Labour Focus on
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Europe versus America

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and Eastern Europe and pays particular attention to the political currents
and organisations of the labour movement in these countries.

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Western Europe in the Face of the Bush Campaign

Since 11 September 2001, there has been a marked aggravation and deepening of transatlantic political tensions. The purpose of this article is to explore the nature and sources of these tensions by looking at a range of different kinds of explanations for them.

Part 1 traces, in a descriptive fashion, the course of the rise in tensions on the European side, as issues appeared in the European media and public space. In Part 2, I look at cognitively liberal explanations which suggest that the origins of the rift lie in deeper diverging trends in the public opinion and party politics of the two sides of the Atlantic. Part 3 adopts more elitist perspectives and examines arguments to the effect either that the elites on each side are basically in harmony, despite differences in broader public opinion, or that if this harmony is broken, the split concerns only the crude procedural approach of the Bush team or tactical differences on the Middle East. Part 4 examines perspectives which suggest that the elites are actually increasingly antagonistic and that the rifts are deeper at elite level than at the level of mass public opinion. One school in this camp suggests that the source of the rift lies in the (ultimately doomed) resistance of European elites to America's current reorganisation of the world order; the other school suggests that the rift derives from the inability of the US elite coalitions to adapt the American state's structures and activities to the new world realities and necessities, while the European Concert of Powers is rather well adapted to promoting its elite interests internationally.

Part 1: An accumulation of particular public issues and particular actions by American leaders?

Many have viewed the rising tensions across the Atlantic as being produced by the steady accumulation of fairly minor disagreements until the assembled pile reached a critical mass and became generalised oppositions among a wide range of political actors on both sides of the Atlantic. Typically this optic on the tensions also focuses on the personal characteristics, attitudes and beliefs of a number of top US leaders, particularly George Bush and Donald Rumsfeld. This way of viewing the rise of tensions corresponds to the way in which transatlantic political relations are portrayed in the mass media: as a series of incidents that appear and disappear along with footage of top leaders and quotations of their remarks.

We can briefly survey how this perspective presents the rising transatlantic tensions. Between 11 September and the launching of the Afghan war on 5 October, transatlantic relations seemed marked by strong solidarity and harmony. Some European voices were raised against the whole idea of attacking Afghanistan but these were minoritarian and mainly on the left. There was, however, strong concern from international aid agencies about the dangers of mass starvation in Afghanistan indirectly caused by the war and the impossibility of supplying aid. And these concerns were given strong media coverage in Europe.

But the swift progress of the war largely stilled these European criticisms and, with the collapse of Taliban control over Kabul, European media coverage as well as mainstream European political reaction celebrated the American military triumph. Yet in December there was a very fierce European criticism of US treatment of prisoners at the US Guantanamo base in Cuba, a dispute sharpened by Rumsfeld's dismissal of the applicability of the Geneva conventions to such prisoners.

At the same time, as the Bush administration, energised by its military victories in Afghanistan, indicated that it was planning to move swiftly towards a war against Iraq, the European media began to criticise

such plans and to insist that any attack on Iraq could be justified only if the Baathist regime could be proved to have had a link with Al Qaida. This was also the general approach of European governments.

Another background source of disagreement in the last months of 2001 was the Israeli-Palestinian conflict. But the fact that Bush had, early on, called for Israel to accept the formation of a Palestinian state was widely taken in the European media to be an indication that Bush was taking a fairly neutral stance on the conflict (despite the fact that Ariel Sharon had also declared himself in favour of an eventual Palestinian state). The decision by Bush to scrap the ABM Treaty and step up his drive for a Ballistic Missile Defence, though opposed by European governments, was not a major public issue because Bush had already won Russian President Putin's silence on the topic.

The "axis of evil"

But public transatlantic inter-governmental polemics exploded as a result of President Bush's State of the Union address on the "axis of evil" at the end of January 2002. This produced not only open polemics between government officials but also grossly divergent actions. The speech was designed to commit all the forces domestically and internationally grouped in Bush's coalition against terrorism to an entirely new set of strategic objectives, namely, to commit them in support of the right of the US to take pre-emptive military action to attack and overthrow the regimes of Iraq, Iran and North Korea and other states deemed hostile to the US and alleged by it to be developing weapons of mass destruction. Bush did not actually say that he would use force to attack and overthrow such regimes - he did not actually say he would attack Iraq for this purpose. But he claimed the right to do so.

The precedent used by Bush was, of course, Afghanistan - the coalition had supported the right of the US to attack the Afghan state. This would normally have been classed as patent aggression. But the United States had claimed that the Taliban regime supported Al Qaida and that since Al Qaida had attacked the US, its main backer, the Afghan state could equally be attacked. Bush now moved on to use the same logic to claim the right to make "pre-emptive" military strikes to overthrow other regimes on the grounds that they also harboured or supported terrorists.

The speech also made it patently clear that the Bush administration was committing itself to a military-political drive against a wide range of Muslim and Arab forces in the Middle East mainly linked together not by Al Qaida but by the Israeli-Palestinian conflict. Four of the five "terrorist" organisations he identified were linked to that conflict and so were two of the three states – Iran and Iraq. The third state, North Korea, was also linked to Iran through the fact that it was allegedly selling Iran medium-range missiles. Iran in turn was singled out for its support to Hizbollah and for its alleged supply of arms to the Palestinian authority.

Bush's speech also reiterated his demand that all states had to choose: are they for the US (in other words the Bush campaign) or are they against it; he insisted that there could be no neutrality. The Bush speech was also evidently suffused with implicit hostility towards Western Europe. Bush went out of his way to praise the cooperation he had received from India, Russia, China and Pakistan. But he did not include the Europeans in his list - not even the British. Instead he offered an implicit, hostile characterisation of the European position by declaring before Congress: "Some governments will be timid in the face of terror. And make no mistake about it: if they do not act, America will."[1]

The speech caused uproar in Europe. In the ten days following, the European Union simply ignored its demands and proceeded towards a new commercial agreement with Iran and welcomed a large senior North Korean delegation to Brussels. Following official EU discussions with Iranian deputy foreign minister, Ali Ahani, less than a week after the Bush speech, Spanish foreign minister Josep Pique, speaking for the Presidency of the EU, told a news conference in Madrid that the 15-country bloc would be seeking "maximum cooperation" with Iran on trade, the fight against terrorism and human rights.[2]

British foreign secretary, Straw, publicly dismissed the speech as designed for US domestic consumption, saying in Washington it was

1. Howard La Franchi, 'US hard line on terrorism alienates allies. Bush policy on 'problem states' causes drift of friends: French even call it a threat', *The Christian Science Monitor*, 12 Feb 2002.

2. Suzanne Daley, 'France Upbraids US as Simplistic' *New York Times* Service, 7 Feb 2002

"best understood by the fact that there are midterm congressional elections in November."[3] For this he received a public retort from National Security Adviser, Condoleeza Rice. Shaw's remarks were evidently a ham-fisted attempt to prevent a transatlantic rift. But the fact that Bush backed his words with a huge increase in the US military budget belied Straw's claims that the speech was purely propaganda. And the main American newspapers took it as a very serious statement of policy. In the *Washington Post*, Jim Hoagland, usually fairly sympathetic to European concerns, was blunt about the meaning of the speech: Bush, he stated, had

> committed the United States to a policy of preemptive strikes against hostile nations that develop biological, chemical or nuclear weapons and have links to global terrorism.[4]

In a long interview on France-Inter, French Foreign Minister Hubert Védrine bluntly declared that the US policy was a threat, saying, "Today we are threatened by a new, simplistic approach that reduces all the problems in the world to the struggle against terrorism."[5] Védrine said that Europeans would need to speak out more and more because they faced a United States that acted "unilaterally, without consulting others, taking decisions based on its own view of the world and its own interests."[6]

The *Frankfurter Allgemeine Zeitung*'s opinion columns were much more circumspect, stressing Europe's limited capacity to influence world events and thus implying that Europe should draw conclusions from this by avoiding ineffective public criticism of the Bush administration. But German foreign minister Fischer was blunt on the question of the need for more collective transatlantic policy making. He told *Die Welt* on 12 February: "The international coalition against terror does not provide a basis for doing just anything against anybody - and certainly not by going it alone. This is the view of every European

3. ibid
4. Jim Hoagland 'Questions About the Colossus', *Washington Post*, 7 Feb 2002.
5. Howard La Franchi, op cit.
6. Suzanne Daley, op cit

foreign minister." And he added bluntly: "An alliance partnership among free democrats can't be reduced to submission. Alliance partners are not satellites." And he used strong diplomatic code by saying that "frank" discussions were needed with the US on the future of global security.[7] This indicated the scope and depth of the strategic disagreements.

The following Sunday, after statements by Bush and Cheney talking up a military confrontation with Iraq, in an interview in *Der Spiegel*, Fischer repeated his criticism, saying the international coalition against terrorism is not a "blank check in and of itself to invade some country - especially not single-handedly".[8]

On Iraq, European governments did not rule out the possibility of military action. But the basis that they required for it was radically different from that of Bush: first, there had to be evidence that the Iraqi government had been involved in preparing 11 September or at least in working with and for Al Qaida; and second, there had to be a UN Security Council mandate for such military action. This amounted to a complete rejection of the new Bush 'doctrine' of pre-emptive strikes against hostile states building weapons of mass destruction.

Broad, strong hostility to the West European stance was no less evident on the US side. Secretary of State Colin Powell gave full backing to the president's new line. Exploiting the tendency of some European leaders to interpret 'unilateralism' as meaning the US did not consult its allies, Powell flatly denied the charge in testimony before the House International Relations Committee on the same day that Védrine had attacked US policy on France-Inter. "This suggestion that you sometimes see in intellectual circles that the United States is acting unilaterally and not consulting with our European partners simply could not be further from the truth," he said. But he added that the United States would not sacrifice its own interests in the pursuit of multilateralism. "We believe in multilateralism," Powell said.

> "But when it is a matter of principle and when the multilateral community does not agree with us, we do not shrink from doing

7. Associated Press, 12 Feb 2002.
8. *Frankfurter Allgemeine Zeitung* (FAZ), 17 Feb 2002

that which we think is right, which is in our interest even if some of our friends disagree with us."[9]

And beyond the Administration itself, there was broad bipartisan political backing for the Bush strategy in the United States. The annual Werkunde conference of European and American national security officials and politicians took place in Munich just after the Bush speech. Senator John McCain, Bush's rival for the Republican presidential nomination, called for an attack on Iraq and warned the Europeans that they had to decide whether they stood with the United States. "A day of reckoning is approaching," he said, "Not simply for Saddam Hussein, but for all members of the Atlantic community [NATO]." Senator Lieberman, Democratic vice-presidential candidate in the 2000 election, promptly stood to endorse "everything my colleague and friend [McCain] has said."[10]

The same day, the 2000 Democratic presidential candidate, Al Gore, finally broke many months of silence in a speech in Tennessee that did criticise Bush's unilateralism. Gore said that when the Clinton administration

> looked at the challenges we faced in the world, we said we wished to tackle these 'with others, if possible; alone, if we must.' This administration seems inclined to stand that on its head, so that the message is: 'With others, if we must; by ourselves, if possible.'

But Gore did not distance himself from any of Bush's policy goals.[11] And that has been the general pattern among Democratic leaders despite some small criticisms on issues concerning Afghanistan by Senator majority leader Daschle and by Senator Kerry.

The one European government which broke ranks with other European leaders and threw its support behind Bush's Iraq campaign was the British government. Though there were disagreements within the British government, Blair chose to throw his weight behind the

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9. Suzanne Daley, op cit.

10.Thomas E. Ricks, 'European Security Leaders Alarmed by Bush's Stance. US Officials in Munich Stress Urgency of Anti-Terror Initiative', *Washington Post*, 3 Feb 2002.

11.Larry Fine, Reuters, 2 Feb 2002.

drive against Iraq. He agreed with Washington that he would come out publicly in support and would argue the case for attacking Iraq, producing a dossier of facts to persuade international opinion. This Bush offer was then strengthened by US vice president Cheney who, when asked when the Bush administration would lay out its case for attacking Iraq, replied that the lead in the public diplomacy against Iraq would be taken by Tony Blair.

But the transatlantic political breach was not, by this time, only focused upon Iraq. It was being deepened and sharpened by the Israel-Palestine conflict. From February through April the international politics of this conflict dragged the Bush administration's efforts to build momentum for an attack on Iraq to a standstill and eventually sidelined it. Specifically, the Bush administration was caught off-guard in its strong support for Sharon by the unexpected ferocity of Palestinian counter-terror in the face of the Sharon government's attempts to destroy the Palestinian authority. The *Frankfurter Allgemeine Zeitung* described the Atlantic breach on this conflict as follows in early February:

> 'The vehemence of some European reactions to the treatment of Taliban and Qaida detainees at Guantanamo Bay, Cuba, is not the only evidence of [transatlantic].... differences of opinion. [Those] on the Middle East are far more important and ominous. While the U.S. government has evidently concluded that Palestinian leader Yasser Arafat is a supporter of terrorism and neither able nor willing to reach a reasonable settlement with Israel, many European countries see things differently. Most European foreign ministers probably would not repeat in public Swedish foreign minister Anna Lindh's characterization of U.S. Middle East policy - 'stupid,' 'mad' and 'extremely dangerous' - but privately, they would probably agree with her. When it comes to the core conflict in the Middle East, the United States and Europe are clearly not on the same page.[12]

French foreign minister Védrine attacked the way the White House was putting pressure on the Palestinian leader, Yasser Arafat, calling the isolation of Mr. Arafat "another error" that Europe could

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12. Klaus-Dieter Frankenberger, 'Divided They Stand', *FAZ*, 4 Feb 2002.

not go along with. He said:

> European countries do not agree with the White House Middle
> East policy and think it is a mistake to support Ariel Sharon's
> purely repressive policies.[13]

And the crisis has extended to economic relations between the US and the EU, with Bush's decision to place tariffs on some steel imports, particularly those coming from the EU. This prompted one of the strongest European champions of Atlanticism, former Commission vice-president and ex-Thatcherite minister, Leon Brittan, to declare that Bush's action had shaken his trust in the US government. The decision of Bush also to raise subsidies to US agriculture by 70 per cent over 5 years (at a cost of $190bn) also raised widespread criticism both in Europe and especially in Australia and in other Cairns Group (agricultural exporting) states. The Australian minister of foreign trade said the move placed in jeopardy the Doha round of WTO talks which many countries of the South had supported only on the basis of Northern promises to reduce domestic agricultural subsidies and to open their markets to agricultural imports.[14]

This combination of US protectionist moves also prompted an unprecedented joint statement of protest note by the managing director of the IMF, the director general of the WTO and the president of the World Bank.[15]

Thus, this interpretation of the source of the transatlantic tensions focuses strongly on particular decisions by particular US elected politicians. None of these decisions was, on this reading, specifically directed against Western Europe. The decisions were focused upon US policy towards other parts of the world. But in one way or another the decisions clashed with European political positions and approaches. Frequently, while some of the issues in dispute have long histories, as in the case of the Israeli-Palestinian conflict, the source of the transatlantic tensions is put down to the personal and party political

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13. Suzanne Daley, op cit

14. Frances Williams, 'US farm bill poses threat to trade talks, says Australia' *Financial Times*, 14 May 2002, p 14.

15. Guy de Jonquieres, 'US Attacked over Trade Curbs', *Financial Times*, 17 May 2002, p 1.

characteristics of the elected leaders. Thus proponents of this interpretation see a great contrast between the Bush state of the union speech and the approach which Clinton would have adopted. Indeed they note that transatlantic conflict increased sharply from the moment that Bush entered office.

Bush's early declaration that the Kyoto accord was dead brought uproar in Europe and a vigorous and successful battle to keep the protocol alive. While Clinton had signed the treaty establishing an international criminal court, Bush made very clear early on that he would not only repudiate it but would exert pressure on other governments not to ratify it. The Bush administration's repudiation of the nuclear Test Ban Treaty had been another blow contrasting with the Clinton approach as also had been its undermining of the control of biological weapons. Bush's refusal to continue the Clinton effort to further a peace process in the Israeli-Palestinian conflict seemed a further example of party political shifts. Long before 11 September the West European states strongly disagreed with this approach and urged 're-engagement' from Washington.

These European concerns were matched by evident fury within the Bush team over the West European move to create the ESDP (European Security and Defence Policy). The *Financial Times*'s US correspondent spelt this out very clearly just after Bush's inauguration:

> A common EU approach in NATO's councils... is anathema to US foreign policy doctrine. Those close to Mr. Bush have made it clear the US will not tolerate an agreed EU approach to NATO questions.

The correspondent added that an adviser to Bush was warning the Europeans that they were threatening a 'political decoupling' of the US from Europe.[16] Words like 'anathema' and 'will not tolerate' and 'political decoupling' must be seen as strong and harsh. They raised all too obviously the possibility of dangerous US moves, destabilising - from the angle of West European governments' interests - the western Balkans.

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16. G. Baker, 'No More 3rd Way Camaraderie from the US', *Financial Times*, 25 Jan 2001, p 21. See also Jeffrey Gidmin, 'President Bush to Europe: Its no More Mr. Nice Guy', *Daily Telegraph*, 11 Jan 2001.

On the Bush administration side there was, of course, another issue which was a source of tension with some West European countries, notably France; this was the issue of Iraq. Bush was wanting to recapture the initiative on Iraq with a new sanctions policy and a new drive to topple the Iraqi regime. But this was being resisted not only by Arab states but also by Russia and by some West European states. Iran too was another evident point of dispute between the US and many West European governments.

All such issues seemingly suggest that the source of transatlantic tensions lie mainly in the results of the US 2000 Presidential election combined with a series of particularly gross actions by the Bush administration, such as the state of the union speech. That speech and other Bush actions then suggest that if Al Gore had become president the tensions and conflicts might have been avoided.

Part 2. More structural explanations for transatlantic tensions, within a liberal pluralist framework

Most political commentators and analysts do not, however, accept that transatlantic tensions are simply the product of either particular contingent events or a particular elected leadership in the United States or in European countries. They see the current tensions have having deeper, more structural roots. But at the same time, they image of the structures is the standard liberal democratic one of official ideology, namely that Atlantic states are driven by public opinion as processed by the institutional rules of elections and parliaments and as shaped by public debate among the intelligentsias of the states concerned.

In this perspective there are *two* main strands of argument. *One* is the idea that in parts of Western European public opinion there lurks a trend known as anti-Americanism and frictions on this or that issue can arouse that trend and bring it to the surface of public life. The *second* is the argument that party politics in Republican America and hitherto centre-left Western Europe is out of synchronization.

1. A West European culture of anti-Americanism

Over the last six months both the American media and what may be called the Atlanticist media in Western Europe have been full of discussions of European anti-Americanism as a source of transatlantic tensions. The implication of this argument is that there are no serious, substantial political or policy fissures in transatlantic relations. There are, however, forces in Western Europe which have a world view centred on hostility to America. These forces are then presented as feeding off particular transatlantic disagreements in order to garner support for their anti-American world view. Proponents of this theory then analyse the various facets and aspects of anti-Americanism, such as hostility to American mass culture, elitist contempt for supposed American vulgarity and, of course, the supposed anti-Americanism of the European left. Other elements can also be added to this brew, such as European jealousy of American economic success, European jealousy of American military power, and so on.

British prime minister Tony Blair has sought to advance this explanation for transatlantic tensions. In a long interview in the *Times* he argued that there were no grave political differences between the USA and Western Europe and that the only potentially serious clashes could be on trade matters. But he did consider European anti-Americanism as a potentially serious problem. The *Times* reported his views on this as follows:

The inspiration for the 'anti-American voices' within Europe, he said, was

> jealousy about America's position, worry about American culture dominating European culture. Also, partly, America is the world superpower. Anyone who is pre-eminent always takes a bit of flak.[17]

It is worth noting that such psycho-cultural explanations have the effect of side-stepping political questions altogether. The method was used to powerful effect vis a vis the Arab and Muslim worlds after

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17. 'Only the Bad Guys will rejoice if we pull apart Europe and America: Tony Blair talks to Robert Thomson and Bronwen Maddox', *The Times*, 21 May 2002, pp 9-10.

11 September, arguing that political hostility to US policies in the Middle East was not the source of antagonism vis a vis the US in the region at all: the source lay in Muslim and Arab culture.

But this explanation does not seem to be well grounded. There is, of course, a cultural anti-Americanism in Western Europe, notably on the West European right (not least in Britain). It is also true that in French political culture there are deep antagonisms to Anglo-Saxon varieties of liberalism. But opinion polls show that popular political hostility to the Bush administration is concentrated not in France but in Germany, a country with very low levels of cultural anti-Americanism. The massive levels of hostility in German opinion evidently lie in opposition to the vocal, aggressive militarism of the Bush administration. German political culture remains powerfully anti-militarist and the strength of the reaction is therefore understandable. But the claim that this popular opposition to American policy represents anti-Americanism could be sustained only by demonstrating that militarism is integral to the core of Americanism.

2. Political trends in European public opinion and party politics

The second explanation for the strong and rising West European hostility to the Bush administration would see it as driven by the interaction of certain broad political trends in West European party politics and public opinion with the direction taken by Washington since the Bush Republicans came to power.

There is no doubt that this is true to a significant extent. The external politics of the Bush administration clashes with certain political themes which have become increasingly central in the ways in which mainstream EU political parties accent their approaches to international politics in the 1990s, particularly since the centre-left came to power. These parties of the centre left (and centre right) broadly support the drive for a global political economy based upon so-called 'neoliberalism', an open door for Western capitals into the South and free movement of private finance - all issues dear to the heart of the Bush administration like the Clinton administration before it. But they simultaneously declare themselves strongly in favour of helping to tackle problems of poverty in the South through aid, tackle

environmental threats through global conference diplomacy and agreement like the Kyoto Protocol and through strengthening democracy and human rights around the world. In relation to all such themes, the Bush administration appeared, from the moment it entered office, either hostile or indifferent. It's declaration that Kyoto was dead came as a large political shock in Europe and led European governments and the EU to engage in vigorous action to contradict Bush by preserving Kyoto without the US. The same hostility has applied to the Bush administration's attitudes towards aid and towards human rights - the International Criminal Court, Guantanamo prisoners, the death penalty in the US etc.

And these concerns quickly translated into criticisms of aspects of the US war against Afghanistan. The criticisms deepened and sharpened over the Bush administration's support for the Sharon government in Israel. And Bush's speech on the axis of evil clashed at a deep level of political values with peace-oriented European public opinion.

These themes mesh with a strong West European commitment to international institution-building and to respect for the authority of international institutions, from the UN and its agencies to WTO rules and a whole host of treaty-based international regimes. Across this large field, the attitude of the Bush administration has been one of instrumentalism at best - using them for purely US purposes - through ignoring them or openly flouting them.

Linked to this and particularly sensitive has been European hostility to the Bush administration's attitude towards arms control regimes. Its flouting of the Test Ban Treaty, withdrawal from the ABM treaty, undermining of conventions on chemical weapons, land mines, small arms etc. have brought strong and wide condemnation from across the European political spectrum. And this has fed into a much more general criticism of US militarism.

US leaders like Colin Powell have claimed that these criticisms from European parties and public opinion are essentially the product of having a Republican administration in Washington while Western Europe is in transition from the centre-left to the centre-right. The implication is that when Germany and other countries in Europe swing right the political tensions at party political level will dissipate.

There is some truth in this, but not very much; far less than during the Cold War. The Berlusconi government in Italy has proved to be open to aspects of the political ideology of the Bush republican party. And no doubt some of the language of a Stoiber government in Germany would be less sharp-edged in its criticism of Bush republicanism than the politics of the current German coalition.

But the fact remains that a large political as well as ideological gulf has opened up between the West European centre-right as well as the centre-left and the US Republican party. It is a gulf that will not be bridged easily in the near future for it would require a radical reorientation of centre-right politics in Europe from its Christian Democratic traditions, which have nothing in common with either the Christian fundamentalism (accounting for about one third of the Republican vote) or the nationalism and the neo-Conservative militarism of the current US Republican party. Other strands in US Republicanism such as the anarcho-capitalist small government free marketeers of the Cato Institute type, which could have a dialogue with parts of the European business-oriented right, are weaker today than they were; big spending increases and protectionism as well as militarist activism abroad, all of which clash with this kind of Republicanism, are riding high in the Bush Republican party today.

At the same time, the traditional European ideological ally of the US right in the Cold War – the German CDU-CSU – has tended to turn in the other direction on important international issues since 11 September. After being perhaps the closest political force to the US right in its support for Israel, the CDU-CSU has turned sharply in the other direction in the last months. Only the British conservative party under Duncan-Smith is seeking to position itself as a kind of Rumsfeld Conservative clone amongst mainstream West European parties.

The reality is that many of the themes bringing West European political parties to strong criticism of the Bush administration are themes which cross parties and which are quite deeply embedded in the concerted political posture of the West European states through the EU. Apart from the British conservative leadership, only parties of the far right in Europe mix together some of the central ingredients of contemporary US Republicanism.

Part 3: State executive level explanations of transatlantic relations since 11 September suggesting minor conflicts in a context of basic unity

By no means all commentators on the transatlantic split interpret it through standard liberal democratic images. Many, particularly international relations specialists, take a different view. They consider that foreign policy is not actually driven by public opinion but by state managerial elites. On this view, public opinion and party politics are not the driving forces of state policy. Instead, they are better regarded as important managerial problems for state policy makers. These elites are instead organised around elite consensuses that can be thought of as 'national strategies' spanning both domestic and external economics and politics. Within this cognitively elitist framework, we can picture the elites as being involved in managing domestic public opinion to keep it 'on message', in line with the given national strategy which transcends mere election results.

Thus, on this view we have, so to speak, two polities and two political spaces within each state. One we can call the mass public space (MPS) and the other we can call the elite closed space(ECS). The ECS includes the state executive but stretches beyond it to other elite groups such as business leaders, media owners and managers, insider intellectual organisers and insider academics.

This is a fairly crude distinction. It would be possible and interesting to trace an intermediate layer of 'elite opinions' much broader than the ECS, embracing those parts of the population that are actively involved in tracking and forming opinions about politics and international affairs - a group capable of exerting influence both 'upwards' into the ECS and downwards into the broadest sections of the population. The US state department uses a distinction between such broad elite groups and mass opinion in its own efforts to track political trends in the US on foreign policy questions. But the distinction between ECS and MPS is nevertheless an extremely important one.

There is, of course, a relationship between these two political

spaces and between the actors in each of them. If actors within the ECS of a state are bushing that state into a tough political confrontation with another state, it is extremely important that they have a large, strong base within the MPS. And developments and actors within the MPS can exert powerful pressures on actors within the ECS. But it is also the case that actors within the ECS have very powerful instruments both for managing developments in the MPS and for resisting pressures from it upon them. One of the most important instruments for the former is their capacity to steer the mass media and shape mass perceptions and opinions. Another very important instrument for resisting pressures from the MPS is through the closed character of the ECS - debates within it are largely secret - and from the closed, secret character of communications between states at executive level.

It is thus possible to have a mismatch, even a very large divergence, between the shape and intensity of opinion in the ECS and in the MPS on issues to do with external relations, including transatlantic relations. Schematically, you could have two kinds of mismatches:the ECS's of Europe could be in much more harmonious relations with their US counterparts than the MPS's; or vice versa - strains at a closed, elite level may be far more intense than at the level of the MPS.

The actors who are centrally involved both in the ECS and in the MPS are, of course, the *elected* executive leaders – prime ministers, presidents, etc. They must speak in both spaces and must seek to retain authority and loyalty in both spaces. When one of them speaks in public to a domestic audience, analysts in other state executives try to make sense of exactly what such public utterances mean, not least what they mean for what is going on in the ECS. But to grasp this they have to also understand the MPS context of the leader's words.

The gulf between the two levels of politics can be very wide. And it has indeed been notably wide in the politics of Western Europe during the 1990s, where centre-left politicians have been saying one thing in a mass context and agreeing quite another in the elite context. This kind of neo-liberal politics fits nicely with Gramsci's concept of 'trasformismo' in which leaders of left parties are 'co-opted' to elite neo-liberal projects and must therefore transform their party apparatuses into instruments for attacking and undermining the political values of their party members and supporters. The paradigm here is, of course

Blairism, at the heart of whose politics is the 'spin-doctoring' of bringing one level of politics and policy into line with the goals of the other level.

And the same kind of gulf can occur in the management of external policy. While intelligentsias and public opinion tend to approach international political questions and disputes from the angle of qualitative political and ethically oriented principles, the culture of state executives in the Atlantic world is much more oriented towards the pragmatics of power politics. While intellectuals may debate issues such as conflicts in the Middle East from the angle of various kinds of liberal principles which they attempt to integrate with their cognitive perceptions and interpretations of the forces involved, state executives tend to treat such principles instrumentally: what kinds of principles should we articulate discursively as instruments along with other diplomatic instruments for furthering the state's goals in any given conflict? The discursive symbols are, of course, very important instruments of statecraft in contexts of large mass political mobilisation, as currently in the Middle East. And state executives must take great care to get the symbolic content right, mixing sensitivities to domestic and external audiences wherever possible. But their instrumental character remains paramount.

This then requires the managers of different states to understand each others' domestic problems of opinion management. The managers of state A may be in complete agreement with the policy of state B but because of the different domestic political opinion contexts in A and B, the managers in each state must talk different languages or even seem to be in public disagreement over the very policy they agree upon.

This managerialist approach can be taken to higher levels of sophistication. For example, you can argue that the EU concert of states is pursuing a strategy of social transformation towards an American-style neo-liberalism. There is thus a basic transatlantic programmatic harmony on the goals for a new transatlantic social order (in economics and state forms). But, in order for EU managers to pursue these goals, they must use the institutional mechanisms of the EU which are not actually democratic and thus faces potentially dangerous domestic legitimation problems, particularly on the left, in their pursuit of a neo-liberal social order. It must therefore find a compensatory politics which is centre-left oriented on everything except capital-labour relations

and democratic accountability. Such a centre-left oriented politics includes a liberal cosmopolitan support for human rights, democratisation for other parts of the world (as opposed to the EU), environmentalism, aid for the poor countries of the South, arms control treaties, peaceful resolution of international conflicts and so on and so forth.

Through all these political mechanisms and strategies the left-liberal intelligentsias of Western Europe and the political left in the region can be pulled along to accept both the authority of the EU and its incrementalist drive to decisively weaken the social power of labour and to entrench an American-style social and state system across Europe. In short, common transatlantic programmatic positions and goals push the West European ECS actors to adopt a European domestic strategy that involves a string of centre-left symbols and value-orientations which may not harmonise with US domestic symbolic and value orientations.

Meanwhile, across the Atlantic the context of state managers is quite different. They have a fully-fledged neo-liberal order of the sort Europe aspires to. But what the United States has lacked during the 1990s has been a strong domestic political base for projecting US military power and political force across the globe to secure the rest of the globe for Atlantic dominance in the twenty-first century. Instead, the American electorate has been insisting on the priority of domestic reforms to health, pensions, education systems and so on. The task of the Bush administration was thus precisely to find a means of bludgeoning the mass mind of American voters into supporting an activist global military drive to secure Atlantic global dominance. But this task requires a politics radically different from the centre-left politics of the EU concert.

1. Managerialist theories of elite harmony but frictions caused by differing structural contexts on each side of the Atlantic.

This camp argues that there is a basic harmony of goals and interests at the ECS level across the Atlantic and that the disagreements at this level are really very small and minor. The tensions in transatlantic relations should thus be understood as deriving from two sources: *first*, ideological excitements in parts of the intelligentsias and amongst

single issue groups concerned with issues that the US government is insensitive to but which do not trouble elite relations; *second*, from ECS actors on *both* sides of the Atlantic failing to grasp the differing structural contexts of ECS actors on the other side of the Atlantic, for example, US leaders just not understanding how big the human rights theme is in European elite legitimation strategy and thus how sensitive European elites have to be to howls of protest about, say, Guantanamo.

Thus, on this view, basically *common* programmatic goals on the part of state managers on both sides of the Atlantic demand radically *different* domestic political management approaches and also radically different external tactics to match. And both the different external tactics and the different corresponding domestic political discourses breed ferment among heteronymous intelligentsias and party politicians who simply don't understand what the game is about and get very angry about what is going on or not going on across the Atlantic.

To this conception of basically common strategic goals and radically different tactical contexts one can add a whole series of more particular divergences of tactical context.

For example, European elites are currently preoccupied with managing EU enlargement. They view everything from this angle at present and the whole Bush campaign must take second place to these preoccupations. Secondly, major European states such as Britain, France and Germany, have large Muslim minorities of over three million each and the Bush campaign has created worries about the management of these minorities on the part of European executives. Thirdly, sluggish economic performance and large pools of unemployment, together with the drive to build the EU, have created nationalist and xenophobic movements in Europe. European leaders are therefore viscerally nervous about any new wars and refugee movements in their neighbourhood such as in the Middle East. All such arguments are usually combined with advice to the US administration to be sensitive to such European concerns or at least to understand their role in European criticisms.

But proponents of this view hold that the different contexts requiring different kinds of politics co-exist with fundamentally *identical* interests in the organisation and management of the world economy, strong transatlantic business partnerships, and a bedrock of shared values to do with freedom, democracy, human rights, neo-

liberalism and so on.

This interpretation of transatlantic relations can be found both in the discourse of the business right and in much of the discourse of state managers and people who might be called ideological organisers. It is also an interpretation widely held on the radical left, where there are many who argue that through a process of gradual social osmosis a transatlantic ruling class has emerged to form a single 'empire'.

When Jack Straw claimed that Bush's axis of evil speech was directed towards the US mid-term elections, he was making this kind of claim - transatlantic interests are basically in harmony, but discursive contexts differ and hence Bush's speech.

Jim Hoagland in the *Washington Post*, whose opinion column broadly reflects the thinking of the Council of Foreign Relations segment of US business - Wilsonian internationalism with a strong interest in Europe - has used this kind of argument to try to make US elites more sympathetic to European hostilities vis-a-vis the Bush administration. He has argued that US opinion does not understand the context and local European concerns of European elites, concerns which are often ignored in Washington. This Hoagland approach then dovetails with a second line of explanation for the deterioration in US-European relations since 11 September, which we can call the 'procedural unilateralism' explanation.

2. Procedural unilateralism on the part of the US

The argument that there is a basic unity at managerial level in transatlantic politics can be combined with a procedural qualification: the claim that this basic unity has been marred by what has been called a tendency within the Bush administration towards 'unilateralism'. This term is actually a code word of managerialist public discourse with a number of distinct meanings. But those who subscribe to the thesis of basic transatlantic unity use the word 'unilateralism' in what could be described as its weak meaning, implying a *soft* or procedural notion of unilateralism.

Soft or procedural unilateralism denotes a criticism of Washington in the field of policy coordination with its allies. This kind of failure can have a number of different forms:

1) a failure to forewarn allies as to what Washington is about to do in

world politics.

2) a failure to show concern for the tactical-managerial problems which allies will face in the context of Washington's new projects.

3) a failure to listen to allied suggestions on how the new US project could be conducted

This soft unilateralism concept is the one favoured by British elite critics of the Bush administration and by other Atlanticists in Western Europe. It has indeed been a perennial concern of European states since the 1950s.

During the Cold War, Europe's status as a US protectorate meant that West European policies on most major world questions were decided in Washington. But it was very important for European state executives that their *populations* were not fully aware of this subordination. They therefore were very concerned that Washington would tell them in advance what it was planning, so that they could themselves call for that to happen in front of their domestic audience and could thus appear to be deciding things for themselves or even influencing Washington.

And on occasions Washington itself could find such 'consultation' politically very beneficial for itself. It could present itself as simply the expression of a collective allied will of the 'free world', responding to allied needs and demands rather than simply telling the allies what is was going to do and making them fall into line. And this kind of 'consultation' could also be used by Washington for other purposes. A famous example of this was when the Carter administration told Chancellor Schmidt of Germany that it was to going to deploy the neutron bomb in Europe. Schmidt was thus persuaded to actually call for such a deployment, provoking great anger in both the USSR and in Germany itself. President Carter then turned round and opposed deployment of the neutron bomb, making Schmidt appear as a war-monger and thus weakening German-Soviet relations at a time when they had become too friendly for Washington's taste.

The Bush administration has chosen to interpret publicly European criticisms of US unilateralism in this sense: lack of forewarning and lack of pre-organisation of US moves within the alliance. Colin Powell has then responded to this charge in two ways. First, by more or less acknowledging that in the early days of the Bush

administration, when Bush was still lacking foreign experience, he may even have made some 'unilateralist' mistakes (notably, so the word is spread, over the way he withdrew the US from Kyoto). But secondly, Powell has repeatedly insisted that he has been on the phone to European leaders constantly since 11 September. Thus, the charge, he claims, does not stick.

There is a great deal of evidence that, while snubbing and humiliating the officials of collective bodies like NATO and the EU, the Bush administration has indeed 'consulted' the leaders of key European states a great deal. Bush himself was on the phone to Blair and others from 12 September and was no doubt very frequently on the phone thereafter. There is even evidence that the Bush administration offered, on occasion, the kind of pre-organisation European political leaders adore.

Thus, on 4 April 2002, some few hours before he set off to meet Bush at his Texas ranch, Blair called upon the US to show more leadership on the Middle East. Using blunt language, Blair said that only US intervention to bring the Israelis and Palestinians together could bring the conflict to an end. Just a few hours later, Bush 'responded' by announcing that he was indeed going to send Colin Powell to the Middle East. Although Blair seemed to be capable of exerting real influence, the whole exercise had been generously pre-organised for him by the Bush administration. The text of the statement Blair issued from Downing Street had actually been prepared by Condoleezza Rice and Blair's aide, Sir David Manning. This was thus the very opposite of soft unilateralism, or at least it would have been if someone, whether in Washington or in London, had not decided to expose the attempt to claim real Blair influence on Washington.[18]

Thus the implication of Colin Powell's arguments is that the West European states are fundamentally in agreement, at state executive level, with the thrust of US policy. They do, however, face a problem of structural context: their intelligentsias and their naive politicians, who do not understand the realities of Atlantic strategy and are up in arms about aspects of what the Bush administration says or does. Therefore

18. Rosemary Bennett, 'New Golden Age of Friendship with the US may be Tarnished', *Financial Times*, 5 April 2002, p 4.

the state executives of Western Europe pretend to be against US policy and falsely accuse it of (soft) unilateralism but are actually more or less fully in line with it. On this reading, European state leaderships criticise Bush to blunt and weaken domestic agitation in order thereby to keep the Atlantic show on the road and carry the Bush campaign forward.

3. Managerialist unity on programme and global strategy, but differences on regional/tactical issues

Even if one considers that basic programmatic and strategic unity exists on both sides of the Atlantic on the social, economic and political substance of the Atlantic-led new world order, there were evidently transatlantic differences at state executive level on a range of regional issues connected to the Middle East. Many argue that this is the way to characterise the transatlantic relationship over the last nine months.

The differences on the Middle East have been real and could have become very difficult to manage if the Middle East had really blown up. But both sides of the Atlantic were keen to work together to avoid such a catastrophe, did work together, and thus managed the one area of potentially serious disharmony. This interpretation may be called the official communiqué consensus from the state department through the FCO to the Auswärtiges Amt. It can include the idea that there were some wild people on both sides who could have upset the applecart: notably the Pentagon civilians and perhaps, for some Americans, the French.

In support of this view one can begin with the fact that there was a relatively harmonious solidarity during the Afghan war. All of the West European states, except a few minor ones, supported the Afghan war. The main three European powers - Germany, France and Britain - wanted to contribute troops. Indeed there was even some competition among European states as to who could be shown to be the most active contributor.[19] The British state was very eager to be seen as America's

19. Such contributions give the states concerned a number of benefits: they can strengthen the state's profile and influence within the United States, can hopefully also gain influence within the Bush administration in the course of the war and on its concluding politics, can also raise the leaders' domestic profile as war leaders and can also lock in stronger domestic approval of the state's support for the US action.

prime European ally and it 'Blaired' this effort with ever possible media-oriented device. The effect of this scramble was to completely disorganise efforts to adopt common EU positions or to act even minimally as an EU collective during the first couple of months after 11 September. Blair's 'unilateralism' was both the main cause of this European disorganisation and was a source of strong European resentments against the British state.

The West Europeans then were the prime movers in the work of post-war Afghan reconstruction and the Bush administration was happy with that. It did not wish to be involved in, or have to pay for, such reconstruction efforts, though it would control them through its logistical capacities and political control over the new Afghan leadership which the US had assembled. Again the British were eager to ensure that they gained the prestige of being the first Western troops into Kabul, although their eagerness to reach Bagram airport without first bothering to clear their activities with the Northern Alliance almost led the British into a catastrophe. Germany won the location for the conference to assemble the Afghan interim administration, while Japan won the location for the post-war aid conference. Thus in general, the European states backed the Afghan war.

The significant differences emerged over Iraq and over the Israel-Palestine conflict and these differences were causing tensions even before Christmas. The French and German states opposed a war against Iraq unless links between it and Al Qaida were established; they thus opposed the US line that Iraq should be attacked because of the nature of its regime. They also opposed the US political goal of 'regime change' in Iraq, confining themselves to the goal of inspections against the development of weapons of mass destruction (WMD). And they also opposed any attack on Iraq which lacked a new UN Security Council mandate. The British position at this time (December-January 2001) was that it advised against a war wish Iraq any time soon, but if the US insisted the British would join it if there was evidence of links between Iraq and terrorism, with or without a UNSC mandate. Thus there was a clear transatlantic policy split and also a split between the British and the continentals on Iraq.

There was also an evident split on the Israeli-Palestinian conflict. Blair had been very active during September and October trying to

persuade the US to adopt a less pro-Sharon line, be more even handed, and play an active role in trying to re-initiate a peace process. And the British clearly recognised the authority of Yasser Arafat and the Palestinian authority. The Bush administration's declaration for as eventual Palestinian state, clearly coordinated with Sharon, was combined with a rejection of the British pressure on other issues.

By December there was an evidently deep transatlantic divergence on strategy towards the conflict. And on this front, Blair and the rest of the EU states managed a common front vis-a-vis the conflict and the Americans. Moves by both the French and German governments to propose national projects for peace strategies where shelved in favour of unity behind Solana to give continued recognition and diplomatic support to Arafat and to try to exert pressure for the US to intervene diplomatically to start a peace process. The Bush administration at this time fully backed Sharon and seems to have been prepared to support a Sharon drive not only to destroy the Palestinian Authority's institutions but to get rid of Arafat as a political leader.

The evident aim of the Bush administration was to use Sharon as a weapon to pressurise the Arab states into pleading for US mediation and for a the US to accept Arafat as a legitimate negotiating partner. The Bush team evidently hoped that this would enable them to demand from the Arab leaders a quid-pro-quo for such a step: Arab acceptance of a war against Iraq. If the Arab leaders did not accept such a deal, Sharon could be allowed to proceed to the point where a new Palestinian leadership might be brought forward to accept Sharon-Bush terms for a 'Palestinian state'. That would then open the road to Baghdad.

The West European line was sharply opposed to this Washington approach. Along parallel lines to the bulk of the Arab states, they demanded US acceptance of Arafat and pressure on Sharon with a view to an American brokered peace deal. And they refused any connection between such a path and any war with Baghdad.

In the midst of these transatlantic tensions, Bush made his 'axis of evil' speech. In the speech, Bush was evidently throwing down public challenges to the West Europeans as a consequence of their resistance to his line on Iraq, and no doubt on Israel-Palestine and Iran, in closed inter-executive arguments over the previous month at least. He was saying to them: drop your opposition to the war against Iraq, accept my

new doctrine of pre-emptive strikes against evil states, and shift your line on the Israeli-Palestinian conflict to one which recognised most of the Palestinian resistance movements as terrorists.

The French and German states simply repudiated the US challenge. The British did not repudiate it but neither did they endorse it. As the crisis in the Israeli-Palestinian struggle mounted, the West European states maintained their stance, the British wobbled away from the Bush administration on Iraq (calling for a UNSC mandated war, for example) and the Bush administration finally felt that it had to mount a tactical and - they hoped, temporary - retreat.

Thus, there were real, substantial political differences at state executive level between the West European states and the Bush administration on Middle Eastern issues and these *cannot* be seen as being driven *mainly* by domestic political management considerations. For the continental European states, real interests in the Middle East were at stake; long-standing European efforts to establish a political position and political influence in the Arab world were under threat. For the British state, of course, nothing was more important than being on the side of the US in any major international conflict, and no doubt British oil industry interests were closely aligned with US policy and power in parts of the region. Yet, at the same time, the British were evidently not in sympathy with the Bush policy.

Yet, according to this line of argument, these differences on the Middle East could be viewed as more tactical and marginal in a more overall view of basic European state interests. Neither the fate of the Palestinians not the fate of the Iraqi regime were, in themselves, of any great consequence for the European states. More important was the maintenance (or return to) some sort of stability in the Middle East. And, insofar as the Bush administration could be pushed towards 'engagement' on the Israeli-Palestinian issue and could be dissuaded from a dangerous adventure against Iraq, which would damage US as well as European interests, transatlantic harmony could be preserved.

However, this interpretation presupposes that the zone of transatlantic inter-state conflict was confined to regional policy towards the Middle East. Some on both right and left would dispute this and would claim that the differences were actually much broader and deeper in scope. They would argue also that the Middle East was not the source

of these tensions but the terrain on which the deeper conflicts were being fought out.

Consideration of this interpretation of the transatlantic rift brings us to what could be called the *strong* meaning of the word 'unilateralism'. This denotes programmatic rather than procedural unilateralism: a readiness on the part of the United States to campaign for global objectives which US allies do not support or which they even oppose.

Part 4: Theories suggesting a deep programmatic split with origins in the end of the Cold War.

Proponents of this kind of approach fall into two camps: those who think that the splits are deep but ultimately irrelevant, and those who think they are deep and potentially very dangerous for the future of the Atlantic world. The first camp is found mainly in the United States and amongst the most loyal European supporters and propagandists of the United States. But it is also held by some on the left. We will look at this camp first.

1. European adaptation pains in the context of the new American imperial order.

This camp says that Western Europe is entirely subordinated to US power and West European states cannot sustain major policy differences with the US even if they would like to. A typical example of this kind of argument is Zbigniew Brzezinski's book, *The Grand Chess Board.* But the argument is systematically advanced by people around the Bush administration in such think tanks as the Project for a New American Century and the Centre for Security Policy and who write for such publications as *The Weekly Standard.* Their argument is that the United States is so powerful in the post-Cold War world that Western Europe has become largely irrelevant as a factor in American policy calculation. This, they say, causes great resentment in Western Europe.

Such people then go on to argue that the United States is, and should be, reorganising world politics in a radical way to anchor its global leadership through the twenty-first century. In so doing, it is tearing up many arrangements to which the European powers are attached. It is also adopting many objectives which the European powers think are dangerous. And it is ignoring protests and resistance from European states. Western Europe can do nothing whatever about this and its state managers will eventually come to realise their impotence. They will then adapt to the new American-centred world order and flourish as subordinate elements within it.

The flavour of this school of thought can be gained from two leading intellectuals of the Project for a New American Century, William Kristol and Robert Kogan, in a 1996 article in *The National Interest*:

> Today's international system is built not around a balance of power but around American hegemony. The international financial institutions were fashioned by Americans and serve American interests. The international security structures are chiefly a collection of American-led alliances... today's relatively benevolent international circumstances are the product of our hegemonic influence... American hegemony, then, must be actively maintained, just as it was actively obtained...'[20]

The Bush administration is staffed at senior levels by many members of the Project for A New American Century such as Cheney, Rumsfeld and Wolfowitz. It also has an extraordinarily large number of staff drawn from the allied Center for Security Policy, whose most prominent public figure is Richard Perle, seen by many as Wolfowitz's mentor.[21]

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20. *The National Interest*, Spring, 1996.
21. Members of the Center for Security Policy now in the Bush administration: Douglas J. Feith, Under Secretary of Defence for Policy; Elliott Abrams, Special Assistant to the President for National Security Affairs for Democracy, Human Rights and International Operations; Robert Andrews, Principal Deputy Assistant Secretary of Defence for Special Operations and Low Intensity Conflict; Devon Gaffney Cross, member, Defence Policy Board; J.D. Crouch, Assistant Secretary of Defence for International Security Policy; Mitchell Daniels, Director of the Office of Management and Budget; Kenneth de

But one aspect of the analysis put forward by Kristol and others from the Bush camp is important. The do *not* say that the US drive for a new, unipolar and hegemonic world order is their exclusive Bush-Republican programme. They view themselves as simply the most frank and articulate spokespeople of a project which has far wider support across US managerial elites. Paul Wolfowitz, formerly in the Reagan and Bush senior administrations and now at the Pentagon, strongly emphasises this point.

Writing in the *National Interest* in 2000, Wolfowitz reminded readers of the work that he and Lewis Libby (now Cheney's personal adviser) did in drawing up the Defence Planning Guidance document of the Pentagon and NSC in early 1992.[22] This indicated that maintaining US control over Western Europe and East Asia and South West Asia (ie the Gulf) should be the US's primary and most fundamental strategic goal. This would have the effect of preventing any other 'power from dominating a region whose resources would, under consolidated control, be sufficient to generate global power.'[23] Put positively, the US must pursue a new global Pax Americana. Wolfowitz's 2000 article goes on to acknowledge that his and Lewis Libby's document drew a great deal of criticism when it was leaked in 1992: Senator Biden, Chair of the Senate Foreign Relations Committee, 'ridiculed the proposed strategy as "literally a Pax Americana... It won't work." ' But Wolfowitz adds:

Graffenreid, Deputy Under Secretary of Defence for Policy Support; Paula Dobriansky, Under Secretary of State for Global Affairs; Robert Joseph, Special Assistant to the President for National Security Affairs for Proliferation Strategy, Counter-Proliferation and Homeland Defence; Evan Galbraith, Secretary of Defence's Representative to Europe; Marlin Hefti, Principal Deputy Assistant Secretary of Defence for Congressional Affairs; Sven Kraemer, Policy Advisor to the Undersecretary of Defence for Policy; Richard Perle, Chairman of the Defence Policy Board; Robert Reilly, Director, Voice of America; Roger W. Robinson, Jr., Commissioner, U.S.-China Security Review Commission; James Roche, Secretary of the Air Force; William Schneider, Chairman of the Defence Science Board; Arthur Waldron, Commissioner, U.S.-China Security Review Commission; Gov. Pete Wilson, member, President's Foreign Intelligence Advisory Board; Dov Zakheim, Under Secretary of Designate; Comptroller.
22. On the Lewis Libby/Wolfowitz text, see Peter Gowan 'The Western Powers and the Yugoslav Tragedy', *New Left Review*, May-June,1999.
23. Paul Wolfowitz, 'Remembering the Future', *The National Interest*, no.59, Spring, 2000.

Just seven years later, many of these same critics seem quite comfortable with the idea of a Pax Americana... Today the criticism of Pax Americana comes mainly from the isolationist right, from Patrick Buchanan, who complains that 'containment, a defensive strategy, had given way to a breathtakingly ambitious offensive strategy - to establish and protect a new order.' [24]

And Wolfowitz continues that the 'new consensus' is well established:

There is today a remarkable degree of agreement on a number of central points of foreign policy. No one is lobbying to withdraw troops from Korea, as was the case as recently as the late 1980s. No one is arguing that we should withdraw from Europe. American forces under President Clinton's command have been bombing Iraq with some regularity for months now, without a whimper of opposition in the Congress and barely a mention in the press. Even on ballistic missile defence there is today an emerging consensus that something needs to be done - although no agreement on precisely what.[25]

And from the other side of the US political spectrum, William Pfaff of the *International Herald Tribune,* a strong critic of what he calls the new US hegemonism of people like Wolfowitz, agrees with Wolfowitz's analysis of US managerial opinion. In Pfaff's words:

An implicit alliance has emerged in Washington since the Cold War's end: internationalist liberals, anxious to extend American influence and to federate the world's democracies, and unilateralist neoconservatives, who believe in aggressive American leadership for the world's own good, have joined forces... A hegemonic spirit .... underlies both the liberal activism and the neoconservative unilateralism.[26]

Pfaff adds that this US unilateralist hegemonism 'was also

24. ibid.
25. ibid.
26. William Pfaff, 'The Question of Hegemony', *Foreign Affairs*, Jan/Feb, 2001

responsible for the Clinton administration's program to enlarge NATO's membership and extend its operations 'out of area,' first to the Balkans and eventually beyond Europe. This essentially unilateralist initiative (the other NATO members reacted coolly to it) reflected a larger concept of extended American influence that has become the principal theme of post-Cold War policy.'

The essential difference between the Bush Republicans of the Project for a New American Century and the other parts of this consensus lies not in programmatic goals but in the former group's much more assertive and coercive approach to tactics and much greater willingness to mount an explicitly imperial form of discourse and of domestic political mobilisation. They argue, in essence, that the world is an open door for American assertion of power and that West European opposition, though real, is simply irrelevant.

There is no doubt that much of this analysis is convincing. There is every reason to believe that the managers of many European states have been genuinely hostile to central thrusts of US policy under the Bush administration. Far from European hostility deriving only from the domestic mass politics public sphere, it has often derived from within the state executives themselves. This has been true of the European opposition to the new US drive to militarise space and it has also been true of European hostility to the Bush doctrine of 'pre-emptive strikes' - in other words military aggression to overthrow regimes which the US deems hostile to it. Furthermore, the West European states evidently consider that the US drive in the Middle East has posed real security threats to Western Europe. There is no other explanation for statements by German and French leaders to the effect that American policy poses a threat to Europe or that European states refused to be treated like satellites by the United States.

Programmatic differences of this sort do, of course, go hand in hand with some elements of programmatic agreement. Thus both the West European states and the United States agree on the need to undermine the principle of the sovereign equality of states enshrined in the Cold War order. Both consider that the sovereignty of states outside the capitalist core should be made conditional on their willingness to comply with basic Atlantic requirements. But the two sides of the Atlantic differ on the methods and the decision-making rules for

aggressive action against hostile states. The West European states say that the main method for establishing the hostility of a state should be that of human rights statecraft: the Atlantic world should mobilise against states which resist, say, opening up its economy to Atlantic capitals, by focusing on the state's domestic regime as violating human rights. Secondly, the West Europeans argue that any subsequent decision to wage war against the target state should be a collegial decision, preferably of the UN Security Council, but otherwise at least of NATO; it should not be an American unilateral decision. And thirdly, they say that the Atlantic states should follow such aggression with a programme of state rebuilding.

Rather than debating such issues, the Bush administration has simply brushed European views aside and pursued its own global programme and strategy. Its decision to push NATO to one side in the week after 11 September was a stunning demonstration of its decision to advance its own unilateral programme. NATO secretary general, Robertson, had called upon the North Atlantic Council (NATO's formal political leadership) to invoke, for the first time in NATO's entire history, its security clause, Article 5, the article mobilising all NATO members to come to the aid of a member under attack. The NAC ambassadors did so. The response from Washington's representative at the meeting, Paul Wolfowitz, has been described by *Financial Times* editor, Philip Stephens, as follows: 'Thanks, said Mr. Wolfowitz. Don't call us. Don't expect us to call you.'[27]

Washington both brushed the institutions of the Alliance aside and constructed a new, flexible set of alliance structures of its own outside the NATO framework. NATO's resources would simply be plundered at will by Washington as it saw fit and NATO members would have to join a queue in Washington along with everybody else from General Musharraf to the leader of Yemen offering their support and seeking to influence the Bush team. This was legitimated by Washington in technical-military terms - there was no need for European military resources; the US military could act more effectively on its own. But its real significance lay in Washington's rejection of any transatlantic

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27. Philip Stephens, 'Europe's Struggle to be Heard' *Financial Times*, 10 May 2002, p 19

collective decision-making. European states should compete with each other to gain access and favours from Washington in the campaign.

Although this Bush move shocked West European state managers, it did not provoke outcry at a mass politics level in Europe because its political significance was not understood and European state managers chose not to enlighten public opinion on the topic.

The contrast between the mass public level and the state manager level also applies to US regional goals in the Middle East. While public debate focuses on issues of political principles concerning the meaning of ideas like justice, terrorism, national rights and debates about the proper and improper uses of force, managerial level debate focuses on the power political dimensions. But here also there was evident transatlantic conflict rather than agreement. From the angle of European state managers, Washington's line on the Middle East was evidently designed to destroy the entire distinctive European political position in the Middle East, from backing Sharon's drive to obliterate the Palestinian authority to sweeping aside long-standing European positions on Iraq and Iran. Thus Washington was intent upon re-subordinating European influence in the Middle East to US power in the region, making Western Europe entirely dependent on US power in the region.

The attempts of the EU states to resist this US drive were then met by ferocious media attacks in the US media from people evidently linked to the Bush administration - attacks which began to offer the US public an enemy image of Europe by claiming that it was being swept by an anti-semitic wave similar to that in the Second World War. At the same time, such European attempts at resistance were also met by stern warnings from political leaders not associated with Bush-style republicanism, such as senators McCain and Liebowitz at the Werkunde meeting.

This, then, implies that there is a very real, sharp transatlantic inter-state conflict, but one that remains largely covert, contained within the closed world of executive level manoeuvres, with both sides threatening to turn towards open domestic political mobilisations against the other but not doing so in a thorough-going open way.

But the general thesis also implies that, ultimately, the US is bound to win because of the gross asymmetries of power between each side of the Atlantic.

Yet there are grounds for placing a question mark over one aspect of this analysis. And this is the claim by the propagandists of the Project for a New American Century that the West European states are irrelevant and can do nothing but ultimately accept and adapt to everything that the US insists upon. There are those who challenge that assumption.

2. Limited asymmetrical transatlantic 'warfare' on programmatic issues.

This second explanatory argument accepts that there is a real and serious transatlantic inter-state conflict. It also accepts the analysis of the broad-based US managerial project for a new, unipolar world hegemony. But in differs in two, interlinked respects from the type of analysis offered by people like William Kristol. First, it disputes the claim that the US already has political control over the world, including Western Europe. And second, it disputes the claim that US military power is trumps in all the main games that the US must play in order to triumph in its new hegemonic project. It therefore gives the conflict a much less predictable and controllable outcome than the one which the propagandists of the Republican right would like to have us believe.

The reality of transatlantic political relations since 1989 is that the *United States has lost rather than gained political dominance over Europe* as a result of the collapse of the Soviet Bloc. The source of this loss lies precisely in the military-political field which so much obsesses the Bush republicans.

American military power has never been used since 1945 to subordinate Western Europe by directly threatening its states. Military instruments have been a potent means of political control through their indirect role, their role in shaping the security environment of Western Europe indirectly. Thus, Western Europe was, in effect, a US protectorate during the Cold War for two reasons: first, because the states there aligned themselves politically with the USA in its contest with the USSR, and secondly, because the nature of the military instruments in the hands of the USSR and the USA. These made the security, indeed the very survival of the West European states, entirely dependent upon the US-Soviet military relationship. If the US went to war with the USSR, say, in the Middle East, the results for Europe could include the following: the USSR could over-run Western Europe without the USA responding;

the USSR and the USA could destroy Europe in a limited regional war; or the USA could destroy the USSR without Europe being destroyed. These scenarios were a powerful means of ensuring that each European state was obsessively tied to a subordinate relationship with the USA and that this relationship with the USA trumped all other relationships of the given European state.

With the collapse of the Soviet bloc and of the USSR, this West European military-political dependence on the USA also collapsed. In other words, the US military instrument lost its political leverage over Europe. Thus European states could become more politically assertive vis-a-vis the USA. Worse, they could end their hub-and-spokes pattern of transatlantic relations and the West European spokes could link up with each other to build a new West European hub that would relate to the United States as a collective. Worse still, this West European hub could try to project its political influence eastwards into Eastern Europe and southwards into the Mediterranean autonomously from the USA. And yet worse, a rather powerful instrument of collective economic statecraft on an international scale - the European Union - could mutate in political terms: instead of being a subsystem of a hegemonic American-led Atlantic Alliance, it could become an ensemble of instruments in the hands of the new West European political hub.

This has indeed been the project of France and Germany and other West European states in the 1990s. It has been a project which successive American administrations have fought. The battles have gone on overwhelmingly behind the backs of the mass publics on both sides of the Atlantic as a largely covert struggle at state executive level. The US has won some battles. The West Europeans have also won some. Neither side has won a decisive victory over the new pan-European political system to replace the Cold War order.

We can mention a few landmarks:
* The Bush senior administration's pulling of all the European states under US leadership in the Gulf War, asserting its dominance against the threat of a new pan-European peace order's construction marginalising NATO.
* The German government's ability to unify the West Europeans for independence for Croatia and Slovenia in December 1991, much to the surprise of the US.

* The Bush senior administration's riposte with its campaign for Bosnian independence in 1992 and a Bosnian war followed by the Clinton administration's successful sabotage of West European efforts to broker a Bosnian peace.

* The Clinton administration's triumph, through the Bosnian war, in pulling the West Europeans over to accepting NATO as the new Europe's central military-political institution with a mission to strike 'out of area'.

* The Clinton administration's triumph in pushing through a NATO enlargement which excluded Russia and thus offered the possibility of Western Europe's security again becoming dependent upon US-Russian military relations.

* West European blow-back from the Clinton triumphs in the form of a new West European political caucus appearing at the 1996 Berlin NAC and in the form of the British beginning to shift their position, after the Bosnian experience, towards closer security cooperation with France rather than exclusive subordination to the USA, culminating in the St. Malo declaration of Chirac and Blair in December 1998.

* The Clinton administration's drive to anchor its political dominance over the new Europe through NATO via the NATO war against Yugoslavia over Kosovo in 1999, a war engineered through using US control over the NATO military apparatus to ensure that the Rambouillet conference collapsed.

* Blow-back from Western Europe through the feverish construction of the European Security and Defence Policy (ESDP), unveiled in Cologne at the end of the Kosovo War, giving Europe its own apparatus for military planning and possible future military action.

* US involvement with the Albanian insurgency in Macedonia, combined with threats from the Bush team to pull US troops (as opposed to other US operational instruments) out of the western Balkans, combined with a US call for Kosovo independence and, no doubt, for a Greater Albania. At the same time, a Bush team determination to gain a 'big bang' NATO enlargement to include the Baltic states and the states along the Black Sea's western coast.

This, then, was the background in the military-political field as the Bush administration came into office. It was a background of often rather intense inter-state conflict across the Atlantic. But it was not a background of the sort which the propagandists of the Project for a

New American Century suggest: Washington decides, end of story.

Furthermore, if Washington had enormous resources in the military-political field, Western Europe during the 1990s demonstrated in many fields the utility of economic statecraft and of other forms of soft power, such as the use of conference diplomacy to construct treaty-based regimes on a vast range of issues which often had the effect of limiting or even undermining the value of US military instruments.

Indeed, the real Achilles heel of Western Europe's power politics in the 1990s was often not US military power at all. It was the internal divisions amongst the main West European states themselves. But frequently Washington's tactics, especially its tactics involving military action, produced just the kinds of reactions which Washington was keen to avoid: security worries in West European states which pushed them closer together vis-í-vis Washington.

And the West European states have also hit upon an extremely powerful *world order concept* which both appeals strongly to other advanced capitalist powers and is very difficult for Washington to either accept or combat. This is the concept of using the structure of public law and legal institutions to lock countries outside the core into politico-juridical subordination to the advanced capitalist states. The concept involves states adhering to international treaties concerning their internal economic, social and political arrangements. Economic statecraft (especially exclusion from advanced capitalist markets) can 'persuade' them to accept the treaty law. And since such international law trumps domestic (municipal) law, the target states are locked in juridically.

This then transforms the politics of military coercion: governments which come to power in a locked-in state and seek to redesign the economic or social order will breach international law. Thus military coercion of such states will be legitimated by international law. This is a genuinely *hegemonic idea for a new form of imperialism*, particularly if the treaty law links together human rights concepts with free market capitalism and an economic open door. But the concept entails one integral condition: the dominant states must also sign the treaties. The EU states are used to that idea. But it is an idea which the United States, which has had fifty years' experience of making up rules as it goes along during the days of its Cold War hegemony, finds impossible to swallow. The hegemonic European idea can thus be an

instrument of EU politics against the United States.

When this is combined with the West European states' support for all decisions on the use of military force requiring a UNSC mandate, the West European states can gain support for its international posture from such states as Russia or China.

In short, the idea that the West European states have been impotent in the face of US military power is one-sided. They do not have the collective instruments for military competition with the USA. But they have what may be called the instruments for *asymmetrical power political competition*.

When we integrate the last nine months into this cognitive framework, we find a rather different set of conclusions from those of the propagandists of the Project for a New American Century. We see a new Bush administration mainly staffed by the assertive militarist hegemony people such as Cheney and Wolfowitz and people from the Center for Security Policy. This group was evidently positioned to be the conceptual and policy driving force, while Colin Powell, with a different background, much closer to the kinds of tactics associated with the Council on Foreign Relations, was designed to be a reality check and feed-back mechanism to ensure that the assertive policy drivers did not overreach. Condoleezza Rice was to be the managerial interface between these groups and the President.

Yet the new Bush administration has been very different from serene, planetary masters basking in the glory of American supremacy as depicted in the propaganda of the Project for a New American Century. Its body language was more reminiscent of Wilhelmine braggadocio and bluster, and the bluster was evidently directed at the European Union. Bush tended to reverse Teddy Roosevelt's dictum about talking quietly but carrying a big stick. He loudly declared Kyoto dead, but his stick couldn't kill it. His team briefed the press with dire threats about destabilising US moves in the western Balkans but he didn't follow through on them. There was evident fury within the Bush team over the West European move to create the ESDP. The British *Daily Telegraph* was given a briefing by a top Bush official which was full of dark threats towards Europe under the heading, 'President Bush to Europe: Its no More Mr. Nice Guy'. The *Financial Times* US correspondent spelt out Bush group thinking very clearly just after Bush's inauguration:

A common EU approach in NATO's councils... is anathema to US foreign policy doctrine. Those close to Mr. Bush have made it clear the US will not tolerate an agreed EU approach to NATO questions.

The correspondent added that an adviser to Bush was warning the Europeans that they were threatening a ' political decoupling' of the US from Europe.[28] Words like 'anathema' and 'will not tolerate' and 'political decoupling' must be seen as strong and harsh. Yet Bush did not dare to confront the ESDP head-on: that was evidently too risky. Bush attempted to flex American muscles in Korea by trying to destroy Kim dae Jung's sunshine policy and Washington was shocked to see the West Europeans intervening there in support of the sunshine policy, directly flouting Washington in its own security zone.

The Bush administration was thus searching for ways of bringing Western Europe back under control. Its serious policy for doing so was hinged upon gaining the military capacity to define and attack rogue states particularly in the Middle East/ Arab world with Iraq and Iran at the top of its list. And it wished to scrap the ABM treaty and push ahead with NMD to strengthen the credibility of its new 'pre-emptive strike' project for hitting 'rogue states'. NMD would then become the basis for a new US alliance system of security zones. The existing allies could join the NMD system, in which case they would be implicated in every political confrontation which the US chose with a rogue state. Or they could refuse to join NMD, in which case they would, in effect, be outside the US military alliance system. The result would be, obviously, to split the European caucus since Britain could be certain to join the NMD system.

These policies were evidently linked to a new tactic towards the Middle East: instead of the standard American approach to Israel-Palestine over a quarter of a century, involving a continuous 'peace process' (though not an actual, viable settlement) the Bush administration made a dramatic new turn: supporting a drive by the

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28. G. Baker, 'No More 3rd Way Camaraderie from the US', *Financial Times*, 25 Jan 2001, p 21. See also Jeffrey Gidmin, 'President Bush to Europe: Its No More Mr. Nice Guy', *Daily Telegraph*, 11 Jan 2001

Sharon government to destroy the Palestinian authority. The calculation seems to have been that, faced with the Sharon offensive, the Arab states would turn to Washington for it to intervene with a 'peace process'. Washington then would reply that they would not intervene unless the Arab states agreed to one big condition: to back Washington in a war against Iraq. Once they had agreed to this, Washington could crush the Iraqi state and establish its new doctrine of military force to attack and overthrow rogue states.

Before 11 September, the focus of the Bush administration's mentors like Richard Perle was continually on Iraq, Iran and North Korea.[29] Bush made a trip to Europe in the early summer, but ostentatiously avoided Berlin, Paris or London and reserved his major speech for Warsaw, which he called the centre of Europe. He used the trip to insist upon a big bang NATO enlargement right up against Russia.

After 11 September, remarkably little changed in the basic strategy of the Bush administration. The snub for NATO was designed to construct a new hub-and-spokes alliance system and was directed against the West European caucus. The attack on Afghanistan was designed to show that the US could act alone and to show-case US military power. It also created a valuable precedent for the new goal of pre-emptive strikes against the sovereignty and the governments of rogue states. And the idea of using Sharon as a pawn to exert pressure for the Arab states and Europe to agree to a war against Iraq went ahead. And, as over Kyoto, the Bush administration adopted towards Iraq the tactic of big talk first with action supposed to follow only later. In both cases the purpose of this tactic seems to be to frighten political leaders in other states with the supposedly iron resolve of the super-power.

Yet, as in the case of Kyoto, so with the Iraqi campaign, the Bush tactics ended with a demonstration of weakness more than strength. The press were told weeks in advance that vice president Cheney would make a trip to the Middle East for the sole purpose of preparing for war against Iraq. Cheney returned empty handed on Iraq while the Arab League supported Iraq publicly against any such attack. Despite a carefully cultivated reputation as the real steel in the administration,

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29. Chris Masters Interview with Richard Perle, Four Corners, ABC, 6 Aug 2001.

Cheney returned to Washington with proposals to water down the Sharon gambit against the Palestinian authority and even toyed publicly with the idea of meeting Yasser Arafat. A visit by Powell to the region demonstrated that the Bush administration's whole policy was in ruins and that it was threatened with severe political defeat in the Middle East. The Blair government, which had initially backed a war against Iraq without a UN mandate and promised a dossier that would make the case for war against Iraq, began declaring that a UN mandate was necessary and cancelled the publication of its dossier indefinitely. Thus, by the end of May 2002 the entire energy of the Bush administration was devoted to at least tactical retreat and damage limitation. Western Europe's readiness to continue normal relations with Iran and North Korea went unpunished by the US. And the US swung round from its evident readiness at the start of the year to contemplate the removal of Yasser Arafat. War against Iraq has been official postponed at least until 2003.It remains to be seen what impact the Bush campaign will have on South Asia: it's war on Afghanistan has destabilised the Pakistani state while its doctrine that the US can attack states harbouring terrorists has been universalised by India to mean that India can do the same. A war in the sub-continent would be extremely damaging to US interests and probably end the so-called 'campaign against terrorism' as a credible international coalition.

This series of failures of the Bush drive in the Middle East is not, of course, the work of West European diplomacy alone or even in the main. The strength of Palestinian counter-terror and the mass mobilisations throughout the Arab world as well as in many other parts of the world were crucial. The Bush administration and Sharon governments found themselves almost totally isolated at a diplomatic level with even Britain as an unreliable, wobbly support.

3. An economic sub-text?
One dimension of the context of the transatlantic rift is generally given little weight by analysts. This is the economic dimension. When it is discussed the focus is almost entirely on WTO issues like steel and agricultural subsidies or on the geopolitics of energy (eg. Iran and Iraq). And it is easy to point out that, at what might be called the micro-economic level of transatlantic business co-operation, the record has

been one of a great harmony and of an acceptance by West European transnational companies of a broad range of common transatlantic business interests in relation to regulatory regimes, neo-liberal social transformations etc.

Yet there may be other aspects of the transatlantic economic relationship that are matters of concern and even anxiety in Washington. The end of the American boom has brought with it some shocking revelations about the extent to which the boom itself has proved to be a bubble. While many understood the speculative fever in US securities markets during the boom, there was still a strong belief that despite this and despite the dot com madness, the huge investment in the IT and telecoms sector during the boom was fundamentally soundly based. People thought that it was providing a new infrastructure for long-term streams of productivity gains across the US economy of the sort that would drive US international economic leadership for at least a decade.

But it is this aspect of the boom that is now in doubt. Some analysts suggest that this whole investment wave may actually have itself been a largely speculative misallocation of capital on a vast scale. If these worries are well-grounded, then the United States economy is faced with the possibility of a very large devalorisation of capital in a serious recession. And such a turn of events could both feed and be exacerbated by a steep fall in the dollar.

In such circumstances it would be of the utmost importance that the US government had the political leverage to ensure that the international management of such a crisis was handled co-operatively in such as way that the burdens of adjustment were not to fall exclusively upon the United States. The decline of the dollar should be managed co-operatively, avoiding the need for sharp US interest rate rises to prevent a precipitate collapse. The West Europeans should be pressured to prevent a capital flight from the US financial system and so on. A large increase in European defence spending should be not only encouraged but directed towards buying from the US defence industries (rather than developing their own A-400M military transport plane and their own Galileo system). And so on.

It is difficult to know how much these kinds of anxieties have fed into Bush's campaign since information about discussions of such things is not in the public domain. But that they have played a role

seems very possible. More generally, the very existence of the Euro and the possibility that it could rise as a global currency challenging the dollar must be a deep, long-term source of anxiety to US policy makers, since global dollar dominance is now such an important element shaping the whole pattern of American capitalism. Military-political dominance over the rest of the core remains an indispensable basis for ensuring the continued dominance of the dollar.

Conclusion

This analysis suggests a number of conclusions about the nature and sources of transatlantic political tensions, while bearing in mind that all such conclusions can only be tentative because of the closed nature of so much transatlantic politics at a state executive level.

The first conclusion is that the sources of the tensions do indeed go back to the structural change involved in the collapse of the Soviet Bloc. This created two sharply contradictory results: both a sudden leap in US military ascendancy on a global scale and a simultaneous sudden collapse of the political efficacy of US military instruments for political control over Western Europe. Thus the old Cold War harmony between the political goals of the US state and its instruments for securing those goals was shattered.

There was a second, deep irony in the US 'victory' in the early 1990s. The very fact that the entire world seemed to be rushing towards American forms of capitalist integration has the effect of rendering the structure of the American state, as par excellence a state for controlling the capitalist centres against powerful enemies, utterly impotent as a lever of political shaping.

A third quite largely fortuitous consequence of both the Cold War and its aftermath was that the West European states had hit upon an ensemble of mechanisms of soft power which were rather perfectly attuned to extending EU influence in the post-Cold War context and were simultaneously instruments which the US found it extremely difficult to adapt to, much less to lead.

The solution of successive US administrations has been to adapt the world to the structure of the US state rather than adapt the latter to the new reality of the former. They have spent much of there time in the 1990s trying to use their military instruments indirectly to reshape the

context of the West European states to pull them back to protectorate status. But they have not securely succeeded.

And they have faced another problem: the American MPS has been out of synch with the American ECS. It has not thrown its weight behind the ECS's drive to assert its power globally. Clinton adapted to that reality. The Bush team were determined to change it. 11 September gave them their opportunity. They chose the Middle East as their terrain for big victories that would open the door to a new world political order concept centred on the US as global political sovereign, deciding who the world's enemies were, declaring states of global emergency and brigading all powers into US actions to crush the enemies.. The hidden target of their drive was in large measure Western Europe. The West European states resisted, but with extreme caution, for their strategy is to roll with the punches and tighten their unity while aiming ultimately for the US to make a strategic retreat from their ambition to construct a unipolar world order.

In short, the European aim is to gain a transatlantic partnership for a world order concept of what classical Marxists called an ultra-imperialist world: not European dominance, but collegial transatlantic rule. The problem with the European idea is that it entails a radical change in the way that the American state has done its international politics for at least half a century.

The record so far of the Bush administration's effort to use 11 September to impose its world order project via victories in the Middle East is one of failure and forced tactical retreat. Bush has brought his sponsors in American big business new gains in Central Asia, new possibilities with Russia, but something approaching political humiliation in the Middle East and in Europe. At the same time, alert observers at ECS level will have taken note of the continuing satellite status of the British state vis-í-vis the USA, while equally noticing that the French and German states stood their ground on Iraq and won, at least for the moment.

European state leaderships will now be seeking to make this Bush retreat as painless as possible by being as cooperative as possible. But meanwhile hundreds of millions of people, if not more, across the globe will be absorbing the lessons: America talks big and flattens Afghan villages. But its aggressive threats and doctrines justifying

aggressive war against sovereign states seem to produce
outcomes: they are seized upon by the Sharon government and by the
Indian government as legitimating strategies but not actually followed
through by the US government itself against Iraq.

And in the midst of a campaign against Iraq that faltered, the
Bush administration tried to demonstrate that it could flout the WTO's
normative basis with impunity, as if it was still back in the Cold War
days when it could do just that to GATT principles with its 301 and
Super 301 trade war instruments. This, despite the fact that, on any
rational assessment, the WTO is an organisation serving US external
economic interests more obviously than the interests of any other state.

Meanwhile, transatlantic inter-state relations are in a state of
chaotic rulelessness. No one knows, for example, what NATO is now
supposed to be for. Is it simply a body for legitimating US interference
in Europe's internal affairs, as President Mitterrand claimed it would
become if NATO was turned into a 'political' body, as James Baker
suggested in 1989? Is it still organised to enable the US to exclude
Russia from Europe and repolarise Europe under US leadership against
Russia at some time in the future, as the emptiness of the new NATO-
Russia Council's framework would suggest (in contrast to the original
Blair-Shröder proposal on NATO and Russia)? Or is it just a terrain of
transatlantic conflicts and manoeuvres?

The West European concert of states is not seeking a
confrontation with the United States. Such a confrontation could have
unpredictable and possibly uncontrollable results, not least through a
mobilisation of European public opinion against the US which could
play into the hands of the West European, anti-neo-liberal left. But
evidently the United States is now the principal security problem facing
the West European states. Their determination to gain a more equal
partnership with the US to build a new Atlantic-centred world order
faces a deep US commitment to re-subordinate Western Europe to the
protectorate status it had during the Cold War. US efforts to pursue this
goal through applying military force to Western Europe's various
geographical environments, such as the western Balkans, Russia, or
now the Middle East, have not been very successful. Will American
elites then seek a genuine programmatic compromise with Western
Europe? Or will it escalate the conflict? If it wishes to it can. It has a
whole range of overt and covert instruments for doing so. ●

Beate Andrees

"Post-modern" warlords and transnational networks: the difficulties of peacemaking in Kosovo[1]

Before the breakdown of communism in Eastern Europe drugs from Asia were already channelled into Western Europe over the so-called "Balkan route". The opening of borders and the beginning of the Balkan wars in the early nineties lead to a diversification of illegal activities such as embargo busting, smuggling of weapons, cigarettes, fuel as well as trafficking of persons. Thereby, individual profit making and war making went hand in hand.

Because of its geographical location and intensified conflict the province of Kosovo emerged as an important centre of criminal activities in the Balkans. By shedding light on the historical evolution of the Kosovo conflict and its criminal dynamics I attempt to answer the question how local warlords and their transnational networks influence post-war reconstruction. My main argument is that the alliance between warlords and transnational networks such as diaspora or mafia creates widespread violence and informality in the province. Although they provide alternative sources of income in a region with high unemployment and poverty, they also impose exclusive, parallel governance structures. Evidence from the post-war process in Kosovo

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suggests that their power and criminal potential are very elusive to international regulation.

The article consists of three parts: I begin with some theoretical reflections on state fragmentation, conflict and transnational networks. In the second part I want to illustrate this with evidence from the Kosovo conflict. The last part contrasts the ongoing rivalry between local and international forces of power after the formal end of the war.

1. State fragmentation and the growing power of transnational networks

Ethnic conflict and state fragmentation

Phenomena of ethnically motivated violence and the expansion of transnational criminal networks do not correspond with the "new world order" in which free international trade, cultural exchange and the recognition of universal human rights were supposed to replace cold war animosities. With regards to Eastern Europe, the liberal transformation process designed in the spirit of the "Washington consensus" has weakened state institutions and intensified socio-economic crisis. Moreover, cultural symbols of communism have been devalued and destroyed within a short time, leaving a vacuum filled by ethnic-nationalist phantasm. Regardless of the very different starting positions of post-communist countries, political elites almost everywhere fostered their power by playing the ethnic card. Some of theses games ended in a more or less peaceful separation as between the Czech and the Slovak Republic. Others have turned into bloodshed.

This new disorder at the periphery of Western Europe has for a long time been understood as a consequence of primordial ethnic conflicts which were released after the breakdown of communism. As for the newly established protectorates in the Western Balkans, international organisations and their Western donors prescribe liberal democracy and strict market reforms as a remedy against the "pre-modern relapse". They have never critically assessed their contribution to the failure of the first liberal reform phase in former Yugoslavia leading

to growing tensions among the republics during the 1980s. The carrot and stick strategy applied by Western donors after the end of the Balkan wars has again lead to highly ambivalent results: state institutions in Bosnia as well as in Kosovo are hardly viable and economic relations are mainly informal (Chandler, 1999; ICG, 8/2000).

Ethnic conflicts emerge from complex interactions, which cannot be explained in this paper. To summarize briefly, recent research has identified four main reasons for the transformation of latent conflict into open war. First, weak states, that can be defined by their limited range of state authority, regulative power and legitimacy. Paradoxically, weak states have very often authoritarian governments. This factor is closely related to the second possible cause - ethnic geography and the degree of exclusion or inclusion of minorities from governance. The third possible cause has to do with economic structures that shape inclusion or exclusion of a country within the world economy and concomitant strategies of adjustment at the local level. Very often this process is accompanied by a segregation of a given society along ethnic lines. In certain constellations a social crisis can then turn into ethnic conflict. Finally, material factors have also a cultural and symbolic meaning. This is to say that ethnic identity is invented and reconstructed from a given past, which is inscribed into the collective memory of a people (Brown, 1993; Crawford/Lipschutz, 1998; Duffield, 1998; Turton, 1997). In line with approaches from political economy, I put emphasis on the issues of state building and fragmentation as well as on the economic base of ethnic conflicts.

As Duffield (2000) has pointed out, from a structural point of view, peace and war are relative concepts. In this sense, a war economy resembles in many aspects that of a "peaceful" transition economy. What is characteristic of both is their high degree of informality, induced by high unemployment, a fragmented public administration and dependency on external aid. Hence informal economic activities to generate income such as subsistence, trans-border trade or crime are widespread. At the same time, cronyism and corruption flourish in such an environment. So called ethnic conflicts and wars only intensify these informal practices, which undermine the normative and regulative framework of the state. The borders between the formal and the informal, just as between war and peace, are blurred. Empirical research should,

however, focus on the processes and forces behind increasing informality in economic as well as political affairs (Altvater/Mahnkopf, forthcoming 2002).

Post-modern warlords: local power and global reach

Since ethnic conflicts follow a different logic than international wars, the state plays a fundamentally different role.[2] Whereas classical war making usually enhanced the monopoly of violence of the state, ethnic or internal conflict are precisely characterised by the increasing fragmentation of state power. It is replaced by local warlords that have the command over rebel groups, cooperate with ethno-nationalist parties or influential family clans. Warlordism is one of the most extreme examples of informality within the world economy. It is aimed at both the generation of income and profits as well as the accumulation of political power. Warlords base their power on what Elwert (1999) has called markets of violence:

> These markets of violence exhibit a self-stabilised structure and owe their reproduction to a profit-oriented economic system which combines violence and trade as means of access to commodities. (Elwert, 1999: 86).

In general, markets of violence replace the state monopoly of violence; this can happen before, during or after a war. They can emerge as a side effect of economic modernization, hence as a means to destroy previous property relations and to accumulate wealth. Or they result from a transformation process of political liberation movements into economic entrepreneurs (Collier, 2000).

As I stated above, there is never a clear cut between the formal sphere of the state, the informal sector of political power, and informal economic activities, including crime (defined in terms of national and international regulations). Often, all three spheres interact although regionally in different ways. Local warlords that control markets of violence make use of a variety of strategies through which they link their political influence to the economic system. Since their legitimacy

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2. See Duffield (1998) on post-modern conflicts.

is always contested they have to find alternative sources of income generation. These can be participation in the drug and weapon trade, blackmailing, extraction of natural resources, robbery or skimming off humanitarian aid. At the same time, they establish a system of order similar to that of the state. They have the monopoly of violence, recruit soldiers, for instance in refugee camps or through media propaganda, establish a different tax system and try to co-opt local politicians that are officially linked to the formal state sphere. With reference to Mark Duffield's (1998) concept of post-modern wars I call these warlords "post-modern" since they are part of a multilayered and fragmented governance structure where territorial-legal borders as well as ideological underpinnings have become fluid.

In the following I will mainly discuss how local warlords are linked to transnational diaspora and mafia networks. Cooperation between either of the two is by no means free of conflict as interests vary and both, diaspora as well as mafias, are highly fractioned in themselves. Yet at certain times cooperation can be beneficial for all sides: warlords need the diaspora for moral and financial support and the mafia to do the "dirty business" such as illegal weapon trade. Diaspora groups believe in the political liberation struggle which helps to secure their own identity. Mafia bosses support local warlords primarily for later concessions to continue their business without punishment.

Diaspora starts with the expulsion or mass emigration of a people from a centre, which is translated into "home" within the collective memory. Diaspora people differ from other migrants in that they create and maintain transnational networks among themselves and in the country of origin. There are basically three types of diaspora which Angoustures and Pascal (1999) have described as "constitutive", "supportive" and "controlled". The first type defines relatively independently its relationship with the country of origin, sometimes even in opposition ("governments in exile") (Shain, 1993). The second type is mainly supportive of the government or fractions of it in the country of origin. It is independent but without direct influence. The third diaspora formation is directly under control, mostly of rebel movements and local warlords. Depending on how power struggles are decided within the diaspora, how much the conflict back "home" can

become a mobilising force, politically active fractions within the diaspora will develop into either one of the above mentioned type. This can change over time and also within space since the politics of the country of residence determines the room for manoeuvre of the diaspora. This refers not only to the creation of financial resources through integration in the host's labour market but also to opportunities for political lobbying.

Characteristic of all diaspora groups is, however, their organisation via transnational networks. Nodes of these networks can be found between political pressure groups, parties, foundations, humanitarian organisations and the diaspora media. At the same time all diaspora groups are linked via mushrooming websites in the internet, virtual discussion groups and news services. The network is not more than a metaphor but it symbolizes the transformation from a purely state based organisation of social affairs to a transnational fluid type of social interaction.

Whereas a diaspora is haunted by traumatic experiences in the past and mainly concerned with identity questions, a mafia is primarily profit-oriented. Profits are gained through the production of and/or trade with illegal products and services such as drugs, gambling or prostitution. Just as warlords create local markets of violence, mafia bosses use repressive means to secure profits and power. At the same time, they guarantee security and impose rules that can be compared with governance structures. Ethnic, patriarchal and traditional honour codes regulate entry or exit. The more complicated the codes (for instance language, feuds etc.) the more difficult it is to infiltrate the system from outside. Although trust as well as repression are important to secure contracts, breaching contracts is also common. The ethnic code of mafia networks also does not exclude cooperation with "business partners" from an other ethnic group (Fiorentini/Peltzman, 1997).

Diaspora, mafia and warlordism are not totally new phenomena. On the contrary, their roots can be traced back to antiquity and the Middle Ages. They have survived because of their flexible organisational structure that supersedes that of the modern nation state. Recent innovations in transport and communications, financial markets, and the easy access to weapons after the end of the Cold War, have, however, increased network density (nodes as well as flows of goods, money and information) and cooperation among diaspora, mafias and warlords.

The informal character of these networks and their increasing power, especially in ethnic conflicts, should not be interpreted as a "development back" to pre-modernity. Rather does it indicate a further differentiation of forms of social reproduction that are either contrary or complementary to state institutions. The original function of the modern state, that is, to mediate between parochial interests, is thereby fundamentally undermined.

2. The Kosovo conflict and its legacies

Historical background

The conflict of Kosovo has a long history, but in the following I will only mention some of the more recent events. One of the key failures of the Titoist government in Belgrade was the failure to guarantee security and equal opportunities to the Kosovo-Albanians who have never been content with the autonomous status of the province within communist Yugoslavia. After the death of Tito, they started again to express their demands with protest marches in 1981. Tensions between the government in Belgrade and the Kosovo-Albanians culminated in 1989/ 90 with mass demonstrations and strikes that were violently repressed by Serbian security forces. After the dismissal of more than 130,000 Albanians from public services, the Democratic League of Kosova (LDK) under Ibrahim Rugova started to create a shadow state. In May 1992, the LDK organised secret elections, out of which Rugova was appointed as president and Bujar Bukoshi as prime minister. The elections and the new government have never been recognised internationally although diplomatic contacts to Western governments and parliaments existed.

On the one hand, the shadow state can be seen as an attempt to formalise societal relations despite the exclusion of Kosovo-Albanians from the public sphere. The shadow-government created a solidarity fund and imposed a more or less voluntary income tax of three percent from which it financed a parallel education, health and legal system, police and administration (Clark, 2000; Troebst, 1998). At the other hand, it was unable to prevent and even reinforced informal relations.

The solidarity fund was mainly sustained by diaspora money; emigration as well as informal income generating activities increased (Montanari, 2000a; EC/World Bank/UNMIK 11/1999).

Over the following years, the fate of Kosovo was closely related to developments in neighbouring Albania. The breakdown of communism in 1991 opened the doors for renewed contacts although estrangement on both sides was deep rooted. Political elites have avoided discourses about grater Albania although visions of a cultural, economic and political unification of all Albanians without territorial border shifts are popular among the elite as well as ordinary Albanians (Schmidt, 2000; Sheku, 1997). Over recent years, transnational links between academic institutions, trans-border trade and other forms of mutual exchanges have increased, partly as a strategy against Serbian or Macedonian discrimination, and partly as strategies of survival. Criminal groups that had already been active in former Yugoslavia benefited also from the opening of borders as well as from the half-hearted imposition of international sanctions against Serbia during the Balkan wars. I will return to this in the following section.

Whereas many Albanians went to Greece and Italy in search for work, Kosovo Albanians predominantly came to Germany and Switzerland to seek asylum. They relied on well established networks originating from the guest worker schemes during the 1960s and early 1970s. Many of them had been active in the shadow regime or participated in demonstrations before the crackdown of Slobodan Miloševic. The military clashes between 1997 and 1999 set in motion new waves of refugees from which only a few tens of thousands reached Western Europe. Since official statistics count Kosovo Albanians as "Yugoslavs" it is very difficult to estimate the numeric size of the diaspora. It has been estimated after the war that roughly 250,000 Kosovo-Albanians were living in Germany, 150,000 in Switzerland and 600,000 Albanians as well as Kosovo-Albanians in the USA. Apart from those three important centres of diaspora activities, there are several thousand Kosovo-Albanians in Austria, Belgium, Italy, Scandinavia, Australia and New Zealand. Those who came as refugees or asylum claimants to Germany or Switzerland have obtained a temporarily limited permission to stay but not to work (so called *Duldung* and *Aufenthaltsbefugnis*). Existing migration networks as well as legal or

administrative exemptions have, however, helped the majority of Kosovo-Albanians to find work abroad albeit often under very precarious working conditions.[3]

The criminal dynamic of the conflict

The mutual exchange of the Kosovo-Albanian diaspora, Albanian mafia networks as well as local warlords[4] can be separated into three phases. It began in the early 1980s when political discrimination in Kosovo increased and socio-economic conditions deteriorated. Between 1982 and 1984, militant Kosovo-Albanians organised several attacks on predominantly Serbian security forces in Pristina from abroad. In turn, more than thousands of Albanians were imprisoned and some of the wire-pullers abroad were assassinated by Serbian intelligence (Le Monde Diplomatique, 5/1999).[5] During this era, political groups fighting for independence started to establish links to Albanian mafia networks in order to obtain weapons. The Turkish mafia was still the major player on the Balkan route over which from 25 to 40 per cent of the US-American and European heroin supply was transported.[6] After the demise of communism, Albanians gained influence in the drug trade from which also the regimes in Belgrade and Zagreb benefited (Rastello, 2000).

The second phase began with the state of emergency, mass demonstrations and strikes in 1989, followed by the establishment of the shadow state in Kosovo as described above. Three years later, the communist regime in Albania collapsed. Thousands of Albanians attempted to escape the following economic insecurity and political chaos. They went to Italy, Greece, Northern Europe and the United States. This was the period when the Albanian drug mafia established its main links and network nodes outside Southern Europe. Territories

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3. Sources: Information from IOM Berlin/Germany (1999). See also OECD (2001) or statistics of UNHCR, download: www.unhr.org.

4. Warlords did not yet exist at this time, rather very determined activists such as Byrdhal Mahmuti that were organised in clandestine groups.

5. Some of these radical political groups started as secret Marxist-Enverist cells, demanding unification with the communist Albania of Enver Hoxha.

6. Estimation of the US-American Drug Enforcement Administration (DEA) in 1985.

of influence were partitioned between the Albanian and Turkish mafia as well as with the Italian 'Ndrangheta, however, not without frequent outbreaks of violence in some major cities such as Milan. Until now, the Albanian mafia has established a wide network of transport routes and trading posts between the Western Balkans, Italy and the rest of Western Europe.[7]

As I mentioned in the beginning, a mafia wants to make profits from illicit trade or services. Political interests are usually limited to bribing officials in order to secure the smooth continuation of the business. The Albanian mafia, however, attracted people with a "mission", that was the support for their battered brethren in Kosovo. As the conflict against the Serbian regime grew more intense, mafia bosses such as the Kosovo-Albanian Agim Gashi linked their business to the weapon trade. Based in Italy, Gashi bought weapons with the money earned from drugs and Albanian middlemen shipped them to Kosovo (*Corriere della Sera*, 15 October 1998).

Between 1992 and 1993 young uniformed men appeared for the first time at funerals in Kosovo and claimed to be members of the Kosovo Liberation Army (KLA). Behind the KLA stood one of the oldest and radical political groups of Albanians in Kosovo: the Popular Movement of Kosova (LPK), founded in 1982. There was no clear hierarchy within the KLA, but village clans guaranteed a trust-based organisational structure (ICG, 3/2000). The main base of the rebels was in the Western province of Dreniça. In the early nineties, some members of the so called Dreniça group, such as the grey eminence of the liberation movement, Xahvit Haliti, and the young Hashim Thaçi, were granted asylum in Switzerland. In the following years, cities such as Geneva, Bern or Zurich became strongholds of the KLA (Denaud/Pras, 1997).

The political landscape of Kosovo changed dramatically with the Dayton treaty and the international recognition of Miloševic as "peacemaker". Rugova's attempt to internationalise the "Albanian question" with non-violent means seemed to have failed (Biberaj, 2000).

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7. For articles on the Albanian mafia see http://www.siri-us.com/backgrounders/ KLA-Drugs.html (by Benjamin C. Works). See also *Interpol-Report* (1991) and report of the National Narcotic Intelligence Consumers Committee (NNICC), 1996; download at: www.usdoj.gov/dea.

The LDK lost its reputation, especially among young men who were disillusioned with the deteriorating economic and political situation. Many of them registered as volunteers for the KLA. The prime minister, Bukoshi, exiled in Bonn/Germany, broke with Rugova officially in 1997 and invested tax revenues or donations from the diaspora in armed troops that later joined the ranks of the KLA (Adam, 1999; Montanari, 2000b). The voluntary income tax continued to be in effect, especially among the diaspora Albanians, although dissatisfaction with Rugovas shadow state grew also in the diaspora. Bukoshi's "finance minister" declared in 1999 that he had access to more than $33 million in a bank in Tirana (*Time Magazine*, 17.5.1999).

The increasing segmentation and radicalisation of the Kosovo liberation movement between 1997 and 1998 marked the beginning of the third phase. The Kosovo-Albanian diaspora transformed from a constitutive type into a highly mobilized and controlled type of diaspora. Albanian media (TV and newspaper), travel agencies as well as clubs in some of the big cities of Germany, Switzerland and the USA served as important information points. The transfer of remittances, humanitarian aid and KLA volunteers into the province was organised within this informal structure. Meanwhile, the LPK, that had become the official political wing of the KLA, gained influence in the diaspora at the expense of the LDK.

One man close to the LPK was Jashar Saliku who founded the Home Calling Fund (*Vendlindja Thërret*) in Switzerland. Saliku is a pronounced adherent of a Greater Albania and has collected millions of US Dollars for the struggle. The fund was organised as a network with different branches throughout the world which were either managed by the LPK or by Albanian humanitarian organisations (Adam, 1999; *Time Magazine*, 17.5.1999).[8] In the United States, for example, members of the Albanian diaspora donated up to $4 million during the hot phase of the conflict (*The Washington Post*, 26.5.1998). The official objective of the fund was to deliver humanitarian aid to the suffering people in Kosovo. Yet investigations by police and intelligence services have

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8. In Germany, for instance, the fund was managed by the Albanian Democratic Association that maintained an office in Bonn until the end of the war (see *German Intelligence Report,* 1999).

revealed that part of the money was also invested in weaponry. It is also estimated that about half of the roughly $900 million that were channelled into Kosovo came from the drugs trade (*The Times*, 24.3.1999; *Jane's Intelligence Review*, November 1995, download: www.janes.com).

In the beginning, criminal police forces from Western countries such as Switzerland or Germany had difficulties in tracing the money flows since business was conducted in Albanian language and via mobile telephones (*Sunday Times*, 11.3.2001; *Neue Züricher Zeitung*, 22.7.1998/ 17.6.1998). Later, however, some of the bank accounts in Switzerland were closed temporarily. In 1998, the US government declared the KLA a terrorist organisation, a verdict which foreclosed the collection of donations. It was lifted again when the KLA was regarded as strategically important during the NATO air strikes.[9]

The money flows from the diaspora were organised according to Hawala Banking methods. This is a very traditional method of money transfer that was used in South Asia over centuries. It is a trust-based system in order to avoid high banking fees, to circumvent currency restrictions by governments or to transfer large sums without leaving any traces. A Hawala banking system requires almost no start-up capital; all that is needed is a fax machine or an Email connection. The Hawala banker is usually running some other business such as a travel agency or a small import-export company. As a general rule, he receives money from a person in country A with a short note addressed to somebody in country B. He transfers the sum for a small provision by calling a "business partner" in that country – usually somebody from his kinship – who in turn informs the receiver to pick up the money.

The German Federal Agency for Credits estimated in 1999 that more than 200 registered enterprises were operating as Hawala banks transferring money from Germany to Kosovo.[10] Smaller sums were directly transferred by personal messengers or together with transports

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9. A summery and critique of the relationship between the Clinton-administration and the KLA can be downloaded at : http://www.fas.org/irp/world/para/kla.htm.
10. See Findeisen (2000). For more information on money laundering and hawala banking see Altvater (2001) and *RFE/RL Crime, Corruption, and Terrorism Watch* Vol. 2, No. 4, 31January 2002.

of humanitarian aid. The main reason why these informal methods of money transfer were so common among Kosovo-Albanians was the denial of access to the formal banking system and a general weak financial infrastructure in the province. Larger sums, especially of the Home Calling Fund, were either transferred to a bank in Tirana or by using the Hawala method.

Recruitment of diaspora Albanians to fight for the KLA was also organised through clubs, discos and travel agencies. According to the German Intelligence Report (1999), several thousand Albanians followed the mobilization of the KLA. In some cases, Albanian ex-officers from the Yugoslav army started psychological and military training in the host countries (*Neue Züricher Zeitung*, 22.7.1998). Consequently, the KLA increased its members from several hundred in the early nineties to several thousand in summer 1998.[11]

Having described the impact of transnational diaspora and mafia networks on the third phase of the conflict, I will now briefly turn on an aspect which at first glance seems disconnected from those networks, that is trans-border trade.[12] For years, the Albanian government under Sali Berlisha had turned a blind eye to sanction breaking on the northern Albanian border where Serbian and Albanian mafia gangs shipped weapons and fuel via Montenegro to Serbia. It has been estimated that the illicit business contributed up to 10 per cent to Albanian GDP (Naylor, 1999; Rastello, 2000). The business deteriorated in 1996 when Enver Hajin was assassinated and sanctions against Serbia were partly lifted. Hajin was the Albanian business partner of Arkan, the notorious boss of the Serbian paramilitary "Tigers". These two events accelerated the collapse of the Albanian pyramid systems, a highly unsustainable investment scheme. Thousands of Albanians lost their savings and faced high debts. When the first rumours spread about the bankruptcy of the pyramid schemes, panic broke out that ended in violent riots. In the course of these riots weapon depots were looted throughout the country.

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11. There are no exact figures on the membership of the KLA at any time. This can be explained with its informal structure. However, it enjoyed a lot of sympathy in Kosovo and in the diaspora. See (Denaud/Pras, 1997).
12. See Duffield (2000) for a general overview and theoretical assessment.

Some of the weaponry was directly sold to the KLA.[13]

What is important to note is that Berisha, always favoured by the USA and international financial institutions, was directly or indirectly involved in sanction breaking, the build up of unsustainable investment schemes and supposedly also in the opening of the weapon depots. With respect to his Western donors, Berisha avoided open support for the Kosovo-Albanians yet contacts existed in an informal framework. Apart from being an easy means to generate wealth, the pyramid schemes served also for money laundering which in turn facilitated the trade in drugs, fuel and weapons (Biberaj, 2000; Naylor, 2000). The collapse of these schemes forced Berisha to resign and caused the temporary breakdown of all state institutions in Albania. Criminal networks and the traditional Canoon codex (together with the blood feuds) took over important functions of state regulation (ICG, 1/1999; Schwander-Sievers, 1998).

The temporary state breakdown in neighbouring Albania played into the hands of the KLA. Berisha's successor, Fatos Nano, although a man from the south with less affinities to the Kosovo Albanians, did not interfere with the activities of the KLA in the north Albanian highlands. There the KLA established a refuge for the armed struggle with training camps and weapon depots. Most of the KLA volunteers from Western Europe arrived and were trained in Albania and also other transactions such as the trade in weapons, drugs or trafficking of migrants were channelled through Albania (Rastello, 2000).

In 1998 the KLA intensified its hit-and run-tactics against Serbian police stations and administration. By mid February 1998 Serbian forces began their offensive in the Dreniça region, but over time the KLA gained control over roughly 30 percent of Kosovo's territory. Incidents became public where the rebels forbade alternative political activities in the "liberated villages" and threatened Serbs as well as "collaborating minorities". In the same manner, "traitors" of their own rank and file were punished (*Le Monde Diplomatique*, 5/1999). When the USA attempted to build up a separate guerrilla force with the financial support of Turkey and Saudi-Arabia in 1998 (similar to the Contras in Latin

13. For further information on this issue see also Cabanes/Cabanes (1999) and ICG (1/1999).

America), the KLA counter-attacked it immediately and with success (ibid). Since the USA failed to "design" an alternative ground force and since it was unwilling (just like the other NATO partners) to deploy its own ground troops, the KLA was courted as the new ally in the struggle against the Miloševiç regime in Belgrade. In the words of US Senator Lieberman:

> [The] United States and the Kosovo Liberation Army stand for the same values and principles... Fighting for the KLA is fighting for human rights and American values (*Washington Post*, 28.4.1999).

The further development of the conflict leading to the NATO-intervention with all its disastrous effects for the civilian population has been discussed elsewhere. What should have become clear from this account is that contemporary conflicts are closely linked to the fragmentation of state power, the rising influence of transnational networks and increasing permeability of territorial borders within the region of conflict and beyond (together with an increase in legal and illegal trans-border trade, the easy availability of weapons and the lack of sanction enforcement measures).

All of those factors played into the hands of the KLA and weakened peaceful resistance movements such as the LDK. Western governments first ignored the crass human rights violations in the province and the LDK's peaceful response to it. Once sidelined, they then supported directly or indirectly the military option and that was the KLA.

What I want to highlight in the following section is that the alliance between the KLA, Albanian mafia and the diaspora is continuing but also changing in the post-war period. I will discuss more in detail the role of the "international community"[14] and its attempts to control these transnational networks, especially their destructive impact.

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14. With this highly ambiguous term I refer to international organisations and their predominantly Western (North-American and West-European) donors.

3. Crime and informality under UN administration

During the NATO-air strikes, Thaçi was proclaimed interim prime minister of Kosovo and formed a cabinet of several former KLA fighters. Neither the UN administration (UNMIK) nor Rugova, still the elected president, recognised the new government. This was only the prelude to an intense power struggle among different fractions of the KLA, old and new political parties, as well as UNMIK, which – despite of the elections in November 2001 – is still tormenting the province. This struggle is further enhanced by the unresolved status question and the fact that none of the Albanian political groups have been satisfied with the "sustained autonomy" guaranteed by UN Resolution 1244. Due to this, UNMIK was faced with a deficit of legitimacy from the beginning and furthermore earned the reputation of an inefficient, colonial-type of administration (Abdela, 2/2000; ICG, 12/2001). Elwert (1999) has argued that any outside intervention contributing to the demise of "markets of violence" will be legitimate in the eyes of the local population. With regards to Kosovo, this is certainly true for the NATO forces (KFOR), at least as far as the Albanian population is concerned. Yet the euphoria of 1999 has waned and the struggle for survival continues for the majority of the Kosovars, whether Albanian, Serb, Roma, Turk or other.

A key indicator for the "success" of international intervention will be the revitalization of the economy which for several structural reasons will be very difficult. Added to the unresolved status question, which also affects unresolved property rights and investments, comes the legacy of the shadow state with its informal economy, the lack of physical security and legal protection, as well as the disadvantaged position of the local economy at the world or regional market. As a consequence, unemployment rates are still extremely high – officially at around 60 per cent - and people are forced to find multiple, mostly informal or rent-seeking activities to secure income. Under these circumstances, transnational networks and local warlords, that had been of paramount importance during the conflict, continue to exert informal

power and to influence economic as well as political developments.

After the departure of the Serbian military and before the deployment of NATO-troops, the KLA was the unchallenged power in the province. The most influential group within the KLA continued to be the Dreniça group, which later formed the kernel of Thaçi's interim government and his newly founded Party for Democratic Progress (PDK). His "government" collected unofficial taxes; in some cases it was simply blackmailing. In Gjilan, for example, KLA/PDK representatives collected more than $50,000 per week after the end of the war (BBC News, 5.4.2000; Montanari, 2000a). Apart from the Dreniça group there were some powerful local commanders such as Ramush Haradinaj of the Pec region, who opposed the pro-Western approach of the PDK and insisted on the continuity of the struggle until full independence was reached. The commander of Llap, Mustafa Rustem, and Agim Çeku, responsible for the restructuring of the KLA, also supported full independence, if necessary by force (Montanari, 2000b; ICG, 3/2000).

While UNMIK started slowly to function, these warlords established facts on the grounds: they managed police forces, appointed mayors and controlled the streets with military force. From the perspective of many Kosovo-Albanians, they provided security after years of continued insecurity. For others, such as Serb or Roman minorities, the situation was of course more precarious.

The rhetoric of full independence, no doubt a very powerful vision among Kosovo-Albanians, served as an effective cover for post-war business. The transformation of one part of the KLA into a Kosovo Protection Corps (KPC/TMK), under the leadership of Agim Çeku, is an illustrative example. Demobilization of the KLA was one of the major goals of the international administration. Yet Kosovo-Albanians strongly wished to create their own army and since the KLA was the sole force on the ground before, during, and shortly after the NATO air strikes, it has gained high credibility. A compromise had to be found and that was the transformation of the KLA into a political wing under Thaçi (the PDK) and a military wing under Çeku (the KPC). Çeku was well known to American military figures since he had been a leading figure in the Croat army before he came to fight in Kosovo. A US-American enterprise, the Military Professional Resource Incorporated

(MPRI), already well known in the Western Balkans, was appointed to manage the training of former KLA volunteers. The KPC, however, was not included in the formal budget of UNMIK, hence it depended on donor aid coming mainly from the USA. Meanwhile it has been found that some of Çeku's staff and members of the radical LPK were involved in weapon and drug smuggling as well as corruption. This can be seen as an additional income but also as a legacy of the war during which the KLA must have made concessions to mafia clans to protect their business in exchange for weapons.[15]

Some former KLA fighters were also responsible for building up rebel groups in the south of Serbia (UÇPMB) as well as in Macedonia (UÇKM), which contributed to the recent unrest in the region (Lepsius, 2000). As soon as conflict broke out again, transnational links were revitalised. Although officially closed down in 1999, the Home Calling Fund restarted its fundraising activities. Recruitment was mainly organised in Kosovo and Macedonia itself because, this time, Albania was cautious of spill over effects and kept a firmer grip on its border than during the Kosovo war.

Again, without substantial grievance because of the discrimination from Belgrade and Skopje, both the UÇKM and UÇPMB would not have attracted so many volunteers. But at the same time, the ongoing chaos and fear in the region served criminal activities very well. This is not to reiterate the propaganda of the Macedonian or Serbia media that labelled the fighters simply as terrorists or mafia. But it is to demonstrate that some benefit from war and that the demobilization of young men in an insecure economic environment without the perspective of meaningful employment is extremely difficult.

The response of the international community, especially after the renewed fighting in Macedonia, was to reinforce its carrot and stick strategy. The stick came as a new law against the smuggling of weapons and the trans-border recruitment of guerrilla fighters. During spring and summer 2001, KFOR has extended its border patrols which until

15. On this issue see: Montanari, 2000b, CIS Intelligence Center, download: www.stratfor.com, www.mpri.com, *REF/RL*, vol.6, no.11, 4/2001; ICG, 3 and 8/2000; *REFE/RL* vol.5, no. 34; UNMIK *Police Press*, 23.1.2001, download: http://www.civpol.org/unmik/PressUpdateArchi/news/220101.htm

then were hardly able to control the flows of people and goods between Kosovo, Macedonia and Albania. The Kosovo-Albanian and UNMIK police agreed on an action plan to contain trans-border smuggling (*RFE/RL*, vol. 5, no. 34). The carrot included intensive diplomacy with the promise of more donor aid for Macedonia and Albania.

Without commenting on the shortcomings of this strategy (which was again applied after fighting broke out and not sufficiently as a preventive measure), the events of 2001 illustrate what Duffield has described as the relativisation of war and peace. The power of warlords, sustained through their control over the local economy and their collaboration with transnational networks, does not simply vanish with a cease fire or peace treaty. It also demonstrates how structural violence, exerted through bleak economic conditions and the denial of political participation, is articulated to direct forms of violence. In the following, I want to illustrate this link by turning again to the internal developments in Kosovo after the formal end of the war in 1999.

The most frequent crime in post-war Kosovo was ethnically motivated, hence directed towards the property or physical security of Serbs, Gorani, Roma and Ashkenazi. The Serbian exodus from the province has been extensively documented by the media. Until today, ethnic minorities do not enjoy freedom of movement and have only limited access to public institutions such as schools or hospitals. They depend on humanitarian aid from the international community or support from Belgrade. Since independent courts and judges are still in the making, most of theses crimes went unpunished (UNHCR/OSCE, 5/2000).

So-called ethnic crimes are, however, closely linked to the informal economy. As it was the case with Serbian paramilitaries before 1999, looting and robbery accompanied murder and "ethnic cleansing". Hence, when writing about ethnic crimes, it should be clear that not hate and revenge were the prime motivations – although understandable – but economic greed and political aspirations.

Take, for example, the real estate sector. During and after the NATO-air strikes, members of the KLA or mafia-type networks took over apartments and houses left behind by fleeing Serbs or other minorities. With the expected influx of international organisations, real estate prices skyrocketed. If the monthly rent for an apartment in Pristina

is about 1000 Euro, in a society where the average monthly income is 40 Euro, real estate becomes an attractive commodity. Hotels, restaurants, and all of the province's petrol stations have been "privatised" in a similar manner. Since the Albanian mafia seems to be firmly entrenched in the local economy, there is a well founded fear that the same actors that have benefited from the war will also benefit from privatisation.[16]

Apart from weapon and drug smuggling, as well as the illegal possession of real estate, the mafia has opened up another attractive business - forced prostitution and trafficking as well as smuggling of migrants. According to estimations of the IOM, there are 20 to 40 million illegal migrants worldwide that depend on smuggling gangs. Roughly 500,000 of them, such as Chinese, Kurds, Iranians, Rumanians an others, are smuggled through the "Balkan route" every year. Migrants have to pay about 10,000 for one way transport (*REFE/RL*, vol. 5, no. 27, 13.4.2001). Part of the money is invested in bribing the local border police, but most of it is net profit.

Even more profits can be earned by trafficking women or girls that are later exploited as (forced) prostitutes (IOM, 2001; UNO 2000). Most of the women found in Kosovo came from Moldova or Ukraine. But also in some rural regions of Kosovo and Albania, young girls are kept behind the doors for fear of being trafficked to Western Europe (Abdela, 2/2000; Schwandner-Sievers, 1998). Most of the women coming from Eastern Europe are sold between three and six times (for 1200 up to 2500 Euro) before they are forced to work in illegal clubs and brothels in Kosovo. Among the clients are local men but also staff of international organisations and private international companies.[17] Since most of the prostitutes are poorly paid or not at all, profits are extremely high. The UNMIK police was late in responding to the problem but meanwhile it has established a special Trafficking and Prostitution Unit that has increased razzias in the most notorious clubs.[18]

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16. Interviews of the author with employees of international organisations in August 2000. See also ICG (12/2001) and Rastello (2000).
17. IOM, 1/2001 and interview of the author with IOM staff in August 2000.
18. *UNMIK-Police Press Briefing*, 23.7.2001, download at http://www.un.org/peace/kosovo/briefing/pressbrief23july01.html.

Having explained the power of mafia networks in the post-war period of Kosovo, I will now briefly turn to the restructuring of the diaspora. Since this is ongoing research and since the reorientation is still in process, I do not claim to give a full picture here. But some points are important to mention: First, the readiness to donate for the liberation struggle immediately diminished with the end of fighting. Diaspora Albanians turned again to their private affairs and send remittances to their families instead to the Home Calling Fund or to humanitarian organisations such as Mother Theresa. The structures do, however, still work and can easily be reactivated, as happened during the Macedonian crisis.[19]

Second, the Riinvest Institute from Pristina estimated in 1999 that diaspora remittances account for around 400 million euros per year, that is, on average, 2,750 euros per family. A calculation of the World Bank estimated remittances even at 1,2 billion DM per year, that would be 40 per cent of the GDP. The money is mainly used for consumption. But it has also contributed to the unsustainable construction boom as well as to the mushrooming of small wholesale and repair enterprises that are highly dependent on imports. Together with donor aid, diaspora remittances finance the high trade deficit of the Kosovo economy (ICG, 12/2001).

Third, in order to channel larger investments into the reconstruction process, some diaspora Albanians, mostly professionals such as business men or academics, founded the Kosova Foundation for Development and Economic Reconstruction in 1999. Members of the foundation come from different European countries, the USA and Australia. Their objectives have been supported by the World Bank, the IMF and other institutions, mainly from the USA, since they help to find investors for infrastructure projects and socially/state owned enterprises in Kosovo. The foundation presents itself as apolitical although it favours the Western, US-dominated transformation process of the province.[20]

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19. Interview of the author with the general secretary of Mother Teresa in Berlin, January 2002. On the home calling fond and the Macedonian crisis see Annex IX in (Chiclet/Ravenel, 2000).

20. For more information see www.kosova-foundation.org

Fourth, the different political fractions in Kosovo, some of which I have already mentioned in the article, are also supported by diaspora groups. Thaçi's interim "government" opened a new fund in Germany, the "Fondi i Kosovës", and a new representation of the PDK in Switzerland in order to remain in contact with the diaspora.[21] Some more radical political parties such as the PDK are supported by the Albanian American Civic League, the most important lobby group of the diaspora in the USA. The Civic League supports the Kosovo Albanians in their demand for full independence. Founded in 1989, it was very active in making human rights violations in Kosovo known to the US-American public and rallying for international intervention against the Miloševic regime.

After the end of the war in 1999, the League demanded to keep the "outer wall of sanctions"[22] against Serbia, which the USA (but not the EU) indeed did. As the only registered lobby group of Albanians in Washington, and with its good connections to the US Congress, the League will continue to exert all possible influence on political decisions concerning the future status of Kosovo.[23]

The approach of the international community towards the diaspora is contradictory. On the one hand, it counts on remittances to finance the trade deficit. It has encouraged the Kosova Foundation in order to help reconstructing important utilities such as telecommunications or roads, and international humanitarian organisations cooperate with those from the Albanian diaspora in order to rebuild schools, hospitals and other public services. But, on the other hand, most of the West European countries, especially Germany, have pursued extremely restrictive repatriation policies towards Kosovo Albanians. One argument for forced repatriation is usually to reverse the brain drain, also deplored by the UNMIK administration. Yet at the same time international organisations drain qualified personal by paying up to 1000 Euro to its service staff (ICG, 12/2001). With regards to combating transnational crime and the power of local warlords, some

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21. Report of German Intelligence Service (1999).
22. This means the blockage of Serbia from credits and international organisations.
23. For more information on its activities see www.aacl.com.

critical points have already been raised. The most important issues here are historical and structural: the privileging of military hence repressive solutions and the exclusion of local personal from decision making.

Conclusion

Wars do not end in peace. The history of the Kosovo conflict and the current restructuring process have demonstrated the changing nature of today's wars and the resulting difficulties for peacemaking. Flexible alliances between post-modern warlords and transnational networks such as diaspora and mafia gain power over territorial state institutions - whether legitimised or not. By creating a viable war economy and concentrating political power they are able to survive for a long time. International intervention as well as global transformations (such as that of the financial sector) have directly or indirectly contributed to this development. What is currently celebrated as an efficient military-humanitarian-aid complex runs the risk of further blurring the boundaries between war and peace and to create unsustainable structures at the local level.

Abbreviations

KFOR	Kosovo Force
KLA/UÇK	Kosova Liberation Army
KPC/TMK	Kosovo Protection Force
LDK	Democratic League of Kosova
LPK	Popular Movement of Kosova
PDK	Party of Democratic Progress
UÇKM	Liberation Army of Macedonia
UÇPMB	Liberation Army of Presheva, Medveda and Bujanovci
UNMIK	United Nations Mission in Kosovo

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Boris Kagarlitsky

"Political Capitalism" and Corruption in Russia

The Western press discovered corruption in Russia in the late 1990s. At this time the Western reader was deluged with reports describing not just the crimes of the "Russian mafia" - whose origins were invariably traced back to the old political police, the KGB - but also bribe-taking, embezzlement and illegal transfer of funds abroad by top-ranking Russian bureaucrats. The high point of the criticism was a scandal, which the press termed "Russia-gate", concerning Russian accounts in the Bank of New York. The family and close associates of Russian President Boris Yeltsin were linked to the illegal transfer of funds to the West. Later, former Kremlin Chief of Staff Pavel Borodin was even arrested in the US on charges brought against him in Switzerland during the heat of Russia-gate. The Russian prosecutor's office, however, was clearly reluctant to collaborate with its Swiss and American counterparts, and the affair began to dissipate.

The scandals of 1998-99 revealed not just the scale of the corruption in the Russian leadership. They also showed the extreme bias and ideologised nature of the Western press, as well as the incompetence of many Western politicians and specialists concerned with Russia. It is not as though the scale of the corruption in Russia was exaggerated in the Western reports. Any Russian citizen who has dealings with the world of business or bureaucracy can cite just as many instances as all the authors of reports on the Bank of New York or Borodin affairs,

merely on the basis of his or her own experience. It is significant, however, that the Western press discovered corruption in Russia only after the collapse of the ruble and the onset of financial crisis in 1998. Most of the facts cited by the Western journalists had been publicised by the opposition press in Russia three or four years earlier, and sometimes as early as 1992-93. These reports were well known to Western specialists and correspondents in Moscow, but the materials they contained were rejected as tendentious and unworthy of belief.

The ease with which a vast number of facts were "discovered" and brought to the attention of readers in the US and Western Europe is due precisely to the fact that this material did not have to be sought out. It lay on the surface, and for the most part was never concealed. All that was needed was for the political positions of the Western observers to change.

Western view of Russia: from optimism to pessimism

Until 1998, in line with the neo-liberal ideology that prevailed in the West, the commentators viewed privatisation, the liberalisation of prices, and other "liberal reforms" as indisputable successes setting Russia on the road to prosperity. The only problem seen was the resistance of "conservative forces" trying to maintain communist ways of doing things. Only a few writers, such as Stephen Cohen, Janin Wedel and Peter Reddaway[1], saw fit to dispute this interpretation. Their voices, however, were drowned in the general chorus. In fact, most of the people who opposed the neo-liberal course had in no way been supporters of the communist regime, just as most of the neo-liberals of the 1990s had been former communist functionaries.

Resistance to the reforms was crushed in 1993 by force of arms, with Western leaders finding nothing contrary to the principles of democracy either in the disbanding of representative organs (starting at

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1. See S. Cohen. *Failed Crusade: America and the Tragedy of Post-Communist Russia.* New York and London, W.W. Norton and Co., 2000; J. Wedel. *Collision and Collusion: The Strange Case of Western Aid to Eastern Europe, 1989-1999.* London, Macmillan Press, 1998 ; P. Reddaway and D. Glinski. *The Tragedy of Russia's Reforms: Market Bolshevism against Democracy.* Washington DC, US Institute of Peace Press, 2001.

the regional level), or in the abrogation of the constitution, or in the shelling of parliament, or even in the introduction of prior censorship in the autumn of 1993.

After the "resistance to the reforms" had been broken, one might have expected Russia to make a rapid breakthrough into the future. The period between 1994 and 1998, however, ended in an unprecedented financial crash, and in a full-scale economic and socio-political crisis out of which the country was led only by a team of "conservatives" applying a Keynesian approach to the economy. It was precisely in this period that the Russia experts, whose forecasts had proven catastrophically wrong, began trying to explain why the course that had been pursued had failed. If the experts declared that from the very beginning this course had been mistaken, even in part, they would discredit themselves. Consequently, the most popular theory was that the Russian reforms were not working because of corruption. Meanwhile, corruption was presented exclusively as a continuation of the old Soviet order, or as the result of specific errors by the reformers. Ultimately, the attempt to explain corruption as the result of "Soviet survivals" amounted to reinvoking the original myth of conservative resistance, only on a new level. In the earlier case, Soviet bureaucrats had been accused of unwillingness to "join in the market"; now, they were accused of joining in the market in the wrong fashion, and in the process, of ruining it.

The authors of such articles studiously ignore the fact that a significant proportion of these scandals, if not most of them, broke out among members of the group of "young reformers", the bearers of progressive Western values. In just the same way, the involvement of Western experts, business entrepreneurs and entire companies in Russian corruption scandals has been ignored, or at least, not incorporated into the analyses. This is despite the fact that the Swiss prosecutor's office in the late 1990s cited a whole list of names and organisations.

Privatisation and corruption

To understand how events really developed, it is essential to return to the situation in the years between 1989 and 1991, when the strategy for neo-liberal reforms in Russia and the countries of Central and Eastern Europe was being worked out. The first thing one is struck by is that

this orientation of the regimes in the post-communist countries was not aimed simply at implanting market mechanisms and permitting private business, but at the sweeping (and in the case of Russia, almost total) privatisation of state property. As early as 1990 it had been calculated that effective demand for state property in the republics of the Soviet Union did not exceed 1 per cent of its value. It can be argued that the authors of these studies assigned too small a sum to the hoards of "shadow capital". But even if we suppose that they were out by several times, the picture is not radically different. Nor were hopes of massive foreign investment any more realistic.

The more extensive privatisation was, the less the prospect that state property could be sold advantageously. The early 1990s were a time when the sell-of of state property was occurring on all sides. It was not enough that the disintegrating and privatising Soviet Union, for all its inefficiency, represented the second largest economy in the world; mass privatisation was occurring in Eastern Europe, Africa, Latin America, several Asian countries, and even in the West. In other words, the value of the goods on offer exceeded by many times the effective demand not only on the internal market, but on the world market as well. Add to this the world economic recession of the early 1990s, and it becomes obvious that in 1991-92 successful privatisation on a market basis was impossible as a matter of principle. This meant that proclaiming the goal of entering the market through accelerated privatisation contained an unresolved contradiction. Privatisation led not to the development of market relations, but to a sweeping bureaucratic redistribution.

Unable to sell enterprises at appropriate prices, the ruling bureaucracy was doomed to take the road of "political capitalism", handing out property to its partners and clients. The fact that this course suited the ruling elite perfectly was another matter entirely. The attractiveness of "political capitalism" to the political elite (the nomenklatura) serves to explain the ease with which a large section of the bureaucratic apparatus, and even of its professional ideologues, made the switch from "Marxism-Leninism" to neo-liberalism. As the well-known sociologist Ivan Szelenyi and his co-authors observe,

people who were in nomenklatura positions prior to 1989 were

able to retain their power and privilege through the post-communist transition by converting their political capital into private economic wealth.[2]

Conservative and even reactionary in its social content, the privatisation reform, in Szelenyi's words, was transformed into "the great bank robbery".[3]

Meanwhile, "political capitalism" inevitably gave rise to its own rules of the game. "The system of 'political capitalism', along with its shadow economy, is chronically unstable," writes the sociologist Georgy Derlugyan.

> It depends to an excessive degree on personal ties, informal agreements and bureaucratic intrigues, and under post-Soviet conditions criminal violence and the mobilisation of mass protests have come to figure among its constituent parts.[4]

Another structural factor in this situation is corruption. The most sober ideologues of the reforms were not only aware of this, but also took steps to turn corruption into a legitimate and socially approved norm of behaviour. In the early 1990s the Mayor of Moscow, Professor Gavriil Popov, came out with a string of articles and interviews devoted to justifying corruption in theoretical terms. In Popov's view, generally recognised norms of legality and morality could not be applied during the transition from an "abnormal" society of the Soviet type to a "normal" capitalist society. Accordingly, deceit, bribery and embezzlement had to be seen as socially useful activities if they led ultimately to the desirable goal of the development of private entrepreneurship. "Civilised" norms of behaviour would triumph only after the final victory of capitalism, with the advent of a new generation of entrepreneurs.

Irrespective of how one regards such theories in moral terms,

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2. G. Eyal, I. Szelenyi and A. Townsley. *Making Capitalism without Capitalists: Formation and Elite Struggles in Post-Communist Central Europe*. London, Verso, 1998, p. 117.

3. Ibid., p. 116.

4. D.E. Furman (ed.). *Chechnya I Rossiya: Obshchestva i Gosudarstva*. Moscow, Politinform-Talburi, 1999, p. 216.

they contain methodological flaws. Corruption is turned into a structural phenomenon. It reproduces itself through the existing systems of relationships, established ties and habitual norms.

Naturally, the particular forms which corruption takes have changed in the course of time. In the early 1990s Moscow newspapers were full of advertisements for firms offering their services as intermediaries in the taking of official decisions (in other words, acting as brokers in the giving of bribes to government functionaries). During those years such firms were very useful, since their clients did not always know who precisely should be bribed, or how much should be given, in order to yield the desired result. By the end of the decade such advertisements were no longer appearing, but this did not mean that fewer bribes were being given. It was just that the system had sorted itself out and become stabilised.

During the 1990s corruption in effect became a way of life for the elite, and the main rational basis for decision-making. The personal ties and personal interests of bureaucrats were the sole criterion. The problem was not that the people who took the decisions were especially wicked, but that the system was fundamentally incapable of working out other criteria. Any attempt to operate according to the rules quickly brought the system to paralysis, as was shown by the experience of Viktor Polivanov, who in 1995 was appointed head of Goskomimushchestvo, the state body in charge of privatisation. Polivanov's attempts to impose some sort of criteria of efficiency in the transfer of property to private hands led rapidly to the paralysis of the entire system, halted the privatisation process, and soon brought the sacking of Polivanov himself.

The overall result of privatisation during the 1990s was that the bulk of the enterprises were sold for a sum no greater than 1.5 per cent of their market value. Only three Russian companies were sold for a price exceeding the cost of the railing that in 1993 was installed around the main government office building, the Moscow White House.

If corruption "from above" was a direct continuation of the privatisation process, corruption "from below" was born of the government's tax policies. Through privatisation, the government renounced what had been the main source of state revenues since tsarist times - the income from state enterprises and trade monopolies. Fearing

inflation, the authorities were at the same time forced to try to make up for the budget shortfall through high taxes. The sharp rise in the tax burden meant that large sections of small and medium business were loss-making, big business was relatively unprofitable, and a high wage was ruinous for the person who received it.

In the press, this escalation acquired the name of "the state racket". The result was a veritable epidemic of the concealment of wealth from the tax authorities, a practice in which virtually every one of the country's citizens with an income above $100 per month took part. In this situation a substantial number of perfectly legal business operations "went into the shadows". As the historian Roy Medvedev notes, the ideologues of liberalisation had promised that once the reforms began, the share represented by the "shadow economy" would dramatically decline. In practice, what happened was precisely the opposite:

> Large numbers of the newly formed commercial structures and enterprises went over into the sphere of shadow business, because they simply could not exist amid the excessive taxes and other exactions of the state and the bureaucrats. 5

Meanwhile, the ability of an enterprise to remain "in the light" also depended to a large degree on the ties its owner possessed with key people in the official apparatus, people who were able quite legally to grant tax breaks and lucrative contracts. The beneficiaries included the largest enterprises in Russia, as well as semi-criminal associations founded by sports clubs and veterans of the war in Afghanistan. Also among those that profited was the Russian Orthodox Church, which thanks to such arrangements was transformed into the largest importer of alcoholic beverages and tobacco goods in the country.

The benefits enjoyed by a favoured few were paid for by everyone else, in the form of an additional tax burden. Keeping two sets of books became normal accounting practice. The state, which had rejected all mechanisms of regulation apart from financial ones, was for its part confronted by a society which did not react in any way to efforts to impose order through financial stimuli or sanctions.

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5. R.A. Medvedev. *Kapitalizm v Rossii?* Moscow, Prava Cheloveka, 1998, p. 196.

Significant numbers of Western and Russian writers try to explain the orgy of corruption as the result of "imperfect legislation" and the weakness of the court system. The lack of independent courts in Russia is an obvious fact, but the protests concerning "imperfect legislation" can hardly be considered convincing in and of themselves. If the criterion that determines the quality of a law is to be its accordance with accepted Western practice, the legislation in Russia is at least as good as in any of the countries of Eastern and Central Europe. "One of the most damaging of reformist myths," writes the economist Mikhail Delyagin,

> is that a law-governed state is characterised by achievements in the field of law-making as such, and not in that of bringing order to economic and social life. From this flows the adoption of numerous pieces of legislation that are quite at odds with reality, and the result is that it is impossible to manage a business without breaking the law. Divergences between the informal norms of economic behaviour and the officially proclaimed ones have become commonplace. The perception of laws as declarations of intent is just as widespread, and so too, ultimately, is a lack of confidence in the law as such. [6]

On this level, laws written on the basis of the best Western models have not only failed to solve the problem of corruption, but have aggravated it, since the gap between the officially proclaimed requirements and the norms of real life has increased. The better the laws were from the point of view of liberal public opinion, the worse they functioned. Corrupt practice in essence filled the gap between legislation and life, allowing the former to coexist with the latter.

Meanwhile, there were also people with a need to control the "norms of everyday life". The inability of the state apparatus of coercion to organise life according to the law led to the effective privatisation of coercion and violence by private structures, resting on informal norms, established customs and bandit "understandings".

It was this, and not mythical "imperfections" in legislation or the "Soviet heritage", that explained the rampant organised crime of

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6. M.G. Delyagin. *Ideologiya Vozrozhdeniya.* Moscow, Forum, 2000, p. 164.

the 1990s. Former operatives of the Soviet repressive organs actually went over to the ranks of the bandits in significant numbers, but only because society displayed an effective demand for the activity of criminal groups, while the number of jobs in the organs of state coercion was being cut. In conditions where incomes were invariably concealed, and "shadow deals" were universal, going to court when a conflict arose was useless. The bandit had become the health attendant to the market, while the mafia was now the structure ensuring that business would be regulated and that entrepreneurs would observe certain norms in their relations with one another. The hired killer had taken the place of the attorney.

"The paradox of liberalisation," wrote the well-known economist Sergey Glazyev,

> is now that the removal of the state as the main agent of control in the economy has not led to market self-organisation and competition, but to this function being assumed by organised crime. Instead of the state, it is now well organised mafia structures that dictate the rules of behaviour in the market. In these rules, arbitrariness holds sway. Unlike a court, which acts on the basis of the law and of precise rules of conduct, the rules in a settling of accounts between bandits are set by the strongest, and they are liable to change depending on who holds real power. Earlier, an aggrieved party appealed to the state, but now he or she appeals to bandit gangs. [7]

Meanwhile, substantial numbers of people were becoming convinced that the bandits not only resolved problems more effectively and expeditiously, but that they were also more just and less biased than the state. Needless to say, this latter view was incorrect, but during the 1990s the mafia showed, for example, a far greater practical interest in the development of small business than the government.

The consolidation of the criminal gangs, their links with business and their efforts to win an air of respectability inevitably led to the establishing of links between the mafia and the bureaucracy. Ethnic or

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7. S. Glazyev. *Ekonomika i Politika: Epizody Bor'by.* Moscow, Gnozis, 1994, p. 87.

local ties played a considerable role. In speaking of the criminalisation of power, it must also be acknowledged that the reverse process was also important - the state structures drew the mafia associations into their activity, granting them respectability and ensuring their control over the process. The well-known political scientist Aleksandr Tarasov notes that while initially the new owners of property consisted mainly of people from the Soviet party-state apparatus, in the course of privatisation the criminal world became transformed into a sort of "forge of cadres" for the new elite: "The interpenetration of the criminal world and of officialdom (that is, the formation of typical mafia structures) occurred on the basis of the merging of these two groups into a new ruling class."

Nevertheless, it was ultimately the "bureaucratic bourgeoisie" which came to occupy the key positions in business. As Tarasov observes, since 1994

> a gradual but systematic strengthening of the bureaucracy has occurred, to the detriment of the positions of all the rest (including the second largest group, the criminals). 8

The most paradoxical thing is that the strengthening in the role and numbers of the bureaucracy was not only unaccompanied by a strengthening of state intervention in market relations, but on the contrary, occurred against a background of the consistent triumph of the principles of the free market in official theory and practice. The refusal by the state to intervene directly and to regulate economic processes was accompanied by the open dominance of the same bureaucrats, now acting as key shareholders and private owners. Proposals aimed at changing this situation, and references to a "conflict of interests", were categorically rejected on the basis that forbidding state officials from engaging in business would be a violation of economic freedom, amounting to state interference and regulation, from which nothing good could come as a matter of principle.

While corruption and mafia practices had become the main element in the country's general economic and social life, management

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8. A. Tarasov. *Provokatsiya: Postskriptum iz 1994-go*. Moscow, Feniks, 1994, p. 87.

on the basis of criminal and "shadow" processes had become an essential element in the effective administering of society and of its various regions. The criminal associations were legalised in the form of a wide variety of security agencies that had arisen on the basis of gangs of racketeers; of charitable foundations that allowed the common assets of the bandits to be legalised; and also of a vast system of political donations that turned bribery into legal lobbying activity.

The norms of "political capitalism"

The corrupt practice that had taken root in the economy inevitably crossed over into the sphere of politics. In the system of "political capitalism", the position of entrepreneurs depends on their links to the authorities, and that of bureaucrats on their ability to defend and promote their friends in business. In other words, the struggle for power is perceived as one of the forms of competition. The rigging of elections has become standard practice both at the local and at the federal level. In the press, this is described delicately as the use of "administrative resources".

The most widespread form of election-rigging has been the inclusion in the ballot counts of "dead souls" - both voters who have actually died, and people who have still not voted five minutes before the close of polling. The result has been that contrary to the situation throughout the rest of the world, accounts of Russian elections show a massive turnout of voters in the last five minutes before the polling stations close. [9] The falsifying of election results has repeatedly been exposed in the newspapers *Novaya Gazeta*, *Nezavisimaya Gazeta* and the *Moscow Times*. Significantly, not one of these articles has been disputed by the authorities in court. At the same time, the courts have refused to take up complaints by citizens accusing the authorities of rigging elections. [10]

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9. The first studies of electoral fraud were published in 1994 by A. Minkin (*Moskovsky Komsomolets*, 11 Jan. 1994); A. Sobyanin (*Vechernyaya Moskva*, 27 May 1994); and A. Tarasov (op. cit.). It is significant that the first two of these authors supported the general policies being enacted by the government.
10. A detailed survey of electoral fraud was also published by Yevganiya Borisova in 2000 on the site www.themoscowtimes.com.

Vast sums have meanwhile been invested in creating propaganda apparatuses for the various business and bureaucratic clans. All the largest oligarchic structures have secured their own newspapers, and where possible, television channels as well. The oil and gas kings (Yukos, Lukoil and Gazprom) and the banks (Oneksim and MOST-Bank) have acquired mass media organs. The influence of the well-known oligarchs Boris Berezovsky and Vladimir Gusinsky has stemmed not only from their ties to leading figures in the Kremlin, but also from the power of their media empires. Provincial governors have brought regional television studios and newspapers under their control.

Virtually all prominent Russian politicians and business entrepreneurs have illegal activities in their pasts, and are at risk of exposure. Press organs have thus been able to selectively release to the public compromising materials ("kompromat") on one or another opposing player. If a newspaper's "own" politicians and oligarchs come under such an attack, they can in turn be presented as victims of injustice; when everyone has behaved in exactly the same fashion, why should one particular individual be called to account?

Vast sums, at times exceeding investments in education and social development, have been invested in such publishing campaigns, which have received the name of "black PR" (public relations). The journalistic milieu, for all the exposures it publishes, is not surprisingly exceptionally corrupt itself. For journalists to receive payments for publishing particular materials, or for not publishing them, became such common practice in the 1990s that in 1999 the well-known liberal weekly *Argumenty I Fakty* even published price lists for the services being provided to its clients. Since journalists are not public officials, for them to receive such remuneration is not legally considered a bribe, and is not grounds for criminal prosecution. [11] As for moral problems, the norms of behaviour accepted in the post-Soviet elite mean that such activities are not condemned. Moralising criticism "from below" of the political, business and media elite is dismissed in these circles as the impotent jealousy of people whom the elite, in its anglicised jargon,

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11. For an analysis of corruption in the mass media, see I. Zasursky. *Mass-Media Vtoroy Respubliki.* Moscow, MGU, 1999.

describes as "luzery".

By the beginning of the new century, the demand for propaganda and "black PR" had declined substantially. The local elections of 2001 showed that it was far simpler to bribe electoral officials than to campaign among voters. With activism among electors steadily falling, the outcome of elections depended less and less on voters, and more and more on the officials charged with tallying the votes. In *Novaya Gazeta,* the prominent journalist Oleg Lurye published an account of the prices demanded in the 2001 elections for the Moscow City Duma. For a candidate to be guaranteed of election cost around a million dollars.

Vladimir Putin's "dictatorship of the law"
The coming of the new century was marked by substantial changes in Russian society. Paradoxically, the crash of the ruble in 1998 had a healthy impact on the country's economy, making Russian industry more competitive both abroad and on the domestic market. Then, world prices rose for oil and gas. The economy began to grow.

Since the process involved was mainly one of restarting production that had been shut down earlier, the growth occurred with minimal capital investment. This created a sense of stability in the Russian elite, and aroused a desire to set in place a more durable system of rule. The shift from economic depression to upturn coincided with the change of leadership in the Kremlin. Vladimir Putin, who replaced the aging Boris Yeltsin as president, promised society a "dictatorship of the law". It is noteworthy, however, that these declarations did not stir panic in officialdom. Putin's project never foresaw rooting out corruption or doing away with its causes. What was involved was a complex of measures aimed on the one hand at legalising "shadow practices", and on the other at punishing people who "went beyond the bounds", that is, those members of the oligarchy and bureaucracy who through their irresponsible actions violated the spontaneously established rules of the game. Measures were taken to force the return to Russia of capital that had been illegally exported. Meanwhile, it was made substantially easier for citizens to take money out of the country (at the same time, the rules were tightened for foreigners and for Russians living abroad). Dramatic tax cuts, made possible by the flow of petrodollars to Russia, were supposed to solve the problem of corruption

at the lower level. At the top level, a redistribution of property began from oligarchs disloyal to the Kremlin to entrepreneurs close to the new administration. This latter redistribution took place strictly in line with the rules of "political capitalism". Berezovsky and Gusinsky fell victim to criminal prosecutions, while their former partners Aleksandr Voloshin and Roman Abramovich, who had finished up in the new team, increased their influence. Sensational criminal cases were forever being either launched or abandoned, reflecting the changing relationship of forces in the Kremlin elite. Meanwhile, not a single major corruption case actually came to trial during Putin's first two years in office.

Putin's tax reform did not yield the desired results, since oil prices started falling at precisely the time when it came into force in 2001. In short, the Russian budget once again encountered the same problems as in the early 1990s. The government tried to make up for its shortage of revenues by abolishing housing and communal service subsidies, transferring the financial burden to the least well-off layers of the population. This made the tax changes, as well as the housing and communal service reforms, extremely unpopular. At the same time, the government failed totally to do away with the practice of enterprises keeping two sets of books, since this was too deeply implanted, and as before, the advantages of concealing funds exceeded the risks.

By the beginning of 2001, it can be stated, all hopes that the approach taken by the Putin administration would help solve the problem of corruption had been dashed. Since this problem has a systemic character, the only reforms that can solve it are those which change the nature of the system, including above all the return to the state of at least part of the privatised property (the basic source of income), while at the same time radically reforming and democratising the political system and the apparatus of rule. The trouble is that such reforms are incompatible with the interests of the present-day elites in Russia. For this very reason, the issue of overcoming "political capitalism" can be resolved only in a revolutionary manner. Until this becomes possible, corruption will remain one of the key features of Russian society, helping to determine the nature of the Russian social system. ●

László Andor

The return of pink capital
The victory of the left in the Hungarian elections

The first round of the elections

All the pollsters got it wrong, just like in Britain in 1992. All of them suggested that Fidesz-MPP, the right wing ruling party, would win the race on the 7th of April, but, at 11 pm on that Sunday, the results showed that MSZP, the Hungarian Socialist Party, had come first by a one per cent margin, and created the opportunity to win the second round as well and then form a coalition government with the Free Democrats.

This election has been different from all the previous ones (1990, 1994 and 1998). First of all, there was a record turnout with more than 70 per cent of the electorate voting. Secondly, the previous elections allowed six parties to enter parliament, while now most of the small ones remained outside and only the Free Democrats managed to exceede the 5 per cent threshold alone, i.e. without an electoral alliance with a larger party. Due to the very high turn out, the far right MIÉP that came to parliament in 1998 and supported the government of Viktor Orbán is out. The dominance of the two large parties indicates that the nation has become culturally divided and politically split by the politics of the right in the past four years.

Orbán, leader of Fidesz-MPP, decided to move his liberal party to the right in about 1993 when the then ruling MDF (Hungarian Democratic Forum) was falling apart under the heavy burden of crisis management. By 1998, the youngish Fidesz-MPP incorporated much

of the Christian-Democratic People's Party, and became the second strongest party of Hungary. By forming a coalition before the second round of the general elections with the Independent Smallholder's Party, they won the elections and governed together for four years. In the meantime, Orbán continued to expand his party by swallowing and digesting others, primarily his coalition partner. He also formed an electoral alliance with the diminished Forum (MDF) and attracted many voters of the far right MIÉP too. He was prepared to continue his mission, to roll back the multinational capital that had flooded Hungary in the previous decade, and to consolidate the middle-class by a variety of fiscal measures.

Fidesz-MPP took over governance in 1998 with high economic growth rate and a tendency of falling inflation and unemployment. During their term, both main indicators improved, but there was very little improvement in price stability and employment. On the other hand, welfare spending was re-distributed from the poor towards the rich. The corruption of the right-wing government was widely covered by the main newspapers, as was their conflict-generating strategy towards Hungary's neighbours. In order to save themselves, they demonized the opposition parties and applied tough anti-communist and authoritarian rhetoric. This was not carried out by Orbán himself, but by his right-hand men. He took the pose of the statesman above party struggles, just wanting to work for the benefit of the people. In the run-up of the elections, Fidesz-MPP launched a popular movement for hosting the Olympic games in 2012.

They went too far in both bluffs and intimidation. They generated fear and thought the demonstration of their power would win the 2002 elections for them. People were intimidated so much that many of them feared to tell the opinion pollsters which party they would prefer. This resulted in a picture that the ruling right would win the elections by far. They also received moral support from leading right wing politicians like Stoiber, Schüssel, Berlusconi and Aznar. Orbán's arrogance, however, provoked silent resistence. People did not dare to say they did not like this type of development but their discontent caused a major shift towards the Socialists.

The Socialist Party (MSZP) had nominated former finance minister, Péter Medgyessy, to be their candidate for premiership in May
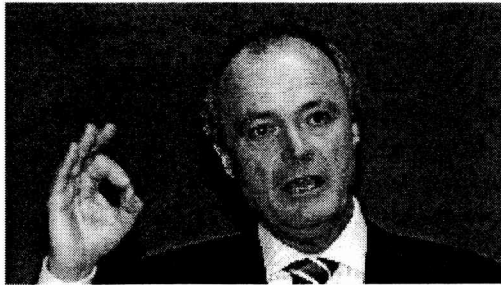
Socialist prime minister, Péter Medgyessy

2001. Medgyessy spent the first half of his professional career in the Ministry of Finance in the 1970s and 1980s, and became a young minister for the year 1987, and a young deputy prime minister from the end of that year until the 1990 elections. A member of the Central Committee of the old ruling Socialist Workers Party (MSZMP) in the last years of the regime, in 1989, he did not join the newly formed Socialist Party, because he felt closer to the Free Democrats.

In the early 1990s, he was chariman of Banque Paribas in Budapest. In 1994, Gyula Horn recalled him to be chairman of the state-owned Hungarian Investment and Development Bank, and made him finance minister after the fall of Lajos Bokros in 1996. After the fall of the Socialist-Liberal coalition, Medgyessy returned to the private sector again, and became chairman of Inter-Európa Bank. He did not maintain close ties with the Socialist Party, but became president of the Hungarian Economists' Association and Chairman of the Advisory Board for the Foundation of European Studies. He received the French Legion of Honour in the meantime.

Medgyessy was not a first choice for the Socialist Party to challenge Orbán. The fight for the job took place first between former foreign minister and now party president, László Kovács, and former prime minister, Miklós Németh, who returned from his EBRD directorship in London to be charismatic leader of the left. His supporters thought that he would be more successful in raising the support of the country, and particularly the peasantry and the uneducated and religious people, than Kovács. In the meantime, Horn also started to manage himself as a potential candidate who could really re-unite the party. By

the end of 2000, Kovács outmanouvered Németh and kept Horn in bay, but received too many wounds in these struggles to remain a consensus leader for the left. That was the moment for Medgyessy, who appeared with the image of the experienced, clean and honest bureaucrat. Kovács blinked first, and abandoned his endeavour just before the 2001 May congress of the party, which celebrated Medgyessy at a time when the Socialist Party was still leading the polls by a significant margin.

Medgyessy and his team conducted a co-ordinated campaign with ideas deriving from the Blairite school. The main slogan of MSZP was „Hungary deserves more", taken from the 1997 New Labour slogan „Britain deserves better". This message stood against Orbán's „Contract with the citizens", echoing the 1994 „Contract with America" of the US Republican Newt Gingrich in both content and formalities. The Fidesz-marketing was overwhelming, but it was rejected silently by the electorate in the first round.

The second round

The electoral system in Hungary is composed of two parts. The seats allocated to party lists (PR) are decided in the first round. In addition to that, there are individual constituencies as well, where nearly half of the seats can be decided. In the first round of the general elections, results only count in the constituencies if an absolute majority is won by either of the candidates (and participation is above 50 per cent). Thus, the decision about more than two thirds of the constituencies were left to the second round, in which the simple first past the post principle is applied.

The Socialist Party and the Free Democrats could only win if the latter withdrew their candidates in most of the constituencies before the second round. This was quickly decided, since both parties were campaigning for a „change of government", and knew they would not be able to achieve this without each other. However, in seven constituencies the Socialist candidates were withdrawn in order to allow the Liberals to carry on, even though the latter received fewer votes in the first round. The two parties thought it was game, set and match for them. In reality, it turned out to be much harder.

After his unexpected defeat in the first round, Orbán made a u-turn in his campaign strategy. He abandoned his chief public relations

advisors and turned towards a populist style á la Silvio Berlusconi. Two nights after the election day, he spoke to a mass rally in Buda, in a completely different role than before. Suddenly, he became the tough guy who can hypnotise his followers and march with them to victory over evil. His retoric came very close to fascistic motives. He said the people should chose between the socialist and the civic future, when the first represents the rule of big capital and finance capital, just like between 1994 and 1998 under Gyula Horn. He also said that the people had to defend their families, children, beliefs and homeland by voting for the right at the elections.

Orbán's speech made his core supporters really fanatic. They started to produce flyers by the million, and agitate day and night. The Fidesz campaign became a really negative campaign by spreading false information about the Socialists or the electoral system. The most common rumours suggested that the Medgyessy government would implement the same type of austerity policy as the Horn government in 1995, or that the Socialists would sell the land to foreigners, perhaps our nuclear power station too, they would raise the price of natural gas, build a dam on the Danube, and abolish all the family benefits Fidesz had introduced.

A few days later, Orbán spoke to a rally, probably the biggest ever in Hungarian history. According to realistic estimates, 300-400 thousand people attended at Kossuth square, while the organizers claimed it was 1.5 million. They even called it a National Assembly. Orbán's talk became slightly softer, to unite all possible support for his party, and he was surrounded on the stage by a number of artists, actors, popular musicians and olympic champions. By this hyper-populist campaign, Orbán managed to increase the turn out in the second round, which had never been the case in previous elections. He also increased the number of his voters by a significant margin, and managed to win seats in certain constituencies where the Socialist candidate was on the top in the first round.

The histerical agitation was efficient in the rural areas, mainly among uneducated people, but it was impotent in the cities. Beyond the conventionally left-wing industrial towns (Komló, Dunaújváros, Tatabánya, Salgótarján, Kazincbarcika), Pécs elected three socialist MPs and Miskolc four. All districts in Heves and Komárom-Esztergom

counties went to the Socialists. On top of this came Budapest, where only four seats remained in the hands of the right, i.e. one in eight. Until this day, Fidesz president Zoltán Pokorni (former minister of education) planned to run for Mayor of Budapest in the municipal elections 2002 October. He quickly abandoned this idea, having seen the disappointing result.

Interestingly, the hysteria did not stop on the night of the second round. It continued by claims and accusations about the violation of the law by the Socialists, and demands to re-count the votes in the constituencies with narrow results, and eventually in the entire country, and even to allocate seats in a different way than in the previous three elections to the benefit of the right.

Coalition talks

A Socialist-Liberal coalition was always a first choice for the Socialist Party in the four years of opposition, but not always for the Free Democrats. The latter saw their popularity falling in 1999-2000 and elected Budapest mayor, Gábor Demszky, as president. He took the position of the third pole between left and right, and declared equal distance from the Socialists and Fidesz-MPP. By taking this stand, he hoped for and promised a fast recovery for the electoral hopes of his party. However, since the popularity of the Free Democrats did not grow under Demszky, he was replaced by former interior minister, Gábor Kuncze, who paved the way towards a close co-operation with the Socialists.

A few years earlier Medgyessy said in an interview with the monthly Beszélo that he actually felt closer to the Liberals than the Socialists, so it was natural for him to prepare the coalition months before the elections, and start actual talks with the Free Democrats after their joint victory. The Free Democrats had 20 seats in the new parliament. The Socialist Party had more than eight times of that number, but that did not show in the coalition talks and the cabinet that was formed at the end. The structure, the staff and the program of the new Medgyessy government are more liberal than social democratic.

Medgyessy and his coalition partners carried out a major re-structuring and re-naming of government offices. In the Orbán government there were two ministers without portfolio. One of them

was in charge of the secret services and the other was commanding the distribution of PHARE aid from the EU. Medgyessy drew both to the prime minister's office (PMO). Two ministries were abolished and their authorities distributed to others. The Ministry of Transport, Communications and Water was abolished, by giving transport to the Ministry of Economy, communications to the new Ministry of Communications and Informatics, and water to the Ministry of Environment. The Ministry of Social and Family Affairs was also abolished. Social policy was given to the previous Ministry of Health, child policy to the former Ministry of Youth and Sports, and unemployment benefits to the restored Ministry of Labour and Employment. This latter also received authorities from the Ministry of Economy and the Ministry of Education. The Ministry of Economy, that had become a strategic institution under Orbán, lost further areas, like economic strategy (to Finance), regional development and tourism (to PMO) and housing and urban development (to Interior).

Just as under Orbán, the PMO became a super-ministry over other ministries, and also a guardian of some strategic areas taken from various ministries. Beyond the areas mentioned above, the new PMO became responsible for the affairs of minority Hungarians abroad, and civil society. A commissioner at the PMO is responsible for the national development plan which is required by the European Union, and the same person is in charge of both PHARE and ISPA aid funds.

In terms of personnell, Medgyessy had announced a few names, though not a full cabinet, in the early months of 2002, well before the elections. These names were to symbolize commitment to expertise, intention to rejuvenate, and gestures to various social groups. Neither in naming candidates, nor in bargaining with the Free Democrats, were his hands tied by party resolutions. He was the boss, and acted completely freely. As candidates of the MSZP, he bravely nominated persons with no previous connections with the party, and in certain cases with stronger sympathies with the Free Democrats than MSZP.

As a result of this, in the new cabinet there are only five ministers with actual position in the Socialist Party. Seven so-called Socialist ministers come from the area between the two coalition parties, primarily due to their expertise and lack of further political ambition. Some interesting careers stand out. Csaba László was made deputy secretary

of state at the Ministry of Finance by the Socialists in 1995, and he was made a secretary of state (administrative head of the ministry) by Fidesz-MPP in 1998. He was forced out of office later for being too liberal, and became deputy-CEO in a foreign owned commercial bank in Budapest. One should also notice former Politburo member, Judit Csehák, wife of former finance minister, László Békesi, who has been among the authors of the election manifesto of the Free Democrats. Gábor Görgey is a popular writer with no political career but apparent liberal sympathies. His grand grandfather was a general in the war of independence in 1848-9, and as commander in chief he lay down his arms before the Russians at Világos.

MSZP held a congress to adopt the agreement elaborated by its negotiators. They were harshly criticised for too much concessions to the Free Democrats, and primarily for ceding the Ministry of Education to the liberals. Party president Kovács defended the record of the negotiating team by saying that one could have imagined a better agreement, just like one could have imagined a better election result too. This comment is a sign of a tendency to use the partnership with the Free Democrats as an excuse for the lack of social democratic endeavour among the top MSZP politicians. Those critical of government liberalism will be obviously portrayed as a threat to the coalition and thus silenced easily.

Government positions

Between the coalition talks and the actual formation of the government, Medgyessy travelled to Berlin and London to meet Gerhard Schröder and Tony Blair, the most important political leaders of West-European social democracy. These high level connections are symbolic in terms of the political orientation of the new Hungarian government, but they are also considered very important, since by all expectations, the commencing government cycle will be the one that will carry out the accession to the European Union. This makes the foreign ministry under László Kovács a very central agency, and demands all other ministries to pay attention to the issues of accession. Legal harmonization has been implemented under the 1991 association agreement, but adjustment in certain areas is still a hard job. These issues will be the most burning in agriculture which, in the 1990s, went through a Polish type

fragmentation, and still underperforms the level of the late 1980s.

Commentators call economic policy a consensus area between the two parties, but the situation here is very complex. In the run-up to the elections, Medgyessy campaigned with a 100-day programme, which was based on a promise of pay increases, particularly for pensioners, teachers and health workers. He also promised to cancel the tax on the minimum wage and to raise the monthly family allowance, since it was not raised under Orbán at all, and lost about a third of its real value. Meeting the 100-day targets is vital for the new ruling parties, since the municipal elections come in October 2002, and any failure would immediately show in the results there.

However, the financial positions of the new government are not so good. Orbán left behind a larger than expected budget deficit, and made unusually large commitments during the month between the elections and the change of government. The financial target of the government in 1999 proposed a 3 per cent budget deficit for 2002 but the actual one is expected to become at least 4.5 per cent. If we add the extra spending promised by Medgyessy in a time when GDP growth is just about half of the planned one, we may easily end up with a budget deficit of 5.5 to 6 per cent of GDP. In an interview with Financial Times in May, Medgyessy has already started to sell this idea to the dominant financial circles. On the other hand, the incoming finance minister, Csaba László, has claimed that though the budget deficit would increase in 2002, it would surely be reduced to about 2.5 per cent of GDP by 2006. (That is the period when Hungary is supposed to be in the convergence phase of introduction of the euro).

The outgoing government created an impossible situation for its successor in monetary questions too. One year before the elections, they widened the fluctuation band of the forint from 4.5 per cent to 30 per cent, which was followed by a 10-12 per cent appreciation of our national currency. Inflation was halved as a result by 2002 Spring, but the appreciation caused a financial crisis in certain export industries and contributed to economic slow-down. The new government, which would in principle defend the strategy of a weak currency, in order to create favourable positions for exporting producers, has no leverage to bring down the exchange rate without loss of prestige. Were they to succeed in this endeavour, however, the right wing opposition would

The new Hungarian government			
PRIME MINISTER	MEDGYESSY, Péter	(MSZP)	60
Prime minister's office	KISS, Elemér	(MSZP)	58
Foreign affairs	KOVÁCS, László	MSZP	63
Interior affairs	LAMPERTH, Mónika	MSZP	45
Finance	LÁSZLÓ, Csaba	(MSZP)	40
Children, youth and sports	JÁNOSI, György	MSZP	48
Defence	JUHÁSZ, Ferenc	MSZP	42
Labour and employment	KISS, Péter	MSZP	43
Justice	BÁRÁNDY, Péter	(MSZP)	53
Agriculture and rural development	NÉMETH, Imre	(MSZP)	47
Social, family and health affairs	CSEHÁK, Judit	(MSZP)	62
National cultural heritage	GÖRGEY, Gábor	(MSZP)	73
Education	MAGYAR, Bálint	Free Democrats	50
Economy and transport	CSILLAG, István	Free Democrats	51
Communications and informatics	KOVÁCS, Kálmán	Free Democrats	43
Environment and water	KÓRÓDI, Mária	Free Democrats	52

criticise them for the resulting rise in inflation.

Economic spokepersons of the Socialists and Liberals have been criticizing Orbán's government for excessive interventionism. On the top of the two parties, therefore, there is an unbroken continuity with the legacy of the Németh and Horn governments, i.e. free market ideology under the dominance of the Free Democrat economists. With István Csillag and László Békesi in charge, the Free Democrats developed a purely neo-liberal economic policy. For political reasons, they accepted the short-term programme of MSZP to increase public sector salaries and child-care benefits, and to abolish the tax of the minimum wage, but they have their medium-term demands. They want to continue privatization to the extremes, by privatizing the post office, Postabank, Antenna Hungária, MALÉV, and of course the national rail company MÁV as well. Under Fidesz, the Hungarian stock-exchange suffered major losses (deeper than the simultaneous world-wide decline

of indices), and they intend to stimulate the Budapest stock exchange by fiscal measures, more favourable regulation, training, and supplies of stocks in public hands. By instinct, many Socialists are sceptical about these policies. Since, however, MSZP was born in 1989 as the party of market reforms, it would take a major reconstruction within the party to produce an actual social democratic alternative.

Re-building the socialist party

MSZP has functioned, in the last twelve years, under permanent criticism for apparently not being a perfect social-democratic party of a West-European pattern. The Socialists in Hungary, nevertheless, have attempted to adjust to the norms of the Socialist Internationale, but this affeced the surface of their politics more often than the essence. Half-way between the 1998 and 2002 elections, MSZP decided to apply affirmative action for young and female politicians to get to all types of leadership bodies and parliamentary seats. Some important results have indeed emerged, with symbolic messages. For the first time in the history of the nation, a woman became president of the parliament (Katalin Szili) and minister of the interior (Mónika Lamperth). Ildikó Lendvai is the first woman to lead the parliamentary faction of the Socialist Party. This prominance of Socialist women is in sharp contrast with the shortage of women in the parliamentary faction of Fidesz-MPP.

The rejuvenation of the Socialist Party, however, is not so successful, though it is more and more recognized that the generation that came to high offices in the 1980s should not once more dominate the party in an election process. Those in their 40s have not been strong enough to make a breakthrough so far, and it is very likely that such a charge for leadership will take place before the end of this parliament. Parliamentary president and MSZP deputy-president, Katalin Szili, party vice-president and defence minister, Ferenc Juhász, and parliamentary deputy president and Budapest MSZP leader, László Mandur, are potential challengers to László Kovács in an upcoming party elections either in 2002 or 2004.

The question, however, is not simply the name of the person on the top, but the whole style, attitude and organization of the party. The long-term programme of the party, adopted in 2000, declared that the Socialist Party is a left-wing people's party, but there has not been any

significant movement in that direction. Liberal critics mainly point to the lack of communications skills of the Socialists' politicians, but an even more important deficit is the lack of real contact with the working communities of the nation and with civil society. The philosopher, Gáspár Miklós Tamás, pointed out in an analysis of the post-election situation in May 2002 that after their victory, Medgyessy and Kovács found it more important to meet leaders of the main churches and the minority Hungarian organizations abroad than those who actually voted for MSZP by the million.

Another area for the reconstruction of the Socialist Party is the connections between the party and the intelligentsia. Shortly after the 1998 defeat, the party leadership shot down the monthly journal, Társadalmi Szemle, and the party remained without a real intellectual forum. Relations before were not easy either, since intellectuals often criticised the line and leadership of the party, and were thus seen as inconvenient. After 1998, the veteran sociologist, Iván Vitányi, directed the creation of a new party programme, but it was primarily an exercise to integrate Giddens- and Blair-type Third Way ideas into the policy documents of the party. The creation of such a programme did not raise any passions among the contributors and the document was ignored by all immediately after it was adopted in November 2000. Now it is not another programme, but the re-building of some form of political education is the great challenge for the party leadership. Those now leading the party had their political education in the schools of the old HSWP and its communist youth organization. It is not too difficult to understand that the competitive party democracy of the 21st century demands different skills and knowledge.

To the credit of the left of centre alliance of Hungary, one should not forget that the left-wing victory in Hungary came about in a world-historical period when the entire political movement from Europe to America has occurred towards the right. In recent years, the right has taken over in the US, Israel, Italy, Norway, Denmark, Portugal and the Netherlands, and it has maintained its ruling position in Spain and Australia. The background for this movement was the increasingly intensive repercussions of neo-liberal globalization, the pressure from underdeveloped nations towards the core regions of the world economy, and the revolt of the nationalist middle-classes towards immigration

and potential costs of the economic recession, and last but not least the general fear from the new eruption of transnational terrorism.

In this period, we have seen very few electoral successes for the left, Poland being one of them in 2001 and, more recently, the Czech Republic. With the CSSD victory in the Czech Republic, East-Central Europe, including Slovenia, will be seen as a zone where the alliances of working class voters and liberal capitalists attempt draw a bottom-line to social dumping in the race for membership in the European Union. This will obviously not change the agenda in Western Europe. Nevertheless, political circles within the EU must count with that endeavour. ●

June 2002

Boris Kagarlitsky

Crisis in the Russian Communist Party

It is a long time now since people began discussing the possibility of a split in the Communist Party of the Russian Federation (KPRF). Nevertheless, when the real outlines of such a rift started to appear following the expulsion from the party of State Duma speaker Gennady Seleznev, this came as a surprise to many. Purges in the KPRF have taken place repeatedly. During his ten years at the head of the party, Gennady Zyuganov has systematically forced out of the party and its Duma fraction not only his opponents, but anyone at all who has had any leadership qualities, and might lay claim to an independent role.

The political views of the people involved have meant nothing. Zyuganov has cleared a path for himself, dealing out blows indiscriminately to the left and right, and offending even his own co-thinkers. Those who have been forced out include the "liberal" Boris Slavin and the Stalinist Richard Kosolapov. One of the best Communist orators of the "first parliamentary draft", Yevgeny Krasnitsky, has disappeared from the Duma fraction, to be followed by Aleksey Podberezkin. Neither had spoken out against the leadership, but they had evidently started arousing the jealousy of the leader. The party also dissolved its own youth organisation. In place of the Russian Communist Union of Youth headed by Igor Malyarov, it was necessary to hurriedly found the Union of Communist Youth. Knives were repeatedly sharpened for former Vice-Premier Yury Maslyukov, but Maslyukov

was saved by his obvious lack of political ambitions. It was also common for the regional leaders of party organisations to lose their jobs, despite the fact that with every such mini-split the party lost active members. Not a single one of such measures, however, ended in a real split. The purged officials finished up on the sidelines of political life, trying to organise their own projects, and mostly failing.

Never say never

The experience of successfully struggling against their opponents gave the Zyuganov team a sense of invulnerability. Their only response to the remarks of critics was a self-satisfied chuckle. After all, a split in the party had been predicted many times, but it had never happened. And never would happen. I recall how Soviet officials would wax ironic in exactly the same fashion at forecasts of a future crisis in the USSR.

In reality, the question is not whether, all things considered, a split is nevertheless under way. The real question is why this did not occur earlier. What was it that held together the ill-assorted coalition called the KPRF? Certainly not its members' common communist past (this past is shared by Boris Yeltsin, Viktor Chernomyrdin and even Yegor Gaidar). More likely the reverse - Zyuganov's party embodied a break with Soviet ideology, or at any rate with its officially proclaimed principles of the "class approach", "internationalism", and so forth. Of course, these principles had been forgotten by the Soviet bureaucracy long before the collapse of the USSR, but in this respect the KPRF still represented something extraordinary. On the one hand, the membership of this single party included extreme right-wing nationalists, admirers of the White Guards and champions of Orthodox christianity, and on the other, people who nostalgically recalled the Soviet "friendship of the peoples", and who took pride in Leninist traditions and the revolutionary past. Not only was Zyuganov able to unite leftists with extreme rightists (under the ideological leadership of the latter), he also kept within the framework of the party "moderates" of the most diverse hue, from social democrats to common opportunists with no interest in anything apart from lobbying for the interests of their sponsors.

All these groups, however badly they related to one another, knew that it was to their advantage to stay together. The journalist

Gennady Zyuganov (l) with Putin and Primakov

Anatoly Baranov described the KPRF as a joint stock company with a monopoly on the provision of oppositional services to the population. So long as this monopoly was recognised and sanctified by the state, everyone who was engaged in such business knew that there was simply no other method available apart from going shares.

The trouble is that once Putin's "Northern Alliance" came to power in the Kremlin, oppositional moods in the population began to grow, despite the official ratings. The KPRF had been doomed to success simply by virtue of its particular monopoly position, irrespective of the quality of its leadership and ideology. The status of monopolist, however, had in fact been conferred on the party by the state. Feeling that something was amiss, the people in the Kremlin started changing the rules of the game. It could be said that the Kremlin revoked Zyuganov's licence.

This spring [2002], the Kremlin-controlled "centrist" fractions in the Duma suddenly decided to strip the KPRF representatives of the positions the latter had received in the parliament under the "packet agreement" concluded by all the parties following the 1999 elections. The first demand was that Seleznev quit his post of speaker. Then Seleznev was unexpectedly "forgiven", but the KPRF lost most of its committee chairperson positions. Zyuganov needed to undertake something in response. Since it was obvious that no-one would come out onto the streets in protest over such an issue, the leaders of the

fraction called on the remaining committee chairpersons, along with Seleznev, to quit of their own accord as a mark of protest. Against the expectations of the party chiefs, these people refused. The Moscow organisation of the KPRF demanded that the miscreants be expelled. Zyuganov was faced with a choice: if the "moderates" were not excluded, a revolt would begin. If they were excluded, a split would occur. The leadership was not ready for such a turn of events.

Gennady Seleznev

Sensing this, the numerous political clans within the party began their own independent games. Zyuganov behaved as though nothing were happening. The conflict between the KPRF leadership and Seleznev, which had already been smouldering for years, could easily have been hushed up if the leadership had recognised that the situation was flying out of control. As before, however, they believed that a split was impossible, and hence decided to "finish off" the speaker just as they had done with their previous victims.

The result was not long in coming. Seleznev was followed by other committee chairpersons, Svetlana Goryacheva and Nikolay Gubenko. A considerable number of party organisations openly declared their disagreement with the expulsion of the "miscreants". The voting at the plenum showed that approximately 40 per cent of the participants were against the proposed "organisational measures". It may be noted that the decision to punish people for breaching the party statutes was formally correct. Prior to this, however, no-one had paid any attention to such breaches; deputies had voted for the budget despite decisions of the fraction, and had in general acted extremely freely.

Seleznev was followed out of the party by Gennady Khodyrev, the best-known and most influential of the "red governors". Such moves

are not made lightly. Khodyrev, moreover, had already suspended his party membership, and could argue that what was happening did not affect him. Khodyrev's decision makes sense only as a signal to his supporters in the party: "Folks, it's time to get out of here!"

As Gennady Seleznev described the process in the KPRF, the party is "going to be Kuvaevised"; the reference is evidently to the growing influence of Moscow party leader Aleksandr Kuvaev, whom the press has now identified as the leading radical. Kuvaev, meanwhile, is by no means among the admirers of Zyuganov. Both Seleznev and Kuvaev understand that the party cannot carry on in the old fashion. Their prescriptions, however, are directly counterposed. Seleznev insists on moderation. Contrary to the view now being heard from most of the newspapers, the road he proposes does not lead to social democracy, but simply to the political centre. It is significant that after at first declaring his unwillingness to join any new party or to found one, the Duma speaker quickly went back on his decision and called on his "Rossiya" movement to transform itself into something between a party and an

Aleksandr Kuvaev

electoral bloc. If such a bloc really comes into being, it will most likely become a double of the pro-Kremlin "United Russia". The reason for founding such a bloc, however, is by no means political. To go from the "opposition" KPRF directly into the ranks of the presidential supporters is not a simple operation, especially when carried out on a mass scale. From the very beginning, Rossiya was set up to provide a bridge to allow this transition to be made painlessly and in good time.

Kuvaev and his supporters are another matter entirely. They are not only prepared to burn their bridges, which are of no use to them anyway, but would also like the party to correspond, at least to some degree, to its name. If "communism" to Zyuganov is simply a trade

mark, a brand name, for Kuvaev it is also an ideology. Kuvaev's communism is thoroughly traditional, completely Soviet, but what else is to be expected?

When the Moscow party organisation succeeded in having Seleznev expelled from the KPRF, it won an important battle. The political responsibility nevertheless rests with Zyuganov. But when the "moderates" start leaving the ranks of the party, it will become clear that the nationalists who surround the leader are neither numerous nor especially influential.

The strength of the leadership has lain in its ability to manoeuvre between the groups and to play them off against one another. With the departure of the "moderates", the nationalists are also in danger. They have nothing to offer the party. Weakened by his struggle against Seleznev, the discredited and no longer fearsome Zyuganov will remain face to face with the communists.

Combating the legacy of Zyuganov

After the chapter on the victory over the "right-centrist deviation in the KPRF", the future historian of the party will have to write a section on "overcoming the legacy of Zyuganov". According to the script, everything will end with the triumph of Leninist traditions and a self-cleansing. But what will the sortings-out now occurring within the KPRF mean for society as a whole?

The Kremlin intends to treat the Communist Party in roughly the same way as Anatoly Chubais treats the company United Energy Systems. Everything of any value will be assigned to the "moderate opposition", which will not even be an opposition at all, but one more prop for the president. The truncated, "Kuvaevised" Communist Party will be left to eke out an existence on the fringes of political life, without governors and with 14 or 15 per cent of the votes in the Duma.

This, however, is only one of the possible scenarios. The rift in the KPRF is liberating political energies that were earlier kept chained up. Smaller and poorer, the party could become a livelier and more effective organisation. For that matter, who said that only two organisations would arise out of a split? The monopoly position of the KPRF has made serious left or opposition politics impossible in any form. Now that this monopoly has been undermined, new political forces

may become established, forces that correspond to the needs of society. It is by no means clear that the Kremlin's political specialists will be pleased with the results of their work. ●
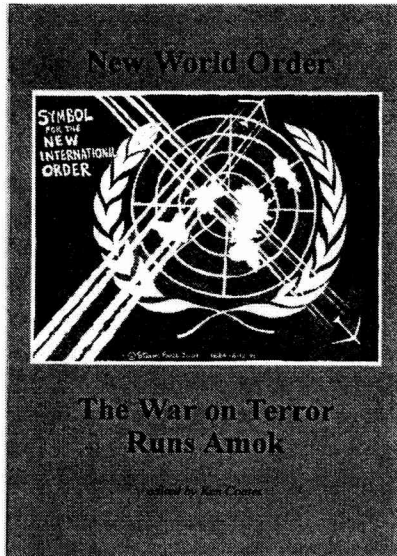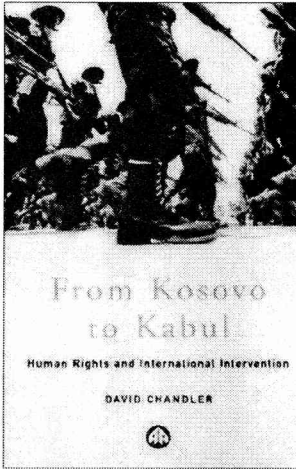
Reviews

David Chandler, *From Kosovo to Kabul.
Human Rights and International
Intervention* (Pluto Press, 2002), 256pp,
£14.99

David Chandler looks at the influence of
human rights thinking in the areas of
humanitarian aid agencies, foreign
policies of individual states, the UN and
international law. Despite claims to
universality, he sees its theory as flawed,
and suggests it has led to undemocratic
and elitist ideas of 'those who know best'. As an alternative he proposes
a return to the principles of political equality and self-determination.

As regards aid agencies, Chandler sees the influence of human
rights thinking in the move by some newer organisations such as Oxfam
and Medecines sans Frontieres towards a rights-based rather than the
traditional, neutral needs-based approach. This can result in refusing
aid where massive human rights abuses have been committed, as in the
decision to pull out of certain refugee camps in Rwanda. Chandler is
right to see this as partisan and controversial. But it also provoked
much disagreement and discussion within the human rights movement
itself.

Moving on to foreign policy, the book rightly sees changes after
1991 as the result of capitalism winning the Cold War. Now Western
leaders needed to replace the old realpolitik of confrontation with
something which clearly embodied the universal moral superiority of
the victors. 'Ethical foreign policies' with 'human rights at their centre'
were zealously adopted, and became part of the rhetoric of the 'new
world order'. Previously, investigations into human rights abuses simply
gave organisations like Amnesty International access to victims. Now,
as part of the foreign policy of individual states, they became a licence
to attack and even get rid of governments, if they were labelled brutal
and oppressive enough.

However, there are differences between the USA and Europe, which Chandler tends to lump altogether as 'the West'. The EU's post-1991 agenda of 'nation building' is certainly acceptable to many human rights campaigners. But some may see it as an alternative to American bombing. This is still very much what US foreign policy is about, as is shown by reaction to the twin towers attacks last year. Furthermore, the resultant bombing of Afghanistan and declaration of a 'War against Terrorism' were justified solely as in defence of America's interests, no' ethical' criteria were considered necessary by Washington. Tony Blair's fervent attempts to present them as moral crusades were always an irrelevance.

In discussing the UN and international law, Chandler quotes current Secretary General Kofi Anan and UNHCR Mary Robinson, who are both supporters of extending the reach and enforcing the mandate of international law on the basis of the universality of human rights. They see this as an advance on the present UN Charter, which only permits states to go to war in self-defence against attack by another state. Neither the US-led wars against Iraq, Yugoslavia , Afghanistan, nor its so-called War against Terrorism have been justified legally. For this changes in international law and its relation to national sovereignty would be necessary.

But radical human rights advocate Geoffrey Robertson has a solution. He argues that modern interventionist wars by the West can be justified on the basis of a universal moral imperative, embedded in law and enforceable through 'coalitions of the willing'. These would be duty-bound and empowered to intervene legally [through international criminal courts] and militarily in cases of massive human rights abuses, 'crimes against humanity' and 'genocide'. Such coalitions would comprise 'only countries which are prepared to guarantee fundamental freedoms through representative government, independent national courts and by pledging to support an independent justice system'. He goes on 'might it now be worth constituting a world government of 'parliamentary peoples' which would safeguard human rights by being premissed upon them, a kind of global NATO, no longer lumbered with backward or barbaric states'.

It is just this kind of apparently high-minded thinking that Chandler challenges in a chapter on 'The limits of human rights theory'

and in his conclusion to the book. He sees human rights theory as in fact rather shakily based on an attempt to marry ethics and politics and find a common definition of what is a human right. Advocates often claim a universalist moral high ground through the circular argument that we are all human so all equally entitled to human rights.[The Universal Declaration of Human Rights of 1948] However further discussion about what it is to be human will lead to varied definitions, religious and secular, and what is a human right differs historically, geographically, economically, socially, and so on. There is also the problem of agency. Who will actually ensure adherence to human rights?. Will it be Robertson's self-appointed coalitions of the apparently 'great and good', or simply those who have the military might, like the USA? And will the people of the 'backward and barbaric states' have any say in the matter?

From my own knowledge of human rights campaigners, especially those working on the ground in various NGOs, many are aware of the problems Chandler raises, as regards both theory and practice, They acknowledge the tension between ethics and politics, the former being about values and responsibilities, the latter about power and representation. They recognise that there are both conflicting values and conflicting rights within a society, and so do not necessarily see human rights as trumping all others, as Chandler suggests. Many do not support military or other types of intervention especially if this overrides local democratic institutions. Instead they try to build and encourage grassroots democracy.

However, I do agree that writers like Robertson, Mary Kaldor et al seem to have succumbed to a pessimism and elitism both about human nature itself and about the worth and efficacy of democratic political institutions. They fervently desire that 'something must be done' about what they see as an increase in wars and civil strife. But, rather like chaplains blessing an army, these once liberal-minded people have ended up calling for the reactionary forces of law and order and the military to sort out the sins of the world.

This type of thinking within the human rights movement could reflect the defeats of the left during the 1980s and 90s. If so, alternatives have since come bursting onto the world stage in the form of the growing anti-globalisation and anti-war movements, as well as new political

parties. These have brought together trade-union, left and social movement activists under manifestly optimistic banners such as 'Another World is Possible' and 'Not in my Name'. Notable is their confidence in both the desire and the capacity of people to determine their own futures and to create a different world. This echoes a left-wing emancipatory and universalist view of humanity rather than the pessimistic and consequently authoritarian and elitist one of the Right, and indeed some despairing liberals within the human rights milieu.

Chandlers own alternative , with which he concludes his book, is a similar belief, He sees it as essential to challenge the image of the passive victim of abuse, which human rights thinking tends towards, and which has contributed to the distorted idea of the 'humanitarian war' waged by the rich and powerful for the benefit of the poor and the weak. Instead, and in the absence of any representative world government as yet, he prefers to trust in people's own ability to form and run their own democratic organisations and institutions.

Sheila Malone

Mary Farrell, Stefano Fella, and Michael Newman (eds) *European Integration in the 21st Century* (London: Sage Publications, 2002) 220pp. Cloth £50.00 , Paper £16.99

From a wide range of perspectives this book looks at the European Union's possible futures and how they are being shaped by decisions taken in the face of the pressing problems of the present.

In successive treaties, beginning with the Single European Act of 1987 and culminating, for the time being, in the as yet unratified Treaty of Nice, leaders of the European Community and its member states have sought to bring about greater and greater integration. The room for manoeuvre has already been narrowed to the extent that, in the name of the single market, traditionally interventionist social democracy has ceased to be viable. Much was made, a few years ago, of the prevalence of centre-left governments within the EU-15. Now, pundits queue up to explain why the centre-right is suddenly dominant. What does not change is the policies pursued. Unless the Treaty, the Commission, and ultimately the Court of Justice are to be defied and

the law broken, all that can be offered to the electorates of the member states – and those who would become such - are Washington Consensus politics and "reforms" which bear a remarkable resemblance to the Structural Adjustment Programmes inflicted on developing countries.

Under these circumstances, the EU's drive to eastward expansion takes on a rather different meaning. As Nice showed beyond doubt, the EU is a project to ensure the perpetuation and spread of a particular version of capitalism, the domination of big states over small, and the mediation of competing interests within the ruling class internationally. In short, "enlargement" is newspeak for a very old phenomenon: imperialism.

Some of the contributors to this stimulating volume are informed by this, or a similar, perspective, others less so, and some most certainly not. Peter Gowan looks at the particular situation of each central and eastern European (CEE) applicant state, dividing them into groups according to geographic location and looking at the different forms of dislocation and decline which have overtaken them and the range of approaches proposed by the EU and the different and conflicting forces within it. His conclusion is that there are four broad policy options available: "a business concert of states under US political control on an international level"; "a military/currency bloc acting as a junior imperial partner of the US on a global scale"; "a federation which is a civilian power on a global scale and offers distinctive civilian-political values...as a counterweight to US attempts to consolidate the 'global leadership' of a single state"; or an "EU-Europe...internally fragmented...a variable resource for Europe's dominant power, the United States". As Gowan concludes, the third option is the most favourable but least likely. It would also require a treaty revision so substantial that it would be better described as abolition of the current Union and its replacement with something else than a reform of the existing structure.

In other essays, Elizabeth Stadmuller takes a broad view of how European-wide security might be achieved, concluding that the solutions are more economic than military and that they will take time. Esko Antola looks at tensions between small and large states within the EU and Madeleine Colvin examines moves towards European level policing and judicial systems and the need to balance these with safeguards for

what she calls "individual fundamental rights". Each of these writers provides a well-researched and clearly written guide to the issues, but each also assumes a degree of well-intentioned leadership which, to this reviewer (after almost two decades of employment in the EC/EU institutions) is far from evident.

Alex Warleigh's "network democracy", his term for a vision of the EU "as a series of overlapping sectoral agencies" is not so far removed from the structures which might indeed underpin a democratic Europe, but again, Warleigh assumes goodwill where I would argue none exists. If the undermining of democracy were an accidental by-product of an otherwise desirable European integration then his ideas would be eagerly studied in Brussels. Alas, the Maastricht criteria and the "independence" of the European Central Bank demonstrate that reducing popular influence on decision-making is no unfortunate error but precisely what the Union is for. As Kevin Boles, Frank McDonald and Nigel Healey conclude, in their examination of the euro's chances of coming to rival the dollar, "there is a very real prospect that... the institutions of the EU, and not sovereign governments, will continue to effect major decisions that impact upon the lives of Europe's citizens." It is this, moreover, which makes Monica Threlfall's optimism about the possibility of developing EU-wide social rights appear naive. This is simply not what the EU is about, as a thorough reading of the Treaty upon which it is based will reveal.

Together with chapters on culture and on language these essays amount to a substantial contribution to our understanding of the EU, what it is, and where it is going. As a committed opponent of this European Union, I disagreed with many individual points and with the essentially EU-reformist view of almost all of the writers. In every case, however, I found thorough research thoughtfully presented. Too many "anti-Europeans" - a bizarre label which I would reject – know too little about their bête noir. Droves of "pro-Europeans", on the other hand, would cease to be such if they knew the first thing about the EU and its fundamental law. This book is a useful contribution to the attempt to take the left's debate about Europe's future out of the hands of pseudo-internationalists and closet xenophobes and give it some substance.

Steve McGiffen

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