, Gaziantep has come to rank the fifth in Turkey in terms of the total number of brand registrations. While the total number of brand and patent applications in 2001 was just 353, in 2008 it reached 1650. This is in line with the organizational and institutional capacity acquired through the Trademark City project.

Another difference pertains to Gaziantep's geo-strategic location in the south-eastern region of Turkey. This location was utilized by its urban growth coalition to position Antep as an ideal host of international trade forums and fairs, which have frequently been organized there. The presence of these fairs, expos and forums implies that Gaziantep has become a key city in the Middle Eastern region. This in turn positively influences Turkey's national policy in the region, especially when it comes to Iraq, which has been undergoing a restructuring and "remaking" process for a number of years. Forum Iraq is a crucial component of this scalar strategy. It has been organized on a regular basis since 2004 by the International Forum Iraq Expo and Iraq Ministry of Trade. This expo attracts more than 10 thousand visitors from 45 countries each year and increases Gaziantep's, as well as Turkey's role in the Middle Eastern region. It has also become an important source of leverage in foreign policy issues.

Gaziantep's strategic position in the region fits well with Turkey's increasing foreign policy activism since 2005. As Mehmet Buyukeksi, President of TIM, a national organization that represents the interests of exporters, confirms, Gaziantep has been acting as a coordinator between national actors and neighbor countries helping to initiate dialogue to reverse tensions, especially between Turkey and Syria on certain foreign policy issues. As part of Turkey's national opening to other countries in the region, it has introduced a new incentive scheme for SMEs exporting to Middle Eastern markets, which now receive additional tax incentives and are provided with lower electricity charges.

In Eskisehir, globalization also affected the number and geographical distribution of exporting partners. Unlike Gaziantep and Kayseri, however, the technology content of exports in Eskisehir was traditionally higher and this difference had important implications for Eskisehir's export patterns. According to a recent report published by the Center for Export Improvement (IGEME) in 2009, a national organization under the Ministry of Trade, Eskisehir now ranks third, after Istanbul and Ankara, in terms of the technology content of its exports.

Globalization brought new institutional arrangements for the ETO, Eskisehir Chamber of Trade. The agreement signed between the ETO and the Changzhou Chamber of Trade in 2008 in China is unique in the

sense that it was the first time a Chamber in Turkey signed a “twin chamber” agreement with a Chinese counterpart. Given that 50% of Eskisehir’s total exports are already destined for EU countries, these agreements are crucial to outward looking entrepreneurs who seek to turn their attention to the “east” rather than the “west” to penetrate the emerging markets of the global economy.

In addition to export patterns, globalization in Eskisehir has had significant impacts on the technological infrastructure of the organized industrial zones (OIZs). Interviews conducted with the ESO confirm that local actors have established a long term organizational focus on global technological enhancements. One of the most common arguments along these lines, best articulated by ESO President Savas Aydemir, is that being successful requires being more innovative, not only in finding new markets, but also in developing innovative products believed to be the strategic weapons of the Eskişehir economy.⁴ The nature of the infrastructural and technical services provided to companies within the OIZs is more sophisticated⁵, and compared to Gaziantep and projects like Trade Mark City and Innovation Valley, Eskisehir has been better able to integrate its technology efforts into production structures and hence exports. In Eskisehir, despite a focus on few sectors and production areas, the relationship between investing more in technological enhancement and their effects on industrial production has been better sustained.

The Eskişehir Commodity and Stock Exchange (ESKTB) is another leading institution in the Eskişehir economy, acting as a pro-globalization and pro-Europeanization agent. It holds the institutional perspective that the latest technological developments in agricultural production should be closely monitored in order to keep up with global transformations and demonstrate progress. The institutional strategy of the ESKTB, with regards to global integration is defined by President Selim Ögütür as, “following the latest developments in mainly the EU and the US, and bringing these technological developments to Eskişehir, while putting great effort into adapting them to local conditions in order to maximize the benefits of the process” (interview with Selim Ögütür, conducted on December 3rd 2008, in ETO and ESKTB).

A number of private and public sector initiatives demonstrate the success of global-minded endeavors in Eskisehir. In the post-1985 period, as the Sarar Group witnessed rapid growth and established a partnership with global brand Hugo Boss, it became the pride of both Eskisehir and the nation-state. Its success confirmed that the globalization process provided opportunities and if the necessary organizational and institutional steps were taken, it would be a mutually constituting process, in which urban actors and the globalization process shape each other. Similarly, ETİ Makine Corp., one of the leading machinery sector corporations in Eskişehir, emphasizes the importance of well-established foreign relations. They adhere to the corporate view that global partnerships and the strategic division of labor among parties will raise productivity and profitability, both of which are crucial to making Eskişehir itself a well known global brand (Taşkın & Beceneli, 2008). Finally, the establishment of the Eskisehir Science Park exemplifies the pursuit of competitiveness in global markets in Eskisehir. The Science Park involves an institute that operates in collaboration with the Open University of Anatolia in Eskisehir. This institute offers programs such as innovation and product development, industrial design, patent/trademark registration, and international law and patent issues, as well as special programs on

⁴ Interview with Savas Aydemir.

⁵ The establishment of the Eskisehir Science Park is one example of how competitiveness for global markets is sought after in Eskisehir. The Science Park involves an institute that operates in collaboration with the Open University of Anatolia in Eskisehir. This institute offers programs such as innovation and product development, industrial design, patent/trademark registration, and international law and patent issues, as well as special programs on polymers in the plastics sector.

polymers for the plastics sector.

Europeanization and Anatolian Cities

The second process contributing to the economic, social and institutional transformation of the three cities is Turkey's relations with the EU have experienced ups and downs and EU membership as a national project has been losing ground in Turkey due to the country's slow adoption of required institutional reforms. The dynamics of Turkey-EU relations and the specificities of this process are beyond the scope of this analysis. There are however two key dimensions of the Europeanization process that are of interest: (1) the involvement of EU-related institutions, such as ABIGEM, Enterprise Europe, and Euro Chambers, and their visibility and significance in Anatolian cities; and (2) the impact of the 1996 Customs Union Agreement, which generated extensive European exporting opportunities for Kayserian entrepreneurs. This section focuses on major activities of these institutions and the ways in which they interact with the socio-economic and local institutional realities of the Anatolian cities. In addition, it seeks to understand why the globalization process is seen as relatively more hazardous by local actors and restricted to the economic realm, while Europeanization has been better able to penetrate other societal realms.

Europeanization has a different type of articulation for local actors in Anatolian cities, because it has also involved the establishment of non-economic connections and interests are also established, especially within municipal affairs and civil society. Thus, the transformative impacts of Europeanization reach more actors. In each city, optimistic perceptions of Europeanization is a common feature, however the institutionalization of the Europeanization process takes place in accordance with the cultural dynamics of the local contexts. In Kayseri, the Europeanization process was rendered most visible through sister city projects with European counterparts, an endeavour that has been much less visible in other cities. The sister city projects can be regarded as a significant push for further communication among cities of diverse geographies. Kayseri became sister city of a German city, Saarbrücken when the protocol was signed by the two Mayors, Mehmet Özhaseki and Michael Burkert (Türkmen, 2007).

Another facet of Europeanization process has been occurring through the establishment of EU Information Offices. These offices have been instrumental in providing guidance and orientation to local civil society groups as well as increasing public awareness of the EU through the implementation of EU funded projects. Not surprisingly projects targeting women's empowerment have become especially visible as representing women's rights according to the criteria for EU integration. The most recent gender project in Kayseri was successfully completed in 2007 and aimed to increase self-awareness among working women over the age of 28 to help them achieve senior level management positions (Kayseri Chamber of Commerce 2008).

The case of Kayseri Young Industrialists and Businessmen Association (GESIAD) is also illuminating. Namık Subaşı, Secretary General of GESIAD,¹ Subaşı noted that more than one hundred participants have recently been trained for six months within two fishery projects. These projects have led to the establishment of the greatest cage fishery system in Turkey, the products of which are directly exported to Germany. An additional budget of 100,000 Euros has also been rendered available for industrial design projects under the management of Kayseri GESIAD.

As part of the EU funded projects, it should be noted that the Europeanization process has also opened specific economic opportunity zones. Similar to the municipality's efforts around sister city projects, the Kayseri Metropolitan Municipality has become a leader in helping local entrepreneurs to get the most out of

these programs by establishing a special institutional structure for EU projects, the Directorate for the EU and Foreign Relations. It was established in August 2006 with the goal of developing projects that benefit from the EU information network and funding. The institution specializes in project preparation and execution. As of the end of 2007, the Kayseri Metropolitan Municipality had been a part of five EU projects and acquired 6,350,000 Euros in funding from the EU.⁶

Finally, the Regional Development Program, co-funded by the EU and the Republic of Turkey and executed by the State Planning Agency (DPT) and the Central Anatolia Development Union (ORAKAB), represents another critical institutional initiative for Kayseri. The program, which commenced in 2006, has become a central component of the regional development strategies of the DPT, which aim to prepare certain regions of Turkey to benefit from EU pre-accession funds by participating in available EU projects. Applied in 13 different cities, including Kayseri, the project has provided technical and practical know-how about EU projects and their funding structures. The program has also strengthened the culture of strategic planning among participants. The financial contribution of the program to the city was notable, as 86 of the 265 projects realized profit, which exceeded their strategic plans.⁷

In Gaziantep, the European Union Business Development Center (ABIGEM) is the central organization for bringing EU “input” into the city. This organization not only helps Antep build business linkages with EU countries, but strengthens Antep’s position in the region. The Gaziantep ABIGEM has also been instrumental in realizing the city’s regional potential and dynamics. In the textile and food sectors, in particular, ABIGEM has organized Syria-Turkey communication days, which seek to improve business relations between Turkey, Syria and Iraq. Since April 2000, the ABIGEM has organized more than 25 of these meetings and many have explicitly focused on hosting Turcoman Iraqi businesspeople. Likewise, the Gaziantep Business Forum, a sister organization, has been quite active in organizing activities to bring together European and Iraqi companies. In December 2008, a meeting was organized with the participation of 40 European and 140 Iraqi companies.

Two ABIGEM projects in Gaziantep warrant further discussion. These are the Pistachio Sectoral Project and the Bulgur Sectoral Project. The major objective of the first is to help the pistachio sector expand in order to reach strategic relevance in the region. It also aims to introduce and create awareness of necessary food health and safety standards in line with the EU accession regulatory requirements in Turkey. Currently, 15 companies have been educated and four of those firms have received the Hazard Analysis and Critical Control Points (HACCP) certificate. The second project, the Bulgur Sectoral Project, seeks to increase the efficiency and safety standards of bulgur production in Gaziantep (which constitutes 50% of Turkey’s overall production) to meet EU standards and help producers better communicate with their target markets, wholesalers and intermediaries. To date, 47 companies have received this technical assistance and it has contributed to the total volume of Gaziantep exports, which stand at three million Euros.

As Funda Suran notes, the mission of the Gaziantep ABIGEM is to support local SMEs with a full range of management consultancy, training, and information services to enhance their competitive position and help them to achieve their potential. Among the 13 ABIGEM centers in Turkey, the Gaziantep ABIGEM works as the administrator and coordinator of the others. Funda Suran, head of the Gaziantep ABIGEM, emphasizes a key point in terms of the role of ABIGEMs and the EU’s impact in Gaziantep. She claims that investors,

⁶ For detailed information, see <http://www.orakab.gov.tr/>

⁷ For detailed information, see <http://www.orakab.gov.tr/>

producers and entrepreneurs in Gaziantep have learned in this process that there is indeed a “win-win” model. The Gaziantep Business Forum and ABIGEM’s joint efforts to bring together businesses from European countries, Gaziantep and neighboring countries also helps to construct new institutional dialogue and interactions. Intensive demand by Spanish companies to participate in ABIGEM and Business Forum meetings led the Chambers of Trade in Valencia, Madrid and Barcelona to coordinate their activities with the ABIGEM and Gaziantep Chamber of Trade, enabling an institutional rapprochement. Institutions such as the Spanish Institute for Foreign Trade, Med Valencia and Barcelona Activa have likewise sought greater collaboration and coordination with the GTO. In September 2004, Spain’s biggest retail chain, El Cortes, organized a “Turkish Products Week” where many companies from Gaziantep presented their products. The world’s largest food sector fair, SIAL, has also been hosting more Gaziantep firms than ever before.

Suran’s perspective does warrant critical consideration in the sense that, despite the positive perception of local actors, the city’s increasing export capacity has not necessarily benefitted the working class to the same extent. Consequently, the EU has attempted to engender its local acceptance through both non-economic and economic transformative interventions, which take into consideration the local socio-economic and institutional realities of the city. Gaziantep’s high inflows of migrants from the Eastern regions of Turkey and the increasing social and economic problems experienced by these migrants and their families have been a critical point of concern for the EU. The Economic and Social Integration (EKOSEP) project, in this regard, can be seen as a social compensation mechanism, which tries to address the problems experienced by migrant-workers. Gaziantep is one of four pilot cities participating in the EKOSEP project funded by the EU as a regional initiative to assist cities in the South Eastern region of Turkey in solving issues stemming from increasing migration. Gaziantep was chosen as the hub of the project and has been responsible for the implementation of program in the other three cities.⁸ The overall objective of the project is to initiate local projects mobilized around different urban actors in areas such as economic development, participatory local democracy and infrastructural amelioration, all of which are related to migration in these cities.⁹

Increasing Europeanization thus not only refers to increasing economic linkages, but also to increasing awareness that Gaziantep, as the rising star of the south-eastern region of Turkey, needs to have better solutions to its socio-economic problems including informal/unregulated labor, poor working conditions, and distorted urbanization patterns. As the examples above suggest, the increasing visibility of the EU and its increasing collaboration with the Metropolitan Municipality has created greater awareness of the socio-economic problems encountered as a result of neoliberal globalization.

Eskisehir’s Europeanization process is neither limited to the search for new markets and increasing production levels in post-1980s period, nor to hosting pilot projects such as EKOSEP. In Eskisehir the transformative impacts of the Europeanization process are spread through different realms, including various economic sectors, education systems, urban regeneration projects and labor force quality issues. The involvement of the EU in these areas has the objective of ensuring its impacts are not confined to the boundaries of a single institution, but are instituted and organized through the collaboration of various organizations.

⁸ The other three cities in which the project has been implemented include Sanliurfa, Diyarbakir and Erzurum.

⁹ For details, please refer to <http://www.ekosep.net/web/projectprovinces/gaziantep>. These initiatives also aim to increase the diversity of services provided by local municipalities and increase capacity. There are multiple “pilot” projects in progress in Gaziantep and other EKOSEP cities, including child and youth rehabilitation centers, child-care facilities and increasing support to children of immigrant families. EKOSEP projects largely focus on the younger generation and the social aspect is always privileged.

ESO and ETO's institutional strategies illustrate the versatility of the Europeanization process in Eskisehir. The ESO and ETO have initiated various technical assistance programs designed by the EU. Among these ESO-EU partnerships are the Leonardo da Vinci Vocational Training Program, the EU Active Labor Force Program, and the Strengthening the Vocational Education and Training System in Turkey Program (MEGEP). These programs bring a significant level of know-how to the city; moreover they trigger EU investment in different fields. It is possible to argue that EU involvement is quite compatible with local Eskisehir characteristics, as these European oriented partnerships diagnose and make better use of the relatively better educated and better trained labor force, compared to Kayseri and Gaziantep where *fason* production and unskilled labor are abundant.

The main activities of the Eskişehir ABİGEM include adjusting the corporate structures and institutional mentalities of Eskişehir firms and SMEs to better match their European counterparts and providing training and consultancy to local firms faced with problems stemming from adaptation to EU legislation.¹⁰ These characteristics in general are indicative of claims that emphasize Eskisehir's ability to adapt itself to European market norms, which generally reflect market based principles.¹¹ Hence, unlike Kayseri and Gaziantep, Eskisehir's share of exports to EU countries is now more than 50%.

The Europeanization process goes beyond creating new economic geographies as mentioned above, and Eskisehir's record of attracting European capital into the city is more significant than most Anatolian cities.¹² The institutional efforts pioneered and coordinated by Mayor Büyükerşen have sustained the significant flow of European funds into the city.¹³ For instance, the municipality's urban regeneration master plan received significant financial assistance from a leading EU institution, the European Investment Bank (EIB). In the post-2000 period, successive urban projects like the light tram and other infrastructural plans, have been amalgamated into a massive undertaking called the "Urban Development Project" and presented to the EIB, with the aim of obtaining technical and financial assistance.¹⁴ Also in the case of Eskisehir, credit provision opportunities sustained through European sources have played a more vital role than in the other two cities. The relatively higher number of banks providing credit and international capital in Eskisehir reveal that market-based forms of capital formation are more common in Eskisehir as well.

¹⁰ For detailed information see <http://www.esabigem.net/sayfa.php?s=1>. The institutional counterparts of the ABİGEM are the European Commission, TOBB, ESO and ETO, which share the common view that local SMEs should be supported and encouraged to pursue their sustainable development in international markets

¹¹ In this respect, Selim Öğütür, the President of ESKTB, reflects this ability by highlighting Eskisehir's focus on significant levels of adaptation to the agricultural regulations of the EU. In light of EU norms on agricultural production, the long term target of the Eskisehir economy is defined as lowering the weight of the total agriculture labor force to seven percent by increasing productivity. According to Selim Öğütür, the resulting labor supply channeled from agriculture to industry should be embraced by a planned urbanization process, which will be the key to the further development of the city in the near future. The mass housing projects of the Eskisehir Metropolitan Municipality enabled the sustainable absorption of incoming populations by the urban center and they are believed to provide a model to many cities.

¹² While Turkey in general suffers from low levels of Foreign Direct Investment (FDI), the decision by Germany-based Viessmann Group, a leading international manufacturer of heating systems, to open a factory in Eskisehir is a stark indicator of Eskisehir's progress in terms of providing an attractive space for the foreign investors, developing a vast organized industrial zone equipped with high technological standards and providing favorable parcel rates to domestic and international investors.

¹³ Such as Mayor Büyükerşen, who was appointed Head of the Turkish Delegation to the European Council Local Government Initiatives for which he attended meetings in Strasbourg every six months up until 2004. These visits to Strasbourg and subsequent meetings in the EU have had a considerable influence on changes to the urban space of Eskişehir.

¹⁴ After a series of visits between the municipal officers and bank representatives from Luxembourg and Eskişehir, the Bank granted a total fund of 120 million Euros to the Eskişehir Metropolitan Municipality in the year 2001.

Conclusions

This study has described the socio-economic and cultural background of the Anatolian cities before and during the neoliberal globalization process. While there were similarities—less state support, less state-led industrial and manufacturing infrastructure, and growth patterns associated with aggressive exporting strategies, there are also significant differences. For instance, even though Eskisehir had a relatively better base due to the state's industrial investments in the early 1920s and 1930s, all three cities in general suffered from soaring public (municipal) investments and lack of private incentives. In this context, exporting became the most attractive route to deal with the successive crises of the Turkish economy, the accompanying currency devaluations and need for capital accumulation (Boratav, Turel & Yeldan, 1998; Boratav, Yeldan & Kose, 2000).

While the number of exporting companies increased substantially in all three cities, the processes of globalization and Europeanization also created numerous other opportunities, such as increasing the diversity of export destination countries and establishing bi-lateral relations at the business association, chamber and municipal levels. These processes confirmed that outward looking Anatolian firms were doing the right thing by producing for external markets, rather than competing in the domestic markets, already fragile due to unemployment, shrinking demand and inflation. As we saw, even for municipal administrations, as in the case of Gaziantep, looking to international opportunities, such as international credit and lending institutions, became an increasingly accessible and necessary option in the post-1980s.

An important finding of this study has been that in explaining the strong export performances of the Anatolian Tigers, the repression of real wages, decreasing unionization and casualization of labor are crucial parameters that warrant further examination. In this setting, even rising productivity levels were often artificial, since inflation led to a bubble economy and the main source of productivity was the erosion of real wages. Consequently, urban growth coalitions benefited not only from increasing export markets, international credit options and EU guidance, but also informal and low-wage labor. While this study portrayed the determinants of the economic success of the Anatolian Tigers by considering a variety of dimensions in comparison to national statistics and trends, the next study will complement this analysis by looking more closely at the urban growth coalitions and the forms of embeddedness they utilize.

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Political Reform in Brazil and Contradictions in the Legal Understanding of Party Loyalty

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The Superior Electoral Court anticipated the political reform with the creation of party loyalty, reproduced in infra constitutional legislation by Law n° 13.165/2015. The change in the electoral system allows imagine the foundation of a State Parties in Brazilian democracy. Although most constitutions incorporate the virtual mandate idea, or representative, according thought of Burke and Sieyes, the democratic legitimacy requires control mechanisms and accountability of representatives to the population, including legal. It takes up to the imperative mandate, not in Rousseauian molds, but tied to party guidelines, founding party mandates. The ownership of the mandate by the political party moves towards the strengthening of key players who are partisan associations in the electoral process. On the other hand, it is not obvious that political parties meet the necessary conditions for the establishment of an imperative mandate tied to party deliberations, since patent oligarchic and bureaucratic character of much of them, whose process of deliberation and choice of leaders and political positions do not require internal democracy. This reflection induces the political and party system to wonder if the role they playing in democracy helps to combat political inequality or strength it, by analyzing the dynamics of party migration in Brazil.

Keywords: political reform, contradictions, Party Loyalty

Historical of Legislative Process

The political party loyalty was disciplined in the Law number 13.165/2015, a regulatory statute which is a result of the intense debate concerning “Political Reform” in the National Congress’s agenda throughout 2015. Although it does not substantially alter the guidelines of the electoral procedure, considerable changes were made regarding the current topic. It is inevitable not to think that in order to establish a legal conception of political party loyalty, there has to be an ideological alignment between the parties and the ideals supported by its affiliates, where voter’s interests will be represented to achieve popular sovereignty.

The endless amount of a variety of legislative proposals designated to alter the electoral system and the functioning of political institutions, surrounded by a wide political reform issue, has always made the development of a consensus more difficult concerning its approval. The House of Representatives and the Senate joined forces for the voting and the approval of the issues in question in both legislative houses and for its publishing until October 2, 2015, confirming efforts within the necessary period for the 2016 elections.

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Even though each of the Legislative organs has created their own Political Reform Commission, the idea was to conduct the procedure of the proposals to accelerate the political reform debate and make it more efficient.

The president of the Federal Senate, Renan Calheiros, designated on June 17th, 2015 through act number 12/2015, a Special Committee with the purpose of systematizing the propositions concerning the Political Reform, initially establishing a deadline for June 30th to present the report, which was extended to October 3rd through Act number 15/2015.

The debate was initiated in the Committee and proposition minutes were presented by the rapporteur, Senator Romero Jucá. On August 5th, 2015, it was agreed in the Commission, together with the rapporteur of the Political Reform in the House of Representatives, Rodrigo Maia, to put into debate in the Federal Senate the House of Representatives proposed bill number 75/2015 (n^o 5.735 of 2013, in the originating House), from the authorship of the representative Ilário Marques, that joins all infra-constitutional subjects in a¹ single proposed bill, in order to accelerate the procedure without compromising what was deliberated by the Senate Committee.

In the proposed bill number 75/2015, which alters the Laws numbers 9.504, of September 30th, 1997, 9.096 of September 19th, 1995 and the Law 4.737 of June 15th, 1965—Electoral Code, changing the political-electoral institutions, it was stated that the proposition concerning party loyalty with the inclusion of item 22-A in the Law number 9.096/99, transcribed below, has used the written text of the Superior Electoral Court number 22.610/2007 regarding the hypothesis of just cause for the party exclusion.

Article 22-A. The holder of the elective mandate who decouples the party in which he/she was elected by will lose the mandate, unless if the decoupling occurs: (I) to be affiliated to a new party, in the thirty consecutive days to the registration date in the legend in the Superior Electoral Court; (II) due to merger or incorporation of their original party to another, in the thirty following days to the registration of the party alteration that occurred; (III) due to substantial change or deviation reaffirmed in the program of the original party; (IV) for serious personal discrimination.

The voting of the report presented by the rapporteur through the legal recommendation number 637/2015 was concluded on August 25th in the Committee meeting. On September 2nd the complementary bill number 75/2015 was voted in the plenary, resulting in the recommendation number 682, of 2015, with the text of the Substitutive approved by the Senate in the bill in which the inclusion of the item 22-A was confirmed to the Law number 9.096/96.

Taken back to the House of Representatives, through the approval number 1243 of September 8th, 2015, the subject was voted in a single shift, in the Extraordinary Deliberative Session on September 9th, 2015, where the final presentation of the bill number 5.735/2014 definitively consigned the following terms regarding the discipline of party loyalty:

Article 22-A: holder who decouples its party without just cause will lose elective mandate. Single paragraph. Just cause is considered for party decoupling in the following hypothesis: (I) substantial change or deviation of party program; (II) serious personal political discrimination; (III) changing of party accomplished during the period of thirty days which anticipate the deadline of affiliation demanded by Law to run in elections, major or proportional, in the end of the current mandate. (Law number 9.096/95)

The Board did not reproduce *ipsis litteris* in the terms of the Superior Electoral Court Resolution number 22.610 about party loyalty legal framework, going against the Federal Senate's approval. The just cause

¹ Article 1: The interested political party may request to the Electoral Justice the decree for loss of elective position due to party disaffiliation without just cause. It is considered Just cause when: (I) party incorporation or merge; (II) Creation of a new party; (III) Substantial change or deviation of party program; (IV) serious personal discrimination.

hypothesis compatible to substantial change or reaffirmed deviation in the party's program and in case of serious personal discrimination remained, however, those related to the creation of a new party and to the merger or incorporation of parties were extinct. Nevertheless, an infamous "window" was created in the infra-constitutional scope through a new just cause hypothesis which gives the representative the right to change parties within the 30 days which precede the affiliation deadline by law to dispute major or proportional pleading.

Finally, the project was sent for sanction or veto from the Republic Presidency on September 10th, 2015 through Message number 28/2015, being entirely sanctioned, the text of the referred legal instruments on September 29th, 2015, resulting in Law number 13.165/2015.

The recent decision from the Federal Supreme Court on the Declaratory Action of Unconstitutionality number 5081, gave injunctive relief to mandate loss due party unfaithfulness to representatives elected by the major system. This article is restricted to investigate its impact for the ones elected by the proportional system.

Representativeness in Democracy: Categories of Political Mandate

Many academic papers have contributed to the concept of popular representativeness in current democracies, where we can highlight the positioning of Rousseau and Edmund Burke.

Before continuing, however, it is important to realize that although the representative characteristic of sovereignty as a role model government is defended, this was initiated as a necessity due to community growth, which would not make it possible for everyone to participate in public businesses, as Stuart Mill (2006, p. 65) and Jacques Rancière (2014) defended "representativeness was never a system created to soften the impact of population growth" (p. 69).

In its origin, representativeness is the opposite of democracy once it represents an oligarchic form of legitimating the status quo in order for the elite to truly fulfill, in the name of the people, the power which is an obligation. That's why Jacques Rancière (2014) supports that representative democracy "may seem as a pleonasm, but it was first an oxymoron" (p. 70). This phenomenon was not totally relegated to the past century of the bourgeois. While studying the legitimacy of political power which great part of the constitutions attribute for themselves through "the power of the people", Friederich Müller (2011) observed nowadays an invocation of the people as an "icon" in the sense that "a heterogeneous population is unified for the benefit of the privileged and establishment occupants, it is anointed as "people" and pretended to be—through the monopoly of language and of the definition in the hands of dominating group(s)—constituent and constitution keeper" (p. 64).

This urging does not focus on the belief of a returning right democracy as the only possibility of democracy once it constitutes a current obstacle to its practice, even though population growth has not justified, in a first moment, the birth of representativeness. Actually, what is needed is the understanding of democracy as "struggles against the natural logic of the electoral system, which transforms representativeness in a representativeness of the dominating interests and the election in a mechanism destined to consent: official candidature, electoral fraud, candidature monopoly" (Rancière, 2014, p. 72).

With this knowledge, it is important to discuss the concepts of imperative mandate, led through the considerations of Jean-Jacques Rousseau, and the virtual mandate through the eyes of Edmund Burke.

The premise that sovereignty is inalienable is supported by Rousseau (2007, p. 36) "if sovereignty is not more than the exercise of the majority's will, it can never alienate itself (...)". Corollary of inalienability, is the

indivisibility of sovereignty “either the will is general or not; either it is of the full voting or of just a part of it” (Rousseau, 2007, p. 37).

Therefore, the idea of an imperative mandate is set, which is connected through the direct link between the voters and the elected, Who must act as real commissioners to the people’s will if it is impossible to attend general will. For Rousseau (2007) “(...) the deputy of the people are not and cannot even be, their own representatives; they are their commissioners, and cannot conclude decisively. It is null and it is not a law that in which the people do not rectify” (p. 87). Therefore, political representation can never be mediated by third parties, under penalty of annulment once Rousseau’s philosophy states the misrepresentation of popular sovereignty, which is inalienable and indivisible.

From another perspective, Edmund Burke (2004) goes against imperative representation, supporting that:

The parliament is not a congress of ambassadors which defend distinct and hostile interests [...] but a deliberative assembly of a nation, with one interest: the interest of the whole, where what must prevail is not the local interests and prejudices, but the well being which results in the general reason of all. (p. 29)

The virtual mandate, or representative mandate, is founded in the lights of the Burke’s liberalism and understands representation aside from the immediate interests of the population, or part of it, making a commitment to defend, above all, the interest of a nation. This juridical conception is adopted by most of the constitutions, as Monica Caggiano (2004, pp. 13-14) points out; The Constitution of France establishes in its article 27 that, “all imperative mandate are null”, as well as it is established in the Spanish Constitution of 1978 and in the Romanian Constitution of 1991. This is justified mainly by the influence of the thesis on national sovereignty of Abade Si éy ðs, in which a mandate is conceived belonging to a nation (Caggiano, 2014, p. 14).

Nowadays, the political representative mandate is severely criticized mainly for the lack of control mechanisms upon the represented when making public decisions, which accentuates, according to Orides Mezzaroba (2004, p. 77) the “oligarchic character assumed by representative organs”. The critique finds grounds in Friederich Müller’s philosophy (2011, p. 57) when it states that the fact that the power of the State comes from the people must be understood “as executed through the people in an accountability regime accomplished by them”. This premise is not metaphysical, but normative, that’s why Müller (2011) defends that “it cannot remain as fiction, but it must have the power to result n sensitive sanctions in reality, having necessarily by its side a democratic promise in its active variation”, an important observation about a more specific reflection which discusses mandate loss by party unfaithfulness as a control mechanism of the people’s representatives (p. 57).

Mezzaroba (2004, p. 78) adds to the categories of imperative and virtual or representative mandate, the party mandate, driven by the Kelsen’s formulation of State Party in answer to the demands which were not attended by the representative democracy.

The position assumed by political parties in the constitutional sphere would make them responsible for “putting together coincidental individual will and interpose them in the state sphere” (Mezzaroba, 2004, p. 78). In this political mandate model, the people would still rule themselves, even if indirectly, as the citizens would be responsible for establishing governmental guidelines through its articulation in the party scope instead of elected representatives with power to decide in their name.

Therefore, in the dynamics of the State of Party, the aspect of representative mandate disappears, strengthening an imperative character, not linked to the voter’s individual will. The link is regarding the party

determinations, that, for Mezzaroba (2004, p. 78), what matters is “the party loyalty becomes a fundamental prerequisite for the party mechanism and, consequently, for the existence of a State of Parties”.

In the same way, Bruno Araripe (2014) supports the overcoming of the imperative model “based on the divine or aristocratic figure conceived in the direct relationship between monarchs and subjects or elected and voters” and the virtual mandate, for a new positioning in which “there’s investment in the imperative mandate linked to the ideology of the party group” (pp. 31-32).

Having explained the kinds and tendencies of a political mandate which mediate popular representation, it is important to analyze repercussion in the democratic theory of the effects of party loyalty conceived by Law number 13.165/2015 in the representative system outlined by the Federal Constitution of 1988.

Institutional Contradictions of Party Loyalty With the Reduction of Minimum Affiliation Time: Does the Power Emanate From the People or Political Parties?

Monica Caggiano (2004) reveals that, despite the rising of the political parties from the second half of the twentieth century, the Brazilian Constitution of 1988 establishes the condition of a congressman as the people’s representative even if they depend on party affiliation as a eligibility condition (article 14, § 3º, V, CF/88) (p. 14). This author has already defended (Xerez, 2012, p. 214) the importance of the strengthening and plurality of the political parties in order to show the complexity and inequalities of the country, ratifying the idea of Party States as a path for the improvement of the democratic regime.

The current problem is to question whether the constitutional text and the established political-electoral system are compatible with the logic of State Parties. Mezzaroba (2004, p. 78) expresses that, in the Kelsen model, those are conditions for a party to have as key piece of the political structure in which “it will be purified of any addiction, structured internally in a democratic form—the baselines choose their leaders, without any bureaucratic trace and free from corruption—public and transparently financed”. Would this be the reality of the Brazilian political parties? Evidence shows that this is not what goes on in the political logic of the country.

The difficulty to actually see political parties in the terms of Kelsen is not restricted to the Brazilian scenario. The French thinker Maurice Duverger (1980) highlights that “the direction of the parties tends to naturally assume an oligarchic form”, a symptom that is applied “both to the autocratic leaders such as to the democratic leaders” (p. 188). He argues that, paradoxically, instead of the internal elections impeding the birth of oligarchies, they actually seem to benefit them.

The German philosopher Robert Michels (1982) has a similar analysis when he verifies that “the supreme leaders of an eminent democratic party, named by indirect vote extend until the end of their existences the powers which were given to them once” (p. 64). Election transforms itself in a simple formality when facing the irremovable and inviolable leaders, whose responsibilities “surpass the average time of ministry responsibilities in the monarchic States” (Michels, 1982, p. 64).

Kelsen’s proposal concerning internal democracy choosing their leaders in political parties is almost a utopia with the reality studied by the previously mentioned authors. Duverger (1980, p. 192) exposes the bureaucratic character of military regimentation to occupy leading positions in the party, highly controlled by their party loyalty, arising “an authentic oligarchy which possesses power and maintains and passes it on through co-option”. Michels (1982) contemplates the situation in similar terms:

As the leaders pull away from the masses, they show themselves more willing to occupy empty spaces which are produced by their actions and not through popular election, but by co-option; increasing their permanency and creating, by

their own initiative, whenever possible, new positions. The leaders tend to isolate themselves and form a kind of cartel within a wall that can only be transposed by the ones that please them. (p. 64)

It is impacting to realize that this quote reveals the existence of party “leaders”, making it evident an association as property of an individual who appropriates himself of it. The cartel formation in parties is a reality of simple empirical observation. Having the knowledge that the Brazilian party structure is not dissociated from the referred diagnosis, it is necessary to reflect about its alignment with the presumptions of a State Party.

The requirements indicated by Kelsen are far from what is observed in the current dynamic party scenario, making it questionable the postulate application caused from the idea of political parties developing the role of joining collective interests, which are in harmony with its internal structure.

The organic weakness of the parties and the permanent oligarchic process and bureaucratic characteristic of its structure reflect Friedrich Müller’s opinion about who are the represented people in the State sphere. While analyzing the German Constitution, which attributes to the political parties co-option when forming the people’s will, he questions:

Who would make this co-option legitimate—the people or just the party members or even, with reference to these lasts, their active members, not counting the inactive ones, which are only numbers—or even more, only the installed oligarchic leaderships (or single leaders)?

We can observe the sarcasm of collocations anticipated by the answer to the questioning. The ability of the associations to represent with legitimacy the people’s interest, even if not directly, as Mezzaroba proposed, conflicts with the organization and structure of the parties, which impede the construction of a collective and democratic will. We can observe in Brazil, due to the constitutional command which guarantees autonomy to the parties, that few parties are concerned about organizing serious elections for their leaders. Most parties don’t even deliberate or consult members; the most they do is give symbolic processes to the elected leaders the appearance of an election. Due to this reason, we can affirm that political parties have owners and that they are highly profitable businesses with a true business nature, mainly because of the market installed to buy and sell television time, which is paid with public money, and they do it according to the electoral legislation.

This sociological phenomenon, which must also be studied through a juridical perception, discusses the role of the electoral systems in the structure formation of the parties. It is essential to observe the effects of proportional vote in open list institutionalized in Brazil for the Legislative member’s choice.

Jairo Nicolau (2007) expresses that “aside from the motivation for the campaigns to be centered in the candidate, the open list affects parties by stimulating competition between members of a same party” (p. 106). The filling of the positions available to the party for the satisfaction of electoral coefficient is due to the major classification of the candidate’s votes. The dispute is brought mainly to the internal scope of the own party, once every candidate has the freedom to gather votes specifically for themselves, even though the possibility of the voter to vote exclusively because of the party exists. The freedom to gather resources directly for their own campaign is also something that certainly individualizes the competition for votes because, although it is possible that the party donates money for candidates, the accountability reveals a bigger capital flow due to private donations, which must be mitigated with the possible sealing of resource donation by legal entities.

Another consequence of the open list proportional model investigated by Jairo Nicolau (2007) is the emphasis given to the representative to fulfill specific demands as a measure of electoral success, based on a

relationship of nurturing particular interests, crony projects and the defense of the interests of the electoral district. A research made with Brazilian congressmen showed the central importance of a connection with city life through constant visits to cities where they were voted, the release of budget amendments and the intermediation of plea from the mayors and local leaderships, reinforcing even more the person-based character which is involved in the mandate (p. 106).

To confirm what has been exposed in statistical term, a research made by IUPERJ-2002 showed that 92% of the voters responded that the candidate was the most important in determining their vote, while only four percent affirmed that they considered the party legend as the most important (Nicolau, 2007, p. 109). Two months after the plea, 46% of the voters didn't remember or were not able to answer the name of the party which they had voted for. In addition, a research made by IBOPE in the middle of 2013 revealed that the institution that Brazilian trust the least are the political parties.

When Law number 13.165/2015, modified article 9^o da Lei n^o 9.504/97 to reduce affiliation time from one year to six months, it weakens the relation of identity between the affiliated and the association, which must be the keynote that justifies mandate loss of those who leave the party disregarding the legal hypothesis of just cause. When the procedural protocol in the Senate of the bill that resulted in an alteration in the legislation, it was stated in the minute 3 presented by the rapporteur in the Political Reform Committee the following argument:

The existing deadline is not consistent with the electoral calendar. When October is near in the year before the plea, the voter that wishes to run for a nominating position must choose a party without knowing how that party will position itself in the alliances which will be formed before the dispute. Usually, only throughout the election year possible colligations and pre candidates start defining themselves around the alliances that will be formed.

Although the deadline for candidate affiliation did not prosper in the Senate, we can observe that the reasons for such comes from the premise that “the voter who wishes to run for an elective position must choose a party without having the slightest perspective of how that party will position itself in the alliances that will be formed in the dispute”, and recognizes, even if indirectly, an ideological weakness of the parties to position themselves in succeeding elections which would make citizens hostage at the moment of the party choice they intend to run for.

This logic brings the problem to surface and proposes a measure to actually deepen it, because when admitting randomness in the formation of alliances in the plea dispute, the voter could wait for a greater definition in politics from the parties for only then joining one of them, which attracts the paradox identified by the President of the Political Reform Committee, Senator Tião Viana (PT), who questioned: “what reason would we have to shorten the deadline for party affiliation if we want to strengthen party loyalty?”

It is not convincing to contemplate that the reduction of the minimum affiliation time would stimulate a greater participation from the citizens in the electoral process that faces a political crisis scenario and democratic apathy. According to data from the Superior Electoral Court, there is a recent decrease in the amount of affiliation when compared to the months of December, 2014 (15.320.151) and September of 2015 (12.131.855), after a period of permanent increase from October, 2007 (11.759.699) until December, 2014. The information from the Electoral Justice allow the statistics of affiliated people to be accessed; from October 2002 (11.131.135), the moment where there was a boost of affiliations, until July of 2004 (11.794.247) and following are repeated reductions until October of 2007, when there was an affiliation growth in the parties.

During all the analyzed period, the demand of one year prevailed as a condition for eligibility, although there were moments of an increase or decrease in the number of affiliations that cannot be directly related to the current legislation. Therefore, the experienced political context is the key factor for civil engagement. Even if there is a recent reduction in the amount of affiliations, the same phenomenon was also observed in other moments, without resulting in the necessity of modifying the minimum time for party affiliation as a candidate. The idea was to have a growth in affiliations between the years of 2007 and 2014.

The measure to benefit the improvement of the democratic environment is not detected, even if there was a possibility of facilitating the candidature phenomenon by the political parties, the direct relation between legislation altering and amount of affiliation to party associations is not perceived.

Reducing the necessary interregnum of party life to run in the elections is ideal for party loyalty. Stimulating the distance between the affiliated and the political party, although it doesn't justify in practice the juridical prominence given to it, depends on the ideological alignment between its guidelines and its representatives as an assumption for mandate loss in cases of disaffiliations without just cause.

That's why topics like the proportional model with open list, campaign financing, party creation procedures, election threshold, and minimum affiliation time, among others, are aspects which contribute to the formation of the profile that is intended to be established in the political parties and can't be unassociated with the understanding of party loyalty.

The migration between political parties during a mandate is rejected due to the fact that it constitutes a rupture in popular will, weakening the party, which has the monopoly of the candidatures and the leading role of the electoral process and whose votes, individual or collective, are the parameter for the determining of the electoral coefficient, which allows the mandate to the candidate in the Legislative. In Brazil, however, Desposato (2007, p. 139) points out that "this phenomenon is less problematic than it may seem at first sight, for many reasons".

When analyzing the behavioral dynamics of party tourism, Desposato (2007) observes that "moving from one party to another with similar ideological position, but with other disagreements (for example, the candidate who supports the governor), reflects, most of the times, the internal policy of coalitions, which is the reason why it does not go against the ideological preferences nor it is a representation threat" (p. 139). This is the central point of this paper.

Party oligarchy and the electoral system, which both reinforce candidate personalism as a determining voting factor, weaken the existence of juridical loyalty in the current reality of the political parties. Even if the resolution number 22.610 in the Superior Electoral Court represented an advance in the strengthening of political associations, it is necessary to observe that this boost is expressed in the juridical sphere. In other words, a juridical party loyalty was created, but an ideological party loyalty was not institutionalized. As we have seen, the aspects of the electoral system continue to privilege the individual figure of the candidate other than the political party and this matter is worsening with the reduction of minimum affiliation time.

From this gap between the juridical and the political, a dangerous threat to the democratic regime is born. With the pretext of moralizing the electoral system, party loyalty, which is now in article 22-A of the Law number 9.096/95, armed the oligarchic parties with legal instrument capable of resulting in the rupture in representativeness once it takes to itself the votes with a personalism characteristic given to the voters to their candidates. From the idealistic perspective of Kelsen about State Parties, Mezzaroba would be right in defending the existence of a juridical loyalty to the political parties.

The political reform initiated by the Superior Electoral Court and now reproduced in the infra-constitutional legislation is serving a purpose which goes against what was firstly intended for. The fragile ideological consistency of the parties that either motivates great part of the party migrations or determines the votes has been transformed in a tool of threat and cooption, strengthening the spurious functioning logic of most of the parties.

There is no sense in creating a juridical procedure of party unfaithfulness without instituting mechanisms which benefit the ideology of party loyalty, which is harmed with the decrease of the affiliation deadline for candidatures. Until this becomes a reality, which demands the discussion of several issues that are influenced by the electoral process, the juridical possibility of transferring the mandate to the party by the “unfaithful” disaffiliation benefits the physiological behavior from most parties and punishes congressmen so that they don’t surrender to the autocratic plan from the leader of the association, even if their political behavior does not go against the interest of the population that elected them.

Possibly to protect those who feel threatened by this situation, the Law number 13.165/2015 created a permanent “window” for party mandate disaffiliation upon the inclusion of a new just cause hypothesis which consists in the “changing party during the period of thirty days prior to the affiliation deadline demanded by law to run the election, major or proportional, at the end of the current mandate”, according to text III of the article 22-A of Law 9.096/95.

The system tries to conciliate the contradictions that involve the existence of party loyalty lacking ideological alignment between representatives and parties, without correcting the root of the problem. The so criticized permanent exchange of politicians between parties has been institutionalized. A citizen cannot have their full basic right to eligibility while subjected to the “owners” of the parties, but the “window” presents itself merely as a way to escape the system which is mistaken in its conception.

Despite of the party defector introducing a “feeling of insecurity and uncertainty for the voter”, it results in the “violation of trust that the voter manifested” (Caggiano, 2008, p. 251), article 45 of the Federal Constitution reveals that “the congressmen may be judged by their acting only by the people, or in other words, their conduct will be appreciated if they attend or do not attend the demand of responsiveness”. Caggiano (2008) highlights the need of a reforming power to “indicate the limits of the congress mandate” (p. 252).

Therefore, to answer the proposed question in this article, popular sovereignty cannot rest in party guidelines forged by structural oligarchic tendencies, organization and functioning of political parties, for it will be destroyed by the uncritical concept of party loyalty shaped by Resolution number 22.610 of the Superior Electoral Court, incorporated by the Law number 13.165/2015. Daring to disagree with Mezzaroba, party loyalty should not be a prerequisite for the existence of a State Party, but a consequence.

Conclusions

The Superior Electoral Court anticipated the political reform through the edition of the Resolution number 22.610, partially reproduced in the infra-constitutional legislation, through Law number 13.165/2015. This punctual, but deep alteration in the electoral system provides imagining the foundation of a State Party in the Brazilian Democracy.

Although most of the constitutions incorporate the idea of virtual or representative mandate, according to Burke and Siéyès, the democratic legitimacy imposes a control mechanism of accountability of the representatives before the population, including juridical. This resumes itself to imperativeness in the mandate,

not in Rousseau's models, but linked to the party guidelines, establishing party mandates.

The juridical substrate which attributes mandate entitlement to the political party instead of the candidate goes in the direction of strengthening important actors, which are the party associations in the electoral process, above all by the monopoly of candidatures. On the other hand, it is not evident that the parties attend the necessary conditions for establishing an imperative mandate linked to the party deliberations once there is an oligarchic and bureaucratic character of most parties before the Superior Electoral Court, whose processes of deliberation, leader choice and political positioning do not have any traces of internal democracy.

Aside from this, the proportional system with open list, the campaign financing regime and the reduction of minimum affiliation time to dispute plea weaken the parties and enhance the personal figure of the candidate instead of convincing voters, which allow the understanding that the associations are still not as important as a channel instrument of popular sovereignty. There is no doubt, however, that the contemporary constitutionalism points to the strengthening of political parties as a necessary step for the improvement of the democratic regime.

However, before instituting a juridical loyalty in the system, it is necessary the existence of an ideological political loyalty in order not to alter the dynamics in the party functioning. The juridical tool available for the parties to review the mandate of those who disaffiliated without just cause gives even more strength for the party "leader" to practice anti democratic actions which weaken the party structure as well as it provokes a rupture in popular sovereignty.

Jacques-Rancière's understanding of democracy as a fighting process against the natural logic of the electoral system of dominant interest representation and statement of the public character of relations, institutions and spaces considered private, actually shows that if party loyalty is not followed by other modifications in the electoral system, we will have lost a battle in this fight. Cláudio Lembo (2012) wrote that the party shackles, the violators of will autonomy, forge "political slaves" in what we call a democracy (p. 243).

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The Politics of Human Perfection and the Politics of Human Imperfection: Chantal Mouffe *versus* Ulrich Beck and Anthony Giddens on European Inequalities

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The title of this paper refers to Michael Oakeshott's distinction between the politics of faith and the politics of scepticism. The "faith" expresses a belief in the capacity of government to concentrate all the power and resources upon the project of human improvement and perfection, while the "scepticism" is the politics of the powerless in which government cannot produce perfection and enjoys only limited opportunity of directing the activities of its subjects. The aim of this article is to revise Oakeshott's distinction in order to apply it to the discussion on inequalities affecting Europe. This discussion held by Chantal Mouffe, Ulrich Beck and Anthony Giddens focused on issues such as: modern patterns of inequality, the coexistence of different ethnic, religious and political forms of life, "legitimization" of social inequalities, the institutionalization of norms of equality, the problem of recognition, the common identity and so on. The key question is: How the values of equality and justice are best realized in the structure of modern society? To answer this question, it is necessary not only to assess critically the authority of governments, but also to examine possible ways of development of the idea of liberal democracy and power relations in contemporary political societies. What is our perspective on the way to solve these problems—the reinvention of politics or democratizing democracy? Even if this research will not help us to find the best political project, however we may be less often cheated in this discussion by irrelevant and ambiguous arguments.

Keywords: human perfection, human imperfection, inequalities, liberal democracy, globalization

Introduction

The title of this paper refers to Michael Oakeshott's (1996) distinction between the politics of faith and the politics of scepticism (pp. 21-44). The "faith" expresses a belief in the capacity of government to concentrate all the power and resources upon the project of human improvement and perfection, while the "scepticism" is the politics of the powerless, the style of politics in which government cannot produce perfection and enjoys only limited opportunity of directing the activities of its subjects.

On the one hand, the "faith" represented by such thinkers as Rousseau and Marx, is opposite of traditional religious faith, however it stimulates the hope of salvation through politics and the promise of prosperity, affluence and welfare. There is nothing in the world of politics which does not spring from human effort, more

strictly—from governments' activity and power to cope with their task. The politics of faith corresponds to a modern disposition which Oakeshott (1996) otherwise called "rationalism in politics" or the "ideological style of politics" (pp. X-XI, 45). In this sense, the politics of faith appears as the politics of human perfection, expressing our belief in a better world and a better man in it.

On the other hand, the "scepticism", exemplified by Pascal, Montaigne and Hume, is never omnipotent or absolute. It finds human existence to be so heterogeneous and complex that no plan to improve human beings, or the conduct of human beings, or even in a broad way human circumstances could ever succeed. As Oakeshott (1996) explains, what is to be improved is the existing system of rights, duties and means of redress (p. 34). So, "improvement" here is merely part of the articulation of maintaining order. Looking from this point of view we can describe "scepticism" as the politics of imperfection, an expression of human precaution, doubts and weakness.

The politics of faith or human perfection and the politics of scepticism or human imperfection are not alternative styles of politics, but they are ideal as the abstract extremes. They define two manners of conducting and understanding the political, power and government, thereby specifying two poles between which modern European politics moves and has fluctuated for near five hundred years (Oakeshott, 1996, p. 21).

The aim of this article is to think over Oakeshott's apt distinction and reconsider to what extent we can apply it to the discussion on inequalities affecting Europe. It does not follow that the politics of faith and the politics of scepticism can be directly referred to Mouffe's, Giddens' and Beck's approaches. However, it seems that such a dichotomy opens new paths for reflection. It can serve as a source of ideas useful in order to define the theoretical framework of presented theories, showing at the same time that the problem of inequality is only a narrow aspect of broader debate on the political, democracy, government and power relations. For this reason this article will not focus on finding the effective ways of solving the problem of inequality, but rather on the theoretical level, more strictly on the implications of presented models of democracy for understanding global inequality.

The catalyst for this debate is Chantal Mouffe's analysis of liberal democracy with its weaknesses and pitfalls. Mouffe, one of the leading figures of post-Marxist political theorists, presents an extensive criticism of the current rationalist and individualist liberal approach, more strictly, the so-called "post-political" *Zeitgeist*, including theories announcing the twilight of politics and the political. As she explains, her target is those, in the progressive camp who accept this optimistic view of globalization and have become the advocates of a consensual form of democracy [...] Their aim is the establishment of a world "beyond left and right", "beyond hegemony", "beyond sovereignty" and "beyond antagonism" (Mouffe, 2005, pp. 1-2).

Mouffe has in mind two approaches toward liberal democracies: the deliberative model of democracy, represented by John Rawls and Jürgen Habermas, as well as the theory of "reflexive modernity", exemplified by sociologists such as Ulrich Beck and Anthony Giddens. The core of Rawls' and Habermas' approaches is a belief in the perfectly reconciled world with the political as a space of freedom, equality and public deliberation. Rawls (1998) points out that unresolved conflicts are a thing of the past and consensus can now be obtained through dialogue (pp. 194-243). At the same time Giddens and Beck convince that politics can no longer be divided along traditional lines, such as left/right, public/private or radical/conservative and that the "free world" without enemies ("partisan-free democracy", "cosmopolitan democracy") is now possible (Giddens, Beck, & Lash, 2009, pp. 37-38).

Mouffe exposes weaknesses of those approaches and shows their limitations on the way of solving problems relating to economic globalisation and inequalities. Her discussion with Giddens and Beck includes questions such as: How are we going to address the profound inequalities which exist in the world? What should governments do? And after all: how the values of equality and justice are best realized in the basic structure of society? To answer these questions it is necessary not only to assess critically the authority of governments, but also to examine possible ways of development of the idea of liberal democracy and power relations in contemporary political societies. What is our perspective—the reinvention of politics or democratizing democracy? A significant part of my argument will consist in examining the main tenets of this discussion. Even if it will not help us to find the best political project and distinguish between good and bad politics, however we may be less often cheated in this discussion by irrelevant and ambiguous arguments.

Anthony Giddens and the Third Way

The key concept of Anthony Giddens' political philosophy is "manufactured uncertainty". It characterizes both the lifestyle and activities of post-traditional societies. Giddens argues that modernity has become experimental and variable in the sense that we are caught up in everyday experiments which involve a multiplicity of changes and have profound consequences for the self and identity (Mouffe, 2005, p. 42). This claim is close to the position of Zygmunt Bauman (2008), who points out that this kind of uncertainty, misgivings and fears about the future accompanied people in a fluid, ever-changing social environment, where the rules of the game are changed without warning and reason (p. 67).

Giddens stresses that the growth of manufactured uncertainty reveals the need for "social reflexivity" (because people have to process a lot of information to act in their daily life), "active trust" (because the propositions of experts are opened to critique by the citizens and passive trust is not enough) and security in an uncertain world. From this point of view we can qualify Giddens' project as the politics of scepticism and human imperfection. The world is profoundly imperfect and we can not really change it for the better. But, we should improve it, although government becomes increasingly redundant and human actions are always fragile, unstable and temporary. This is the argument for "democratization democracy".

Giddens argues that "democratization democracy" without defining the enemy is possible by the development of so-called "pure relationship"—a relationship into which one enters for its own sake because of the satisfaction that associating with others brings. In the area of personal life this type of "pure relationship" contribute to the development of "emotional democracy" as the model of "dialogic approach". In the public sphere "pure relationship" are the basis for the construction of "dialogic democracy". Its expression is the "life politics" which—according to Giddens—is not only a politics of the personal, but in general—relates to the challenges facing humanity and concerning life decisions about how we should live in a post-traditional world where what used to be natural or traditional has now become opened to choice (Dybel & Wróbel, 2008, pp. 126-127; Mouffe, 2005, pp. 43-47). As Giddens (1991) explains: "Life politics concerns political issues which flow from processes of self-actualization in post-traditional contexts, where globalizing tendencies intrude deeply into the reflexive project of the self, and conversely where processes of self-realization influence global strategies" (p. 214).

Globalization is a phenomenon that is happening here and is associated with all aspects of our lives (Beck, Giddens & Lash, 2009, p. 129). As Giddens (1994) explains, Pressures towards democratization—which always face contrary influences—are created by the twin processes of globalization and institutional reflexivity. Detraditionalization disembeds local context of action and at the same time alters the character of the global order: even when they remain firmly adhered to, traditions are increasingly forced into contact with one another. Globalization, reflexivity and detraditionalization creates “dialogic spaces” that must in some way be filled (pp. 130-131).

For this reason the problems of post-traditional world should be understood in the context of the complex effects of global strategies. Although globalization is hardly ever presented in a favourable light, Giddens sees it as opening many positive possibilities, especially to reduce global poverty and inequality. For him the main problems of underdevelopment don't lie in the global economy itself, or in the self-seeking behaviour of the richer nations but mainly in the societies themselves: in authoritarian government, corruption, conflict and the low level of emancipation of women (Giddens, 2000, p. 129). Giddens' essential argument is that global integration through trade and investment liberalisation will encourage competition and efficiency, which in turn will lead to economic growth, poverty reduction and narrowing of income inequalities between countries (Kiely, 2005, p. 136). This contention, similar to those made by International Monetary Fund and World Bank, is often criticized by scholars and activists, who argue that there is no a clear connection between economic growth and poverty reduction.

A positive response to globalization characterizes the Third Way as a new strategy for socialism, providing a “middle ground” between socialist values and neo-liberalism or market fundamentalism. Giddens, the leading advocate for the Third Way, believes that globalization brings benefits in the double sense. On the one hand it does push us towards decentralization and devolution of power, as well as towards the emergence of transnational forms of governance. On the other hand, globalization can support the modernizing left's attitudes towards the welfare state (Giddens, 1999, pp. 25-26). Giddens places the problem of inequality in this context and calls for a reduction of inequality of outcome.

He stresses that welfare systems protecting citizens from cradle to grave have often been bureaucratic and inefficient, therefore they have often failed the poor and the needy. The Third Way programme involves a radical reform of the welfare state, but it doesn't want to reduce the state to the role of night watchman. As Giddens (1999) points out,

A modernised welfare state would be one that is both internally reformed and brought into line with the demands of the global marketplace. It would, among other things, emphasise education, employability, the dissolution of poverty traps and the creation of pensions systems that take account of increased worker mobility and the decline of traditional corporate employment. (p. 26)

This is not to say that we should abandon the classic concern for social justice and the battle against inequality. However, according to Giddens, in order to solve the problem of inequality we need to remember two things. Firstly, that social justice involves reducing inequality of outcome. Secondly, that existing welfare systems have not been effective in redistributing income and wealth between rich and poor, so we have to look for a different solution. Giddens looks for a such redistributive programme which is compatible with individual initiative and freedom. For him, “It is an essential component of the global dialogue now under way” (Giddens, 1999, p. 26).

Ulrich Beck's Cosmopolitanism

Ulrich Beck agrees with Giddens that politics can no longer be divided along traditional lines of left/right or public/private and that the growth of individualism made collective identities hopelessly outdated (Mouffe, 2005, p. 35). However, Beck goes considerably further than Giddens. He points out that with the collapse of the old world and the expiration of hostility between East and West, politics has spread outside the formal structures of responsibility and hierarchies. Contemporary politics is no longer identified with the state, political system, formal duties and politicians working full-time. The conviction that the "center governs" has been weakened, thereby revealing our need for a new form of politics. Beck calls it "sub-politics" and defines as a developing society from below. Sub-politics breaks the monopoly on the truth and disseminates the attitude of doubt, which is the political program of overcoming conflicts by excluding the possibility of the emergence of antagonistic relations. More specifically, in a society where uncertainty has become commonplace is no room for thinking in terms of friend and enemy, which necessarily leads to pacify conflicts (Beck, Giddens & Lash, 2009, pp. 33, 40).

Beck argues that we are living now in a "reflexive modernity", which is a second stage of modernity. As he explains,

While simple modernization ultimately situates the motor of social change in categories of instrumental rationality (reflection), "reflexive" modernization conceptualizes the motive power of social change in categories of the side-effects (reflexivity). Things at first unseen and unreflected, but externalized, add up to structural rupture that separates industrial from "new modernities" in the present and the future. (Beck, 1997, p. 38)

This transition from one social epoch to another is not the upshot of political struggles, but the effect of those side effects (unexpected and unplanned), which are at the origin of the profound changes within social relations, concerning class, work, family relations, gender, and so on. As a consequence, the basic problems in a risk society are no longer distributive nature, about income, welfare benefit or job, but about "distributive responsibility" on ways to prevent and control the risks accompanying the production of goods and the threats caused by the progress of modernization (Mouffe, 2005, p. 37).

Furthermore, the issue of socio-economic distribution has been displaced by the issue of cultural domination: Unjustice is no longer understood in terms of economy, but rather in terms of culture, and in this dimension becomes the crucial problem of political conflicts. Shortly, the politics of recognition prevails nowadays the politics of redistribution. Consequently, the old continent can survive in competition with the young powers only if Europeans will be able to overcome old differences between us and others, between Europeans and non-Europeans. From this point of view, cosmopolitan opening seems to be both an opportunity and a necessity (Beck & Grande, 2009, p. 276).

In this broad context, Beck develops his "cosmopolitan approach" on relations of social inequality. He elucidates it in three cases: the inequality of global risks; the Europe-wide dynamic of inequality; and transnational inequalities. Central to his argument is to highlight that individualization and the transnationalization of social inequalities bursts the framework of institutional responses: nation state, trade unions, welfare state systems and the national sociologies of social classes (Beck, 2007, p. 680).

At the starting point Beck argues that the nation state principle is no longer in a position to adequately describe inequalities and suggests to replace it with a more cosmopolitan vision, characterized by the side-effects

principle (Martell, 2016). Many of the problems, such as ecological degradation (which leads to armed conflicts over resources), migration and the development of weapons of mass destruction, require global solutions. Nation-states are not adequate for taking up such problems, so we need a system of global governance called cosmopolitan democracy (Martell, 2008, p. 129). This approach has at least two advantages. First, it reveals the connection between inequalities and global risks. Secondly, it allows us to better understand the relationship between national and global recognition of the issue of inequality.

Firstly, social inequality is closely linked with risk. There is a radical asymmetry between decision-makers who define the risk, take decisions and profit from them, and those who are assigned to them, who have to suffer the “unforeseen side effects” of the decisions of others, without having had the chance to be involved in the decision-making process (Beck, 2007, p. 692). Owing to the relationship between risk and power, danger could be exported from one country to another, usually to largely unresisting “side-effects countries”—low safety, low wage and low rights countries. Beck explains that the risks are “deported” to the region where they are not appreciated or not taken seriously. But it should be noted that the acceptance of dangers it is not the same as agreement, “dangers are not accepted, they are imposed. And it goes unnoticed, thanks to the power to present processes as if nothing of importance is happening” (Beck, 2007, p. 692). As a result, poverty and the accumulation of dangers are two sides of the same coin.

Secondly, from the cosmopolitan perspective, national borders institutionalize the incomparability of national spaces and in this way legitimize transnational and global inequalities. As Beck (2007) explains, “national standards of equality exclude transnational inequalities; intra-national comparability of inequalities ensures international incomparability” (p. 692). The point is that cosmopolitanism clarifies how the nation-state principle legitimates global inequalities. According to Beck, the national outlook legitimates global inequalities negatively by concealment, and positively by justifying them. There arises a number of questions here. For reasons of space I will limit my considerations to the most important remarks.

Beck, on the one hand, claims that methodological nationalism—too much “introverted”, not oriented to external relations—justifies internal inequalities by the performance principle. On the other hand, Luke Martell believes that the opposite is true. As he explains, comparative sociology, as well as dependency theory and world systems theory have been important schools of thought in sociology which have shown inequality globally. It follows that methodological nationalism is not necessarily an introverted legitimation for inequality and can be compatible with global understanding of it (Martell, 2008). From this point of view Beck’s viewpoint seems problematic.

We can put aside the discussion on the methodological nationalism to focus on Beck’s alternative. Regardless of how many issues should be discussed in this context, it is worth noting that for Beck problems relating to the environment, crime, human rights, terrorism, war, wealth, are global and require global responses. Global inequality and poverty are the most difficult issues. Democracy is established at national levels but important decisions have to be made globally, exceeding the national mechanisms of democracy (Martell, 2008, p. 130). If cosmopolitanism will be complemented with the principle of solidarity, postulated by Beck, there appears the chance for a dialogue over boundaries of nation-states.

Chantal Mouffe and a Radical Alternative

Chantal Mouffe, unlike Back and Giddens, argues “that envisaging the aim of democratic politics in terms of consensus and reconciliation is not only conceptually mistaken, it is also fraught with political dangers” and “instead of contributing to a ‘democratizing democracy’, it is at the origin of many of the problems that democratic institutions are currently facing” (Mouffe, 2005, p. 2). Just to mention those relating to the coexistence of different ethnic, religious and political forms of life, “legitimization” of social inequalities, the institutionalization of norms of equality, the problem of recognition, the common identity and so on. These all are the symptoms of what Jacques Rancière (1991) calls a “postdemocracy”, far from promoting a progress in democracy (p. 102).

To take up the challenges of the modern world, as Mouffe claims, it is necessary to understand that the political has to do with conflict and antagonism, so it is the realm of decision, not free deliberation. Properly political questions always require us to think politically, which always involves making decisions between conflicting alternatives. Unlike liberal thought, characterized by a rationalist and individualist approach, Mouffe points out that antagonism is not a mere empirical but a constitutive and ineradicable dimension in social life. There are conflicts for which no rational solution could ever exist. It implies a governing power, which is sufficient, or may become sufficient to establish an order (Mouffe, 2005, pp. 10-12). It is just this optimism expressing belief in the power of political solutions is the most important premise, based on which I define Mouffe’s approach as the politics of human perfection.

Giddens and Beck are convinced that the “forces of progress” will prevail and a cosmopolitan order will be established, but Mouffe wonders, how we will get there and what will happen in a meantime. According to her, Giddens and Beck do not have good ideas of solving the issue of inequalities because they underestimate power relations and the way in which power relations build our societies. None of them do not realize how deeply the problems of “reflexive modernity” are related to neo-liberal policies with their emphasis on profit and market mechanisms. However, as Mouffe (2005) argues,

In all the crucial areas where power structures are at stake, their non-conflictual political approach is unable to pose the adequate questions [...] Without grasping the structure of the current hegemonic order and the type of power relations through which it is constituted, no real democratization can ever get off the ground. Whatever its proponents might claim, the “dialogical” approach is far from being radical because no radical politics can exist without challenging existing power relations and this requires defining an adversary, which is precisely what such a perspective forecloses. (p. 51)

I put this long quotation because it perfectly reveals the essence of Mouffe’s approach. She agrees with Giddens and Beck that democratic politics cannot take the form of an implacable confrontation without undermining the principle of pluralism and, consequently, without leading to the destruction of the political association. At the same time she claims that the fundamental question for democratic theory is: Whether to support or challenge the consensual approach, but how the antagonistic dimension, constitutive of the political, can be given a form of expression that will not destroy the political association (Mouffe, 2005, p. 52).

Mouffe suggests that to answer this question it is necessary to reconcile, as far as possible, the universalistic and apolitical logic of liberalism with the antagonistic logic of democracy. Using her vocabulary: to develop truly political liberalism through recognition of the conflictual and antagonistic nature of the political and devising ways in which antagonism can be transformed into agonism—which is a way of transforming friend/enemy

distinction into friend/adversary. As a result an opponent is no longer an enemy who poses an existential threat, but rather an adversary whose legitimacy as a political competitor should be acknowledged and respected. Democratic adversaries, even in conflict, see themselves as belonging to the same political association and as sharing a commitment to the ethico-political values identified as a framework of liberal democracy (Mouffe, 2011, pp. 9-10). According to Mouffe, only such an approach can provide democratic channels for the expression of political conflicts and at the same time to supply the key that allows for differential treatment of global inequalities.

Concluding Remarks

One could challenge the distinction between the politics of faith (perfection) and the politics of scepticism (imperfection) arguing that presented approaches are both optimistic (faith) and pessimistic (scepticism). This is quite a bit of truth. Giddens and Beck express a great faith in man, in the possibility of finding consensus, in reason, in dialogue and so on. Mouffe is on these issues rather pessimistic. However, it should be noted that, while remaining compatible with Oakeshott's approach, the only criterion of dividing between these two models of politics is the power of government.

From this point of view, as far as liberal thought adheres to individualism and rationalism, it moves away from the traditionally understood politics and moves the political to the sphere of economy or ethics. Consequently, the institution of government should be interpreted not as means for arriving at the "truth" or excluding "error", but only as means for choosing decisions of some sort to be made (Oakeshott, 1996, p. 27). In this sense political power has become exhausted, thus the post-political *Zeitgeist* is undoubtedly the politics of human imperfection. At the same time Mouffe's approach, which stands up for a strong government, moreover, is not afraid of conflict, struggles and radical changes, deserves to be called politics of human perfection.

This article presents only a narrow aspect of the debate between Mouffe, Giddens and Back. The issues of various forms of inequalities and ways to eliminate them (otherwise important) have been omitted or merely sketched. The basic framework of my argument is theoretical: I have been focused on sources and assumptions determining presented theories, which in turn involves an analysis of the concept of the political and the basic rules that specify the functioning of democracy.

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NATO and Russia's Security Dilemma Within the European Union's Far Neighbors

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This paper presents a viewpoint for NATO and Russia's security dilemma by analyzing what happened in Georgia, Ukraine, Libya and Syria. At the end of the Cold War re-building of NATO, inheriting Missile defense System by the US government and Russia's growing concern regarding NATO's eastward expansion made clear that Russia will not abandon her sphere of influence. Thus, the main objective of this study is to analyze the questions of what is the motivation behind NATO's new strategy. This will be followed by another question NATO and EU enlargement will push Russia in what direction. The hypothesis of the study is that NATO's strategy of taking position in the areas where identified as Russia's backyard and sphere of influence is considered as "casus belli" by Russia. Therefore, Russia, despite NATO's involvement in the specified area, will not abandon these areas and will continue to use her energy resources and geopolitical advantages as a coercion, especially against NATO members among EU countries.

Keywords: NATO, Russia, Middle-East, Eurasia, security dilemma, sphere of influence

Introduction

After the dissolution of the Soviet Union and the end of the Cold War, many Western leaders failed to comprehend that Russian goals are not the same as those of the EU and the US. The US and the EU have taken practical steps against Russia's behavior that opposes Western interests by imposing sanctions on Moscow (Cornell, 2016, p. 97). At the end of the Cold War, the challenge of re-building a new North Atlantic Treaty Organization (NATO) and securing the alliance's unstable eastern and southern borders appeared in the agenda of the West. On the one hand, as if this was not enough, the US government initiated eastward NATO expansion in the 1990s as especially Germany was pleased to accept Polish and Czech Republic into the alliance. On the other hand, there was a high tension towards the end of George Bush's presidency when NATO was looking to Georgia and Ukraine. However, according to Lohschelder (2016), "Russia grew increasingly concerned with NATO's eastward expansion and made it very clear that the inclusion of Georgia and Ukraine in the alliance would be considered an intolerable disturbance to the region's strategic stability". In order to balance the security threats among these borders in particular and NATO as whole, Missile Defense System (MDS), a project inherited from Bush to Obama administration, is one of the latest developments of the organization for the Eastern borders.

Members of NATO hold the Strasbourg-Cologne summit in 2009 with the agenda of new transformation

projects, during which NATO marked its 60th Foundation Anniversary. This summit underlined the latest challenges to renew or reform transatlantic security and defense architecture. The map of Europe was restructured by consolidating democracy and ensuring ability from the Baltics to the Black Sea. Under the flag of NATO and European Security and Defense Policy (ESDP), the dual enlargement aimed to build a post-Cold War Europe "whole, free and at peace". Furthermore, after two decades of the dissolution of the Soviet Union, NATO offered to expand political and military cooperation and plan for future joint military operations with Russia and peacekeeping operations from Bosnia and Kosovo to Afghanistan as out-of-area actions.

Russia, on the other hand, seems ready to counter these proposals with its own understanding of security, thus offers its projects, which brings about the question "whether this new era will display a cooperation or rivalry between the two powers". This study depends on the idea that NATO's post-Cold War dilemma has not been resolved yet, instead it is experiencing new structural and strategic conflicts due to the rise of Russian Federation. The main objective of this study is to analyze the questions of what is the motivation behind NATO's new strategy. This will be followed by another question NATO and EU enlargement will push Russia in what direction. These inquiries will be elucidated through summits and multilateral relations, including developments such as Russia-Georgia war, Ukraine's relationship with NATO, Russia's responses to NATO actions in terms of its foreign and security policies and the MDS (which fulfills both NATO's and Russia's international agenda from different perspectives). The term "EU's Far Neighbors" has been coined by the authors for this study to point out the security dilemma of the EU and Russia within some countries of the EU's Mediterranean Black Sea and European Neighborhood Policy. The hypothesis of the study is that NATO's strategy of taking position in the areas where identified as Russia's backyard and sphere of influence is considered as "casus belli" by Russia. Therefore, Russia, despite NATO's involvement in the specified area, will not abandon these areas and will continue to use her energy resources and geopolitical advantages as a coercion, especially against NATO members among EU countries.

In April 2009, representatives of the 28 countries met in NATO Strasbourg-Kehl Summit for the celebration of the 69th anniversary of the alliance. The main agenda of the world's biggest security organization was on the Afghanistan War, NATO's relations with Russia, France's return to NATO's military structure and the new strategic concept. During the summit, defense ministers of the ally countries gathered to figure out how an institution tied so intimately to the Cold War could still function 20 years after the fall of the Berlin Wall (Feffer, 2009). After the 9/11 attacks, main problems emerged in international security scene whether there will be new rivalry between super powers or not. However, Kremlin chose to cooperate with US troops against the Al-Qaida threat in Afghanistan. At the 70th years of this historic cooperation, Washington announced its projects to deploy Missile Shield Launchers to Poland and Czech Republic targeting Iran and North Korea (Lindborg, 2009; AFP, 2006). In addition to that, Russia was alarmed due to triggered Colored revolutions in Ukraine and Georgia, whose governments' were supporting the pro-Western approach at that time. Therefore, Russian President Vladimir Putin has extremely criticized the Bush administration's hegemonic supremacy and unilateral acts, which could launch the new arms race and containment, and destroy the balance of power dimensions in Eurasia politics (Belton, 2008).

Until the recent Libyan crisis, NATO's agenda was dominated by various and complex issues such as strategic nuclear arms reduction, CFE (Conventional Armed Forces) Treaty, Missile Defense Shield, NATO-Russia relations, energy security, Iran's nuclear energy efforts and the crisis in Georgia. After the war with Georgia in August 2008, Russia has completed military bases in Abkhazia and South Ossetia in addition

to recognizing them as sovereign states (Pravda, 2008). Russian Navy has also been returning back to the Mediterranean waters to renew the former Soviet base at Tarsus, Syria, close to the Turkish port of Ceyhan, the future terminal of Samsun-Ceyhan oil pipeline and the current terminal of the Baku-Tbilisi-Ceyhan (BTC) oil pipeline (Smith, 2009). Moreover, President Obama declared the important points of his foreign policy to responsibly end the war in Iraq, finish the fight against Taliban and Al-Qaida in Afghanistan, secure nuclear weapons, and cooperate with Russia to reduce US and Russian ballistic missiles (CFR, 2009).



Figure 1. NATO Member States.

Source: Morelli, Ek, Belkin, Woehrel, & Nichol, 2009.

NATO's Involvement Attempts in Russia's Backyard

Following the Rose and Orange Revolutions in Georgia and Ukraine, it became essential for these countries to tie their destiny to the West (Asmus, 2008, p. 3). Colorful revolutions in Georgia, Ukraine, and Kyrgyzstan are thus viewed as worrying experiences that could unleash a variety of unwelcome elements. Therefore, the worst scenario for Russia is the expansion of the colorful revolutions in its "Near Abroad". Although preventing Ukraine's membership of NATO remains a key foreign policy goal, Ukraine is a transit state for Russia's crucial energy exports to Europe, as well as being one of the customers of Russian gas. Georgia, in contrast, is not a crucial transit country for Russian gas and oil. Yet, Georgia is a strategic point for Caspian reserves; therefore, Russia does not want any other project like BTC. Moreover, in case of Georgian membership to NATO, the security balance of Black Sea will completely be changed. Although Russia's relations with Georgia were far from smooth when Eduard Shevardnadze was the president, they have deteriorated further since Mikhail Saakashvili came to power in the Rose Revolution. Saakashvili's government has consistently and actively sought membership in NATO. Russia, for its part, angered the Georgian government by supporting Abkhazia and South Ossetia, separatist regions within Georgia. For years, Georgia accused the Russian military "peacekeeping" presence in those regions of exacerbating tension and threatening Georgia through violations of Georgian airspace and other actions. The August 2008 conflict with Georgia further underlined the Russian view that Western efforts to promote reforms have been destabilizing and

threatening to Russia (Oliker et al., 2009, p. 101). According to both the Russian government and the Russian foreign policy community, Russia is by no means eager to use force in its near abroad.

Admitting Georgia to the organization could draw NATO into a direct confrontation with Russia and thus, especially Germany and France were against the expansion in 2008 that they were keen on understanding of the Russia foreign policy perspective. Nevertheless, the Bush administration proposed NATO membership for Georgia and Ukraine without asking the support of her allies. Incidentally, just a month later, Russia demonstrated a clear message about her backyard by invading Georgia to support the independence of Abkhazia and South Ossetia. According to Lohschelder (2016), "given Russia's invasion of Georgia in response to NATO expansion, its invasion of Crimea in 2014 should have been all the more predictable; this makes NATO's failure to anticipate the Ukraine crisis all the more tragic".

After Georgian intervention in South Ossetia on August 8, 2008, Russia sent her troops and jets to Georgia and at the end, the capital of South Ossetia Tskhinvali was heavily damaged and Russia unilaterally recognized the independence of South Ossetia. This unilateral recognition was strictly condemned by NATO and interpreted as an attack on Georgia's territorial integrity (Derman, 2016, p. 480). When the United States pushed for the launching of the process to include Ukraine and Georgia in NATO, they met strong opposition not only from France and Germany but from the United Kingdom, Spain, and Italy as well (Wallerstein, 2008). Only one month after the Georgian conflict, Russian President Dmitri Medvedev said that NATO provoked the conflict with Georgia that he saw his country destroy the smaller neighbor's army. Medvedev also added that Russia would not allow the West to "contain it behind the new iron curtain" (SkyNews, 2008). Moreover, Prime Minister Vladimir Putin accused Ukraine of sending weapons and military personnel to help Georgia fight with Russia (MSNBC, 2008). Russia's involvement in Georgia has since brought certain significant outcomes such as: (1) Russia has formalized its determination to defend its vital interests; (2) Russian air forces, army, and naval forces bombarded a number of towns and villages; (3) Oil prices have increased and this led to global financial crisis that negatively affected several economies; (4) Russia has regained its regional influence in Europe; and (5) Similar "frozen conflicts" risks escalated such as in Trans-Dniester, Kosovo, Crimea, and Nagorno-Karabakh regions.

Russian Black Sea Fleet has been used in the operation and this demonstrated that Ukraine and Russia could co-operate in the region in the future. Georgian economy has been damaged including communications and infrastructure. Georgian territorial integrity has been treated along with the East-West transportation corridor (roads, railways, oil and gas pipelines).

The Russia-Georgia War already had a balancing effect. As the last war in the Caucasus showed that Russia is not willing to give up on its strategy of controlling energy resources and transfer ways of the former Soviet Union and using them as a political weapon in relations with its neighbors and the EU. At this point, Russia does not care about NATO's commitment, military force and American support when she feels her interests are at risk.

Confrontation over Ukraine

Ukraine's membership issue to NATO is quite a fragile matter in the country. The impact of the discussion might split the country as Eastern and Western Ukraine. Relations between the two parties date back to the early 1990s and Ukraine has since developed her relations with NATO's partnership programs. After joining the North Atlantic Cooperation Council in 1991 and the Partnership for Peace program in 1994, dialogue,

cooperation and relations between NATO and Ukraine were strengthened with the signing of the 1997 Charter on a Distinctive Partnership, which established NATO-Ukraine Commission (NUC) to further the cooperation (NATO, 2016). NATO-Ukraine Action Plan was adopted at a NUC meeting of foreign ministers in Prague in November 2002. The purpose of the plan was to identify Ukraine's strategic objectives and priorities in pursuit of its aspirations towards full integration into the Euro-Atlantic security structures and to provide a strategic framework for existing and future co-operation under the Charter on a Discussion Partnership (Hedenskog, 2006, p. 11).

The Orange Revolution in November 2004 triggered hopes of accelerating this process and in response to the country's aspirations to NATO membership, foreign ministers launched an Intensified Dialogue with Ukraine in April 2005 (NATO Handbook, 2006, p. 27). The presence of a substantial Russian population means that a shift in geopolitical orientation (away from NATO and toward Russia) is easily conceivable through democratic means. Why is it so important to Russia to maintain influence in this region? The reasons stem from Russia's quest for prestige, its history, its economic priorities, and its fundamental security concerns. The countries bordering Russia along with its fellow successor states to the Soviet Union are conclusively important for Russia. Russia's relations and involvement with the former Soviet territory has been fairly straightforward that Russia has never lowered her pressure on post-Soviet countries (Cornell, 2016, p. 102).

Since the Orange Revolution, Gazprom, with the Kremlin's backing, has repeatedly raised the gas price for Ukraine as equals to those paid by European customers. According to Ebel (2009), Russia was using its natural gas exports to bring political pressure on Ukraine, to ultimately stop Ukraine's desire to join NATO and EU, and to seek international support for the Nord Stream and the South Stream gas pipelines. Gas supplies were briefly halted in 2006 pursuant to Kremlin's decision, and again in early 2009. Gazprom is planning a South Stream pipeline that will extend from Russia to Turkey across the Black Sea. Gazprom and the Russian government appear to have decided that it is better to control a pipeline from start to finish than to be mired in disputes with potentially unfriendly or unreliable transit countries like Belarus, Georgia, Poland, and Ukraine (Oliker, 2009, p. 91).

In the recent past, Ukraine has been the most obvious example that the West is experiencing confrontation with Russia. However, the annexation of Crimea by Russia in 2014 changed the agenda and also marked the beginning of a new era in NATO-Russia relations. Since 2014, in the wake of the Russia-Ukraine conflict, cooperation between Ukraine and NATO has been intensified in critical areas. Ukraine is considered as vital for NATO countries and Russia due to her accommodation of major Russian natural gas pipelines carrying energy to Europe and her geographical position in terms of being a bridge between Russia and Europe. Russia with her "Near Abroad" policy after the collapse of the Cold War has stated that she has vital interests in Ukraine and other post-Soviet countries (Tellal, 2002, p. 542). Especially, after the result of separatist movements from Ukraine, Russia has declared that neither she is a westerner nor she will play this game according to Western rules but play by their own rules. Russia is aware of the assumption that if Ukraine becomes a NATO member, this country will be under the control of Western countries and Russia might be surrendered by NATO.

The general theme that emerges is that the West working to expand its reach to the East and Russia perceiving this as a growing strategic threat to the homeland. But the Western failure to anticipate this perceived threat to Russia has now forced NATO to defend its Eastern border by increasing its troop presence in the Baltic countries (Lohschelder, 2016). Moreover, the annexation of Crimea and the current conflictive

situation in Ukraine have both brought the Western countries to come together for the first time without ifs and buts and put the USA, NATO and the EU in a position to impose sanctions on Russia. For instance, during NATO Summit in Wales on 4 September 2014, NATO declared that Russian attitude against Ukraine was disturbing and they would impose sanctions on Russia as NATO would act together to protect the independence and the recognized borders of Ukraine (NATO Wales Summit Guide, 2014). However, it should be made clear that Ukraine's accession to NATO does not seem to be easy for several reasons. Firstly, NATO has almost no capability to defend Ukraine as Russia has 270,000 troops and 700 jet fighters positioned on Ukraine. In other words, Russia can quickly mobilize its military assets in the meantime NATO takes decision. Secondly, after the annexation, Crimea has been fortified with 25,000 Russian troops, many ships, subs and 5,400 missiles, which have the ability to knock down NATO jets up to 400 km away. Finally, Russia can claim the right to deploy nuclear weapons to Crimea to warn NATO and Ukraine about probable Ukraine membership into NATO.

The Role of NATO on the Russian Foreign and Defense Policy

After the collapse of the Soviet Union, Russian policy makers tried to reform the ideology of Russian foreign policy, which was focused on two fundamental goals: Russia's desire to increase its global influence and to maintain its economic growth. There is an important argument that "What's good for Gazprom is good for Russia" (Trenin, 2007). On the New Year's Day in 2009, Russian energy giant Gazprom cut off Ukraine's gas supply, which also decreased the transportation of gas more than 40% to European customers. Moreover, many analysts believe Putin views Ukraine—where Russia has a large naval base—as belonging to Moscow's sphere of influence. On November 1, 2005, General Yuri Baluevsky, former head of Russia's General Staff, said that conflict with NATO is now impossible and the two sides should cooperate to solve their common problems (Blank, 2006, p. 1). Meanwhile, Putin said in a press conference that "it is obvious that today there is no Soviet Union, no Eastern Bloc and no Warsaw Pact. So NATO exists to confront whom?" (Press Statement and Answers to Journalist's Questions Following a Meeting of the Russian-NATO Council, 2008).

The document was published by Russian Ministry of Foreign Affairs in March 2007 and was endorsed by President Putin (Oliker et al., 2009, p. 85). The survey discusses transnational threats and emphasizes the need to cooperate with the United States and Europe on these and other issues. It explicitly articulates the importance of good relations with the United States as Russia's views the West and particularly the EU and NATO as institutions as well as a threat to its interests (Cornell, 2016, p. 100). Russian foreign policy also parallels in many ways with its domestic policy, regarding both in the evident desire for control and stability and in the focus on sovereignty. In the foreign policy context, these goals lead to an emphasis on restoring Russia's international prestige and eliminating levers of influence that Western countries have had in Russia since the collapse of the Soviet Union (Yasmann, 2006).

According to NATO Handbook (2006), "The development of a result-oriented NATO-Russia partnership geared toward finding common approaches to common security challenges is also considered an essential element of NATO's transformation agenda" (NATO Handbook, 2006, p. 27). The document also states that the creation of the NATO-Russia Council in May 2002 marked the beginning of a more pragmatic relationship. However, recently Russia's relations with the West are a constant. It is not possible to understand the relations between Russia and NATO without the pressure of methodological problems that arose after the end of "the Cold War" that turning crossroad from hostility to partnership (Davydov, 2000, p. 5). NATO has enlarged since

1999, admitting three ex-Soviet Baltic republics and four Communist-bloc states in Eastern Europe. Furthermore, as members of historical Eastern Bloc, Albania and Croatia also joined the alliance.

Polish Foreign Minister Radoslaw Sikorski said that Russia should join NATO, adding that “this would require not only the democratization of (Russia’s) system but also the introduction of civilian control over the army and the need to calm border disputes” (Soyer, 2009). Nevertheless the question of “Should Russia join NATO?” was discussed from time to time in Russian and Western Allies (Yost, 1998, p. 21). There is a feeling in Moscow that NATO’s door, opened at times for others, is closed to Russia forever (Davydov, 2000, p. 21). Russia’s NATO membership has never been seen as a serious option, while Moscow maintains that it sees the alliance as a threat (Pop, 2009). In September 1994, German Defense Minister Volker Rühle said that “Russia cannot be integrated, neither into the European Union nor into NATO. If Russia were to become a member of NATO it would blow NATO apart. It would be like the United Nations of Europe—It wouldn’t work” (Yost, 1998). Gardner (2004) claims that NATO does not want to involve Russia in Euro-Atlantic space of cooperation as a full-fledged partner; on the other hand, it will not survive in its traditional shape (p. 120). Moreover, some scholars claim that Moscow’s membership should result as protecting responsibility against China and other powers.

According to Russian point of view, two factors are essential in the relations with NATO. First, the alliance is still a challenge to Russia's security interests. Secondly, Moscow feeling that NATO’s expansion to Russian borders was provoked by the discussions on East Central Europe and Caucasus geopolitics that has negative impacts on the manifestation of Russia’s “Big Brother” role (Baranovsky, 2001). Indeed, Mikhail Gorbachev reminded the world that the United States, together with Western Germany and other Western nations, had promised after Germany’s reunification in 1990 that “NATO would not move a centimeter to the East” (RIA Novosti, 2009). The West’s failure to honor this promise led to deteriorating relations with Russia. Meanwhile, Russia is officially against the NATO expansion toward its borders in principle as then Prime Minister Putin said in May 2008. He also added that “NATO was formally created to counter the alleged Soviet threat but the Soviet Union collapsed long ago and there was no need to erect new [invisible] Berlin Wall in Europe (RIA Novosti, 2008).

Moreover, General Nikolai Solovtsov, former commander of Russia’s Strategic Missile Forces, stated that Russia has the capacity to target US missile defense systems if such systems are deployed in Poland and the Czech Republic (AFP, 2007). At the beginning of the 2008, President Putin threatened to target Ukraine with nuclear warheads if Ukraine joins NATO and accepts the deployment of US anti-missile defenses on its territory (Waterfield, 2008). Western commentators have viewed such statements as belligerent. Sergei Ivanov made an important speech in Munich and stated that “the existing Russian position that the US and Russia must replace the START Treaty with a new legally-binding nuclear arms reduction regime, one that would ensure the highest possible predictability (Gottomoeller, 2008). In April 2009 President Medvedev said in London that “the creation of a Pan-European pact should not lead to replacing old organizations with new ones”, and “the existing organizations should remain and take part in creating a new pact” (Shchedrov, 2009).

Russian President Dmitry Medvedev indicated that the new pact would attempt to build on the 1975 Helsinki Final Act, as a kind of “Helsinki Plus” agreement with new guidelines for inter-state relations (Peuch, 2009). Medvedev has suggested that the pan-European treaty used to reaffirm the “basic principles of security and cooperation” such as territorial integrity, political sovereignty, and the other principles of the UN Charter.

The pan-European summit would also need to give new impulses in conventional arms control and disarmament as a matter of urgency (Klein, 2009). Russia also hopes the Obama administration gives up deploying missile defense systems in Poland and Czech Republic. However, Medvedev stressed that,

Let me mention the top priorities. The main one is a qualitative increase in the troop's readiness, primarily of strategic nuclear forces would be equipped with modern equipment. In the past years, we have transformed a whole range of combat units and formations by providing them with modern equipment and we will begin the large scale rearmament of the army and navy. (Isachenkov, 2009)

After the last NATO summit held in Warsaw on July 8, 2016, the Secretary General Jens Stoltenberg set parameters for a new relationship and wanted to restart the NATO-Russia Council for the first time since the Crimean intervention. By the way, NATO enlargement was occupying NATO-Russia relations that Tedo Japaridze, chairman of the foreign relations committee of Georgia's parliament, said that "if Georgia is kept waiting outside NATO, Russia would exploit the situation and that would do little for the security and stability of the region" (Dempsey, 2016).

President Obama's new NATO and Russian Perspectives: The Missile Defense Dilemma

President Obama refocused the US policy towards NATO on the defense of Europe and Atlantic security, instead of Afghanistan and Iraq as the new tests and challenges of NATO's viability and success (Cordesman, 2016). The new administration in Washington has pledged to "hit the reset button" with Russia, as it needs to cooperate with Moscow in order to achieve progress in difficult dossiers such as Afghanistan and Iran. President Obama did, however, made it clear that the US would actively seek to improve relations, be more flexible in dealing with issues like missile defense and would make arms control a major goal and part of its strategy. Obama summarized his view of the dialogue with Russia about maintaining stability while protecting the autonomy of all countries in Europe: "I think that it is important for NATO allies to engage Russia and to recognize that they have legitimate interests in some cases, we've got common interests, but we also have some core disagreements" (CNN, 2009). President Obama clearly underlined the revitalization of the US role in international arms control. On April 1, 2010, President Obama and then President Medvedev signed a Joint Statement on negotiations on further reductions strategic offensive arms (Cordesman, 2009, p. 6; Slater, 2009). According to NATO 2010 Strategic Concept Article 26:

In any further reductions, our aim should be to seek Russian agreement to increase transparency on its nuclear weapons in European and relocate these weapons away from the territory of NATO members. Any further steps must take into account the disparity with the greater Russian stockpiles of short-range nuclear weapons. (NATO, 2010)

When Washington announced its plans for the Missile Defense System in Poland and Czech Republic, Russia immediately expressed its objections to the world by stating that "the real motivation of the multibillion-dollar undertaking is the desire to expand US military and strategic capacities and constrict those of other states that have nuclear missiles, Russia and China most of all" (Sieff, 2007). First of all, Kremlin reacted to Washington's plans by building new space and missile defense shields and put its armed forces on permanent combat alert. President Medvedev ordered a wholesale renovation of Russia's nuclear deterrence and told military chiefs to draw up plans to reorganize the armed forces (Halpin, 2008). These developments alarmed the international arena whether the new Cold War is beginning. Yevgeny Myasnikov (Moscow's Centre for Arms Control) said that "Cold War thinking has prevailed, especially on the eastern side" (Harding,

2007). The US Congress is poised to cut the White House's request for defense for the fiscal year 2011 by \$15-20 billion. It would be another problem for the project because Pentagon has also announced the joint US-German-Italian project to build a new generation of medium-range missile defenses. On the other hand, European countries are not so cheerful for the cost of the new missile defense project. For instance, Valasek pointed that "it is not obvious why the US Congress would fund a program to defend European mainland, which the Europeans themselves are unwilling to support" (Valasek, 2011).

Afterwards, at the end of the year 2010, during NATO Lisbon Summit, then President Medvedev proposed to unite a missile shield being built by the 28 allies with Russia's own missile defense system. However, NATO refused the proposal in a diplomatic way by saying that the proposal goes way beyond what the alliance envisages (Fidler & White, 2010). Recently, it was announced by the head of NATO Information Office in Moscow that Russia and NATO are planning to resume joint missile defense drills in early 2012. The drills were halted in August 2008 after NATO condemned Russia for its role. In addition, it was also announced that within few months, Russia and NATO were planning to hold military exercises, entitled Bold Monarchs, in the Mediterranean Sea, during which the parties would train rescue skills (RIA Novosti, 2011b). The important point of this new development is the timing. Despite certain Russian objections towards NATO's Libya operation, two former adversaries achieved to cooperate in future joint military drills.

The deployment of missiles on Turkish territory was also discussed among NATO members. However, experts think that NATO's missile defense system was aimed against Iran, but could also threaten Russia's security (RIA Novosti, 2010a). Later, then Turkish President Abdullah Gül sent a letter to NATO leaders outlining Turkey's position on the deployment of NATO missile defense shield on Turkish territory on November 13, 2010. Ankara emphasized three conditions for the deployment of the missiles. First, Turkey insists on building a NATO, but not a US missile defense system. Second, the missile defense shield should be deployed in all the alliance's member states. Finally, Ankara would not allow NATO to turn Turkey into alliance's frontline state as it was during the Cold War (RIA Novosti, 2010b).

Russian Position against NATO's Libya Operation

When the crisis has started in Libya at the beginning of the March in 2011, there were rumors about NATO's intervention into the crisis. Meanwhile, then NATO Secretary General Anders Rasmussen said that the alliance did not attend to intervene in oil-rich Libya but was planning for "all eventualities" (AFP, 2011). Despite Turkey's objections, the organization decided to reinforce its naval presence in an area near Libya, and the humanitarian aid that USA would benefit. Few days later, on March 18th, the UN Security Council passed a resolution on Libya to impose a no-fly zone and the Security-Council members voted in favor of the resolution, with Russia, China, Germany, India and Brazil abstaining. Although Russia did not vote for in favor of the resolution, Putin and Medvedev looked at the situation from the different perspectives. Putin likened the UN Security Council resolution on Libya to a medieval crusade call. He also added that "it effectively allows intervention in a sovereign state" (RIA Novosti, 2011a). On the other hand, hours later, Russian President Medvedev said Prime Minister Vladimir Putin's description of the UN resolution to Libya is "unacceptable" and could "lead to a clash of civilizations" (BBC News, 2011).



Figure 2. Military operation in Libya.

Source: RIA Novosti , 2011.

Although Russia and NATO decided to resume joint missile defense drills on March 25th, Moscow's envoy said that "It's not up to NATO to decide the future of Libya. If someone in Libya thinks otherwise, they are deeply mistaken". Furthermore, Rogozin stated that;

..During our meeting with NATO officials today, we demanded the UN Security-Council be fully informed about the actions of the alliance in Libya at all time. The coalition has taken sides. It is not only targeting Gaddafi's forces, including those that aren't direct action against the rebels. We have reports of air strikes against convoys far from the front line. This is a far cry from the UN Security Council resolution. (RT, 2011a)

On 29 March, Russian authorities urged coalition forces involved in a military operation in Libya to operate strictly within the UN mandate (RIA Novosti, 2011). Russia also has an economic motivation to protest Western military involvement in Libya. Qaddafi was one of the most significant arms customers of the Russian military-industrial complex (Cohen, 2011). While Russia had concerns about NATO's Libya operation, Russian Ambassador to NATO Rogozin met with NATO partners to discuss the development of anti-missile defense and air defense systems on March 30th in Brussels. Rogozin advised Europeans to understand what Washington wants to build and to consider all the advantages and disadvantages of the common missile defense shield with the US. Rogozin clearly warned that "if missiles are downed over Europe, the nuclear garbage will fall down on the heads of the Europeans" (RT, 2011b).

The Syrian Conflict: A New Possibility of Clash Between Russia and NATO

The situation in Syria looks like worrying as the tragedy, multi-actor intervention, the risk of a direct conflict between NATO and Russia and not knowing who is on which side are possessing a direct threat to NATO member EU countries' security. The Russian intervention in Syria where Russia first launched airstrikes on Sept. 30, 2015 seems a part of a plan of Putin to distract national and especially international attention from the controversial intervention in Eastern Ukraine. According to Owen Matthews, due to Putin's ambition of restoring Russia's status as a world power and showing potential allies in Syria that Russia stands by its friends, Russia is acting as a reckless geopolitical pirate. However, should we consider Putin's ambitions or plans atrocious if peace breaks out in Syria after the Russian intervention (Matthews, 2016)? It seems in this multi-actor game that NATO and Russia ask for the same things as such; ending the war as soon as possible, eradicating the terrorist ISIS (Islamic State of Iraq and Syria) and even establishing a transitional Assad government. In the meantime, it can be assumed that Russian officials are concerned about the course of Russian relations with the West and are in fact trying to collect as many neighbors as possible to stand firmly against the sanctions coming from the West.

NATO's biggest concern about the situation in Syria and Russian intervention is that NATO is afraid of experiencing the spillover of Syrian crisis into a wider war as Russia is not a reliable party for it. Speaking at a security conference in Munich on February 14, 2016, the US senator McCain gave notice of how they perceive Russia's presence in Syria why Russia is not a reliable party. "Russia presses its advantage militarily, creates new facts on the ground, uses the denial and delivery of humanitarian aid as a bargaining chip, negotiates an agreement to lock in the spoils of war, and then chooses when to resume fighting", he said (McCain, 2016). Thus, according to David Owen, NATO needs to establish two clear positions. The first one is not to get embroiled as an alliance in fighting in Syria and the second one is to respond attacks that menacing Turkey's territorial integrity (Owen, 2016).

Since 24 November 2015, Turkey's shooting down of a Russian warplane after the violation of Turkish national airspace, NATO is more afraid to feel the possibility of a wider war as these Russia and Turkey come face to face. However, taking Turkey's apology over the downing of Russian jet to restore the relations with Russia into account, Russia seems to continue working in cooperation with Turkey about destroying ISIS as Turkish Minister of Foreign Affairs Çavuşoğlu declared that "Turkey is stronger than before in fighting against ISIS and Turkey's relations with Russia is not an alternative to NATO and the EU" (Mevlüt Çavuşoğlu, 2016). In addition, just days after NATO summit in Warsaw, Poland on 08 July 2016, the NATO Secretary General Jens Stoltenberg tried to restart the NATO-Russia Council in Brussels. For Jude Dempsey, senior associate at Carnegie Europe, the reason behind this rapprochement between the two parties is to set parameters for a new relationship for the sake of the cohesion of transatlantic relationship (Dempsey, 2016).

Moreover, Russia and Turkey, two powers supporting different actors (so far) in the Syrian civil war, came together after Turkey's shooting down of a Russian warplane to hold talk in St Petersburg on August 9. After the failure of the military coup in Turkey, Andrei Kolesnikov (2016) states that Russian officials were surprised and concerned about the events and quickly expressed their sympathy for Turkish President Recep Tayyip Erdoğan. As William Powell argues that following Turkey's this week's (August 9) visit to Moscow, more bilateral visits would take place between Russian and Turkish government officials over the coming months as both country talked about Turkish Stream pipeline from Russia to Turkey (Powell, 2016). "We'll be

taking the necessary steps to back Russian gas supplies to Europe via this gas pipeline together with involved ministries and departments”, Erdoğan said (Roberts, 2016). Russia and Turkey had also special talks about the current situation and future solutions on Syrian crisis as well. Jonathan Stearns (2016) expresses that NATO seems distressed about this meeting as NATO called Turkey a “valued ally” a day after the visit of President Erdoğan to Russia.

Up until now, NATO has clearly steered from any involvement in Syria. The only way the NATO involves in Syria is Turkey's direct intervention in this country and thus, NATO keeps calling Turkey and Russia for political consultation in order not to resort Article 5 (collective defense) (Van Ham, 2012). On the other hand, although the NATO's new strategic concepts that define NATO as not only a defense organization but also a collective security organization, the NATO has not yet taken a significant action in Syria. Why is NATO still a passive by-stander while the conflict in Syria is turning into a civil war? The reason for that is the unwillingness of the majority of alliance members as decisions are taken by consensus in NATO. NATO's possible involvement in Syria would undermine its political and military energy and drag the Alliance into a sectarian (Sunni-Shia) conflict as the current situation in Syria is more messy and chaotic than Libya in 2011. Russia and even China are quite keen on leaving the NATO out in Syria due to both countries have their presence in the eastern Mediterranean. Consequently, it seems pretty clear that the case against the NATO involvement in Syria is not seen as rational and Turkey therefore should act together with the Alliance member (Van Ham, 2012).

Conclusions

The Russia-Georgia War has already had a balancing effect. As the last war in the Caucasus has showed that Russia is not willing to give up on its strategy of controlling energy resources and transfer routes of the former Soviet Union and using them as a political weapon in relations with its neighbors and the European Union. If NATO remains functional, it must make real concessions to Russia and revert to its original *raison d' être*, namely collective security in the Euro-Atlantic space. NATO must decide where its limits end. In other words, is NATO becoming the “police” of the world? In the short run, the problem needs consolidation of securing Russian respect for the boundaries. Thus, in long-term perspectives, NATO leaders will also need to consider the political image responsibilities that they want the alliance to project toward the rest of the world.

Transatlantic community should also rethink how it should engage and reach final borders of enlargement and globalize NATO norms and cooperation by overcoming differences on Iraq, avoiding disagreements over Iran, and stabilizing Afghanistan's possible cost effects. NATO should enhance its capabilities, maintain its credibility, and then NATO members must seek to use other instruments such as cooperation with Russia on Caucasus, Black Sea and Mediterranean policies. As in the scenario, if NATO cuts the communication links with Kremlin, including using its energy weapons cards for supplies and influence, Russia would emerge as an authoritarian capitalist alternative to the West, attracting autocratic leaders throughout Europe and Eurasia. In this geo-strategic scenario, power transition with Russia matters because of the potential power of a Russian-Chinese alliance.

Libya crisis proved that how the communication is crucial between NATO and Russia. Russia is not comfortable with NATO's growing courage to intervene into unstable areas instantly. Due to this reason, NATO once again requested the UN Security Council resolution to make operations, which means getting the favor vote of Russian Federation. However, this does not mean that NATO is capable of acting freely in

Mediterranean. Moreover, Balkans, Georgia, Ukraine, and the wider Black Sea region (Frozen Conflicts) areas are less stable and have potential risks. Nevertheless, as long as NATO continues its military actions, Russia will use the threat of using the energy card anytime it needs. Therefore, cooperation between Russia and NATO partners is the vital subject of the international arena. The situation in Ukraine also demonstrated that Ukraine's accession to NATO is not easy as both NATO has almost no capability to defend Ukraine and Russia has already positioned her troops and jet fighters on Ukraine. Moreover, Russia can claim the right to deploy nuclear weapons to Crimea to warn NATO and Ukraine about probable Ukraine membership into NATO. Thus, cooperation between the two allies seems crucial for the course of international relations.

Finally, concluding the article, to the questions asked at the beginning deserve some answers. Regarding the first question "whether the new era will display a cooperation or rivalry between NATO and Russia", it may be pointed out that although the MDS originally intended to improve Europe's security and is not directed against Russia, the system display a rivalry between the two parties as it seems to provoke Russia to respond with a similar power. In reality, since 2009, the more NATO expands closer to Russian sphere of influence, the more Russian military incitements intensifies. The prove of this statement is that Russia has already demonstrated that Georgia, Moldavia, Crimea and Eastern Ukraine are in her sphere of influence and thus has a capacity to heat the frozen conflicts if she feels that these areas are under threat. The success of NATO-based MDS depends more on common political decisions rather than the military ones. If the two allies cooperate with each other and Russia comprehends that the system is not against her the whole security system would become more effective.

Regarding the second question "the motivations behind NATO's missile defense system", NATO's MDS strategy was originated by second Bush administration that USA wanted to place a radar to Romania and Poland (SPY 1, AEGIS) and missiles to Turkey (Pac-3, THAAD) in order to both protect Europe against Iranian and Russian missiles and thus destroy missiles which are likely to target the USA. However, the Obama administration opted to reset NATO's MDS and stated that this program should be aligned with concrete threats and present capabilities. Since the Obama team believed that through strong and pragmatist diplomacy with Russia and other important partners and powers, they can reduce threats and formalize the way the USA and NATO members look at MDS. By the way, on the 8th of October, 2016, the US government changed from Obama to Donald Trump administration whose election is prone to bring new dynamics and uncertainties into the unstable Syria. In the absence of clear direction, while Trump may be much more attentive to Netanyahu about Palestinian issue, he might even shift American Syria policy towards working together with Russia, Iran and Assad regime. On the one hand, Trump may even be line up with Turkey against P.Y.D and extradite the leader of Feto (Fethullah Terrorist Organization). On the other hand, it seems that at the moment (end of 2016) Trump has got insufficient political weight to gain domestic and international support to revoke or adjust policies and thus, global arena is likely to see more uncertainties.

Regarding the last question "what direction NATO enlargement will push Russia", it may be pointed out that Russia demonstrates little prospect of returning her conventional force structure due to the change in her political system and fragile economy. However, that does not mean the Russian bear will always be into hibernation. Russia could still threaten NATO's significant interests. Kremlin's direction depends on both NATO's strategy as well as the course of the country's politics. Russia sees no need to display the US nuclear weapons in Eastern Europe and concerns about NATO enlargement in her sphere of influence namely in

Georgia and Ukraine. Moscow believes that if these countries are accepted as NATO member ballistic missiles would one day be deployed there, and that is why, Russia will not be reluctant to take adequate measures.

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