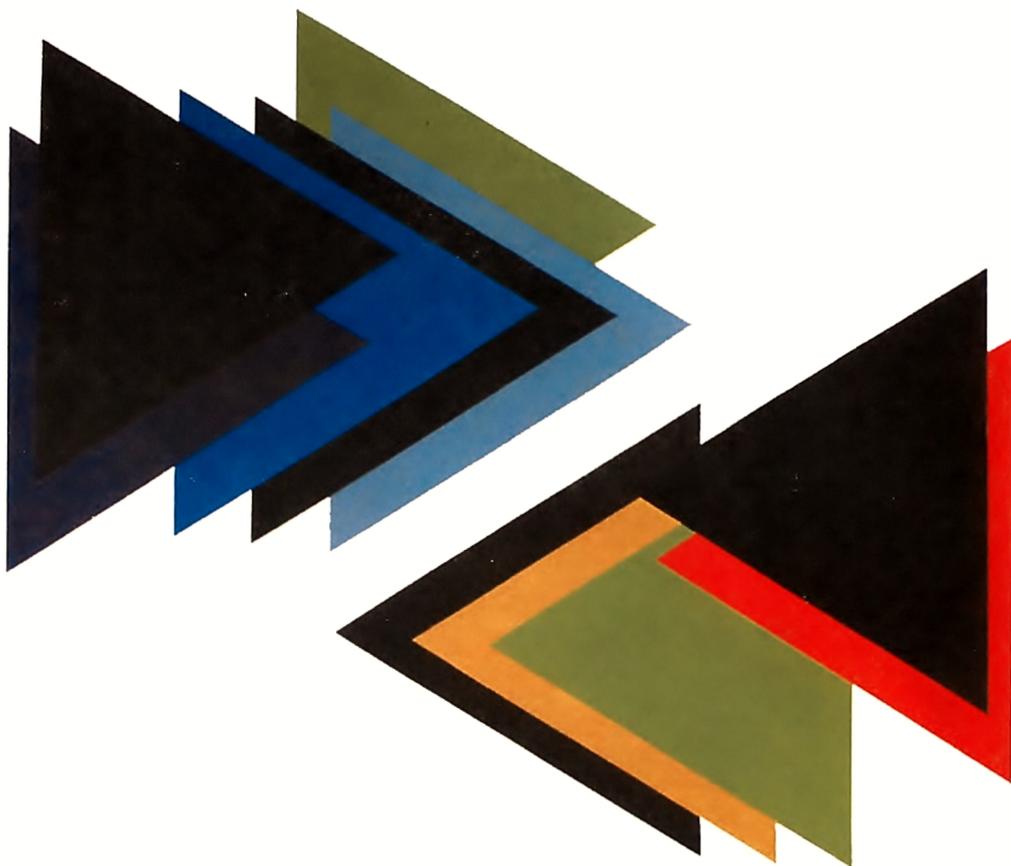


**bcjia** Bologna Center Journal  
of International Affairs

# Leadership



JOVAN DIVJAK  
KARIM MEZRAN  
GIANFRANCO PASQUINO  
ROMANO PRODI  
RIORDAN ROETT  
GARY SICK  
DAVID C. UNGER

DANIEL JUSTIN CLARK  
RYAN J. CONNELLY  
EMILIA GALIANO  
KLAAS HINDERDAEL  
PHILIPP PANIZZA  
CHRISTINA POLITI  
JIMENA SERRANO  
JAMES STRANKO

SAIS BOLOGNA CENTER JOURNAL  
OF INTERNATIONAL AFFAIRS

SPRING 2011  
VOLUME 14

PUBLISHED BY  
THE JOHNS HOPKINS UNIVERSITY  
PAUL H. NITZE SCHOOL OF ADVANCED INTERNATIONAL STUDIES  
BOLOGNA CENTER

The *SAIS Bologna Center Journal of International Affairs (BCJIA)* was established by the graduate students at the SAIS Bologna Center in 1997 to provide a forum for discussion and dissemination of ideas about the current issues in the field of international relations. The BCJIA aims to provide a formal outlet for thought-provoking scholarship from students and faculty at the Bologna Center and other graduate institutions, and welcomes work from experts and practitioners in the field.

The BCJIA is published once a year in Spring. The views expressed herein are solely those of the authors and do not represent the opinions of the Journal staff. Neither the BCJIA nor the Bologna Center itself guarantee the accuracy of the data included in this publication and accept no responsibility for the consequences of its use.

#### INTELLECTUAL PROPERTY RIGHTS

The authors of the articles in this journal maintain the intellectual property rights of the contents. Anyone wishing to reproduce these articles must contact the individual authors to obtain their permission. Please contact the *Bologna Center Journal of International Affairs* for more information.

#### SUBMISSIONS

Articles for submission to the *BC Journal* are accepted on a continuous basis. Article selection for the print edition takes place in March. Submissions will be judged according to academic merit and relevance to the selected theme. Articles may be submitted to the Managing Editor at the address below or to the email address specified on the website. Authors should include a current biography, contact information, and abstract of the article.

Our website is available at <http://www.bcjournal.org>

Copyright © 2011 The Bologna Center Journal of International Affairs

ISSN NO. 1592-3436 print/ ISSN 1592-3444 online

#### PUBLISHED BY:

The Johns Hopkins University  
Paul H. Nitze School of Advanced  
International Studies  
The Bologna Center  
Via Belmeloro, 11  
40126 Bologna  
Italy

# Table of Contents

NOTE FROM THE EDITOR-IN-CHIEF	5	<b>Managing the Resource Curse and Promoting Stabilization through the Rentier State Framework</b>	
NOTE FROM THE DIRECTOR	7	RYAN J. CONNELLY	73
<b>Our Time Is Not Over:</b>			
ROMANO PRODI on European Leadership	9	<b>Breaking the Logjam: Obama's Cuba Policy and a Guideline for Improved Leadership</b>	
Silvio Berlusconi and Anti-Political Leadership in Italy		KLAAS HINDERDAEL	83
GIANFRANCO PASQUINO	15	<b>Populism or Democratic Consolidation: The Divide in Latin American Leadership</b>	
The Green Party in Colombia: A Hope for Healthy Politics		RIORDAN ROETT	93
JIMENA SERRANO	23	<b>Antagonism in Wonderland: Argentina's Original Public Sector Sins</b>	
Iran: An Emerging Power in Perspective		JAMES STRANKO	99
GARY SICK	31	<b>Conflict Resolution and the United Nations: A Leadership Crisis?</b>	
The People's Republic of China: An Alternative Model?		PHILIPP PANIZZA	109
EMILIA GALIANO	39	<b>Leadership in Counterinsurgency: A Critical Review of Mark Moyar's <i>A Question of Command</i></b>	
Political Leadership in North Africa: What Comes After Authoritarian Regimes?		DANIEL JUSTIN CLARK	117
KARIM MEZRAN	49	<b>Stalemate in Sarajevo</b>	
Leadership and Democratization: The Successful Model of Southern Europe		JOVAN DIVJAK	123
CHRISTINA POLITI	55		
Economic Leadership in Europe			
DAVID C. UNGER	67		

**ACKNOWLEDGEMENTS:**

The Bologna Center Journal of International Affairs would like to acknowledge and thank those individuals who have provided support during the year, including Professor Mark Gilbert, Director Kenneth H. Keller, Odette Boya Resta, Childe Costa, Rebecca Hopkins, and several members of the Bologna Center administration. Thank you also to the students and faculty who contributed to our fundraising efforts.

**2011 JOURNAL STAFF**

---

<i>Editor-in-Chief</i>	Samuel George
<i>Managing Editor</i>	Matthew B. Carroll
<i>Executive Editor</i>	Joseph Da Silva
<i>Chiefs of Copy</i>	Courtney McCarty
<i>Editing</i>	Jessica Stallings
<i>Associate Editors</i>	Klaas Hinderdael Marijn Hoijtink
<i>Finance Director</i>	Ezra Kidane
<i>Chief of Fundraising</i>	Jessica Annabel Lee
<i>Chief of Public Relations</i>	Hugo Cervantes
<i>Public Relations Team</i>	Saudamini Dabak Peter Epstein Paola Luisi Bryan Schell
<i>Web Editors</i>	David Goodman Andrew Orihuela Bianca Silva

**EDITORS**

---

William J. Burke  
Romulo Cabeza  
Costanza Caputi  
Abdaljawad Hamayel  
John Haug  
Lisa Heinrich  
Edna Kallon  
Brittany Minor  
Shirin Mohammadi  
Alix Murphy  
Maria Kalina Oroschakoff  
Christine Peng  
Jadranka Poljak  
Vandana Prakash Nair  
Ainab Rahman  
Saurav Rana  
Moritz Schmid-Drechsler  
Andrew Zoeller

**COPY EDITORS**

---

Elizabeth Fustos  
Elizabeth Gee  
David Goodman  
Jason Graffam  
Laura Hurley  
Deepti Iyer  
Teresa Meoni  
Jennifer Pogue-Geile  
Vidya Putcha

---

Will the General show up? We were scheduled to meet half an hour ago. Outside, stinging wind whips around the outskirts of Sarajevo in a neighborhood still pockmarked with bullet holes. Once the Serbian foothold in the Bosnian capital, Dobojska currently houses General Jovan Divjak's NGO—a small operation that helps orphans of the war.

Divjak, an ethnic Serb, commanded the Bosnian army's defense of Sarajevo against invading Serbs. With rumors from Mostar and Srebrenica drifting through the air, General Divjak and his under-armed forces held off the Serbian siege for nearly four years. Divjak embodies many of the controversies inherent to a conversation on leadership. To most of Sarajevo he is a hero. To others, he is an opportunist who leveraged his ethnic status. In Republika Srpska he is a war criminal. In fact, his interview for this volume was one of his last prior to a surprise arrest in Vienna.

The fourteenth edition of the *S.A.I.S. Bologna Center Journal of International Affairs* focuses on leadership. What is leadership? Who counts as a leader? Is leadership even a factor in the twenty-first century? Who will sway the Japanese recovery efforts—Prime Minister Naoto Kan or investors going long on the yen? With increasing integration and interdependence, is leadership just a distraction? The academic consensus seems to favor ethnically ambiguous, market-oriented Eurocrats who will not disrupt the supply chain.

The leadership conundrum is especially acute here in Italy. An argument could be made that a profound leadership void exists across the peninsula, with legitimate dialogue replaced by game shows and jiggling body parts. Others argue that Italy suffers from the disease of leadership; in turbulent times, a part of society has rallied around a leader who appeals to their ignorance and fear. Romano Prodi suggests that Silvio Berlusconi is a strong leader because he answers questions in three words. Unfortunately, many of the world's dilemmas require a few more.

Of course, the subject entails far more than political dominance. Leadership in North Africa does not simply refer to entrenched dictators, but also to students who risk their lives to organize long-shot protests. In the United States, leadership is not limited to political elites making poor decisions quickly, but it includes soldiers on their third and fourth tour revising strategies to protect a rural market outside Kandahar. Leadership includes peacekeeping initiatives and scientific efforts to develop clean energy. So while political leaders from South America to East Asia may be underwhelming and angling for the sound bite, leadership is alive and well—an exogenous variable pushing productivity growth.

The 2011 *Bologna Center Journal of International Affairs* considers the direction of this growth. Jimena Serrano analyzes nascent trends in Colombian leadership that portend an end to centuries of exclusionary politics, while James Stranko considers the entrenched underachievement of Argentina's ruling class. Klaas Hinderdael argues for a new direction in American foreign policy vis-à-vis Cuba, while Christina Politi looks to southern Europe's past for lessons that apply directly to current struggles in North Africa. Reflecting the increased strategic relevance of developing nations, Emilia

Galiano offers a controversial take on China's new role as a global power, while Ryan J. Connelly proposes a developmental model for states to better leverage natural resources. Finally, Philipp Panizza reflects on Namibian peacekeeping efforts, isolates factors of success, and argues for continued United Nations leadership in the field.

Alongside these student submissions, we are proud to publish a series of articles from experts in the field who are all leaders in their own right. Romano Prodi and Gianfranco Pasquino, two dominant voices in Italian politics, grapple with the opprobrium that has befallen Italian politics. Gary Sick, who served on the National Security Council under three presidents, offers a sophisticated analysis of the often politicized issue of Iranian leadership, while Dr. Karim Mezran provides context to a spiraling situation in North Africa. David C. Unger of *The New York Times* Editorial Board considers the void in European economic leadership, while Dr. Riordan Roett delivers an overview of Latin American leadership that complements the country-specific case studies presented in this volume.

I am extremely appreciative of the leadership demonstrated by the 2011 Journal Staff. My job would have been much easier if Managing Editor Matthew Carroll and Executive Editor Joe Da Silva had been yes-men—the journal is significantly better because they were not. Chiefs of Copy Editing Courtney McCarty and Jessica Stallings combined skill, efficiency, and dedication to keep the project on track. Andrew Orihuela and David Goodman built a new website for the journal from scratch, while Jessica Lee's fundraising acumen allowed us to expand operations without emptying our coffers. All told, the team worked together to assemble snapshots of a globe poised to hit a turning point and perhaps waiting on a leader.

Will the General show up? We were scheduled to meet an hour ago. His assistant chain smokes Croatian cigarettes and pours Bosnian rakija by the shot. Future unrest between Bosnians and Serbs is inevitable, he says. Whether political or physical, the nature of the Dayton Accords assures conflict. I am struck by how often fear or expediency produces short-sighted policy with crushing long-term consequences. I am disturbed by the time we spend studying easily avoidable errors of the past. As the academic expression of a professional school, the *Bologna Center Journal of International Affairs* demonstrates that some of the world's future leaders have a nuanced understanding of the history, politics, and economics of the systems that they will affect. These papers give hope that our class will be studied for our leadership, and not for our errors.

Samuel George  
Editor-in-Chief  
April 2011

In the field of chemical engineering, where I began my academic life, one of the well-known quips is the definition of a “simple” chemical reaction—to wit, a reaction that has not been studied too closely. In the world of international affairs, something rather similar might be said about such words as *democracy*, *freedom*, or *leadership*, all of which figure prominently in the 2011 edition of the *Bologna Center Journal of International Affairs* and, as will become evident to the reader, none of which is a concept easily pinned down.

The Journal staff has chosen the concept of leadership as this year’s theme, and the rich collection of articles you will find in these pages makes certain things clear, but not simple. First, the term *leadership* can only be understood and judged in a systemic context: for example, who the followers are and how *followership* is organized in particular political, social, and economic circumstances, from single interest groups to nations developed and developing to supranational entities; what mechanisms of communication are effective in the group being led; and, perhaps most importantly, the dynamics of the time—the needs, the urgency, the challenges, and the state of play.

Second, and not surprisingly, it is easier to analyze what has (or has not) worked than it is to foresee what will (or will not) work when it comes to leadership or leadership style. However, this does not make such analyses less valuable, as the thoughtful papers in this collection demonstrate. Through the lens of leadership, we see the global challenges of our era—the emergence of new powers and power structures, the political experiments, the environmental challenges, and the continuing struggles against poverty, disease, and hunger. These challenges are still unresolved more than 20 years after the end of the Cold War, in a world where the nature and consequences of globalization continue to evolve.

This Journal follows the tradition of presenting the work both of graduate students and established scholars. As such, it embodies an important dimension in the dialogue that is at the heart of a SAIS education and that is a source of constant satisfaction for those of us who teach at SAIS. The Journal is entirely a student enterprise. The editorial staff issues the call to authors, selects the papers, and edits and assembles the final product. In doing so, it engages the Bologna Center’s students and faculty, enriching the educational experience for all of us. The result is a volume that is a useful and significant contribution to the literature. This is the fourteenth year in which the Journal has been published. It has become a tradition at the Center and a source of pride to all of us.

It is a personal pleasure for me to introduce you to this year’s volume, which I hope and fully expect you will find enlightening and engaging.

Kenneth H. Keller  
Director and Professor  
April 2011



# Our Time Is Not Over: Romano Prodi on European Leadership

As president of the European Commission, Romano Prodi played a crucial role in the creation of a shared European currency and in the 2004 eastern enlargement of the European Union (EU). Twice prime minister of Italy, he set his country on the path toward adopting the euro. On February 15, 2011, he sat down with the *Bologna Center Journal of International Affairs* to explain why it is so difficult to lead Italy, why Europe lacks strong EU-level leaders and a “single voice,” and why Europe’s time as a global leader is not yet over.



SAIS students interview Romano Prodi

This year's *Bologna Center Journal of International Affairs* focuses on leadership. How do you define leadership in concept and practice?

Leadership is multifaceted, and it would be wrong to think of it as a single idea. I think it changes depending on the situation. I have seen leaders who speak little but yet recognize the right mo-

---

Romano Prodi is currently president of the Foundation for Worldwide Cooperation and chairman of the United Nations-African Union Panel for Peacekeeping in Africa. He was president of the European Commission from 1999-2005 and prime minister of Italy from 1996-1998 and 2006-2008. He is a long-standing member of the Bologna Center Advisory Council, and the Center is honored to welcome him as a perennial guest speaker.

This interview was conducted and compiled by Mario Brataj, Valeria Calderoni, Maria Kalina Oroschakoff, and John Ulrich, all first-year M.A. candidates at SAIS Bologna Center.

ment to act. On the other hand, I have seen leaders who hold press conferences three times a day but who are ineffective.

I feel that there is one crucial feature of leadership that is often overlooked: the ability to simplify problems. You must boil complex issues down to a yes-or-no framework. You have to be understood, followed, and agreed with, and you must bring people to understand the issues a country is facing. This is at least true for politics, but I think it is the same in business.

Of course I assume that you are asking me how leadership is defined in the context of a democratic state. The basis for my answer became clear to me when I met former German chancellor Helmut Kohl, who has an amazing ability to simplify complicated issues. On the euro, his message was, “This is for Europe, and it is good,” and he offered very simple reasons to back it up. He did not analyze the technical aspects, nor did he inject any doubts.

**Is Italy experiencing a lack of leadership right now?**

Based on the definition I have established, there is certainly no lack of leadership in the person or character of President Silvio Berlusconi. Although we are cut from a different cloth, he clearly shows leadership. He is quite good at simplifying messages and turning issues into clear-cut dichotomies. When Berlusconi speaks on television, he makes things simple, almost naive. For instance, when he talks about taxes, he never says that taxation is a nuanced issue with many dimensions. Instead, he is more likely to say, “Taxation is bad,” and then offer a straightforward explanation. But, clearly, leadership can also go in the wrong direction—as, I think, is true in this case.

**The left-wing coalition in Italy has often experienced a lack of cohesion. Why do you think that is?**

This is a problem that has nothing to do with leadership. In a loose coalition with diverging interests, no leader can unify the situation. In 2006, my coalition in government was composed of nine parties, and in the Senate we had only one more seat than the opposition. Add to that the presence of marginal members who are always tempted to move in another direction, and you are faced with a hundred different scenarios, each of which can end your government. In this environment, it is simply impossible to exercise simplification, the first necessity of leadership. You can be a very, very good general, but if you have no weapons, you lose the war.

Today we face the same boiling situation, but we are witnessing a reaction by civil society. I don’t see a top-down exercise of leadership, but I do see a very fertile, very promising people’s movement. In Italian, one would call it a *stato nascente* (nascent state), which is new and promising. However, they have yet to form a clear, unified voice and will face the same problems of diverging leaders and lack of simplified vision.

**Leadership in large institutions typically proves to be an even more difficult task than in an individual country. What is your opinion of the state of leadership, or lack thereof, in the European Union?**

There are many strong leaders in Europe, but there are few at the pan-European, or specifically, at the EU, level. Leaders in the EU have neglected to position themselves on a “Europe first” platform. Why? For that, we need to look at the European electorate. For the past four to eight years, public opinion in Europe has been progressively dominated by fear. I would argue that it is mainly fear of immigrants and unemployment. This is a more tangible fear, more so than the fear of military threats. This inclines leaders—especially in the newer democracies—to follow opinion polls and forecasts. These are the elements guiding European democracy at the moment, and they can,

for example, partially explain the German response to the Greek crisis. As a consequence of these developments, the state of leadership in Europe is what I would call barometric. Leaders follow public pressure instead of displaying leadership. They want to be strong in their own countries, and so they follow the fluctuating moods of their electorates. It is consequently impossible to have European leaders.

**Do you think that the dream of a Europe with a single voice will ever materialize?**

For now, simply, no. Europe's progress is stalled because of the broader political situation. Again, take the Greek situation as an example. People understand that there is no alternative to "saving" Greece, so you have this fantastic contradiction that, first the Germans were against any bailout of Greece, and then only later after long negotiations was a fund made available to help solve the matter. In the context of Europe, as we say in Italian, *hanno sbattuto la testa contro la parete* (you need to hit your head against the wall), in order to make progress. But herein we also find one of the greatest European qualities: democracy. It moves slowly, but it moves in the right direction.

**Do you think that the recent events in North Africa could provide an opportunity for the EU to assert itself in the region and on the world stage?**

No, I do not. Europe's self-limited role in the region makes me furious. Let us first consider the EU's Mediterranean policy. The problem is that there is no money and no real will to engage on behalf of a common Mediterranean policy. While this is understandable in today's economic climate, I think there still needs to be some kind of policy.

When I was president of the European Commission, I made simple, relatively inexpensive proposals to strengthen the EU's role in the region. For example, I supported the ideas of creating a Mediterranean Bank as a way to promote cooperation with the Gulf countries or establishing twin universities in the North and South with an active, mixed exchange of university students and professors from both regions. Yet nobody wanted these kinds of institutions at the time. Perhaps the fear of immigration from the South will be the driver of a more active, cohesive, and serious engagement with the Mediterranean region. But, on a more pessimistic note, I do not see any real efforts for the creation of a tangible policy so far.

**You spent some time at the China Europe International Business School (CEIBS). How do you assess Europe's global role as the United States experiences a relative decline and China grows in power?**

Drawing from my experience, China has always been in favor of the European Union as a balance to the United States. In a way, they see Europe as an instrument for the transition from a unipolar to a multipolar world. For example, when the euro was being introduced, the Chinese welcomed it, for very understandable reasons. I remember the Chinese president telling me at a summit that he wanted the euro because China wants to live in a world in which more than one country has power. Last year, a highly ranked Chinese official told me that he was disappointed because, he said, "We [the Chinese] hope for Europe to become a major actor on the international stage, but we don't see it happening." This may help explain why, for the Chinese, bilateral meetings with Germany have taken precedent over meetings with the EU.

China itself is already exercising a progressive political leadership. The Chinese prime minister once told me at a meeting, "I know the rules. No decision can be made at this table unless I am sitting at it."

**What about the role of Turkey and its relations with the EU?**

Turkey is a special case because of the role that national public opinions and perceptions have played. There is a popular sentiment of unease towards Turkey in many EU countries, and perceptions do matter on the popular level. On the policy level, Turkey is very big, and so it was feared that all regional and agricultural funding would be allocated to Turkey. Meaningful political implications must be taken into account as well. For example, the moment Turkey enters the EU, it would have the most seats in the European Parliament.

Things have also changed recently on the Turkish side. Turkey emphasizes friendly relations with Europe over membership in the union. Negotiations will continue, but they are no longer a priority. This is because Turkey seems to be growing as a regional power. Regarding foreign policy, it seeks to avoid being surrounded by enemies, which means that relations with Syria, Iran and other regional players take priority, and Turkey's influence with Europe increases as a result. But in any case, I hope that the negotiation for membership will go on.

**Can you talk about the current state of the euro and EU economic policy?**

The euro is by all means a necessity for euro-zone members, and economic integration is too far advanced to think of disintegration. For example, Germany might be inclined to think that it could perform better outside of the EU and that Europe is a straitjacket. However, I have analyzed how important the Euro has been to the German economy. When it comes to making real decisions, those with a stake in the economic development of their country, like Volkswagen executives and bankers, will always vote in favor of staying in the euro zone. They would be lost without it.

Still, when you have a monetary union and diverging fiscal behavior for each state, you need to reinforce the instruments of common economic policy in order to compel member states to converge. A European fiscal system is a necessity, and it will materialize eventually, but we cannot do it in a day. The digestive capacity of our people is limited, and our ability to adapt to change is limited. Not long after the institution of the euro, the mood changed, the leaders changed, and now we find ourselves in a situation in which we have a monetary union but no tax coordination. Europe will never be a federal state like the United States, but it is clear that we need to adjust diverging economies, and we need to work with a coordinated budget.

**Do you think it takes a crisis for Europe to come together?**

Certainly. We grow through crises. But then this is politics, the only language that leaders understand.

**Do you envision a pro-EU leader emerging out of the current economic crisis?**

If we continue to improve through crises, then yes, a leader could emerge. I think that we did improve this year: we are now at the negotiating table, attempting to avoid the destruction of the euro. If you want to put it in a positive context, the crisis has brought about some collective action. Europe has agreed to fund the European Financial Stability Facility (EFSF) with €440 million plus another €70 million available to the Commission, with more coming from the IMF. That's a big pot. With so much money, you have real protection against demolition.

**Looking at the emerging new world order, would you argue that the era of Europe as a global leader is over?**

In demographic terms, yes, I think so. But I think our time is not completely over. The new reality brings a strong shift of power. If we are forward-thinking enough to come to terms with this and understand what is happening around us, I think we can prepare the grounds for a peaceful world. Changes in power are always dangerous and full of tension, and they have historically been accompanied by war. But we can avoid this outcome if we understand that this passage requires cooperation. To manage the current situation, we should turn to the Chinese, who respect and admire our legacy. We should work with them to settle the rules now, because it might be too late tomorrow.



# Silvio Berlusconi and Anti-Political Leadership in Italy

GIANFRANCO PASQUINO

This paper surveys the history of political leadership in Italy and the evolution of anti-political culture from Garibaldi, to Mussolini, and throughout the republican era. First, several lessons are drawn regarding effective leadership and political development through analysis of the most important political figures in Italian history. It will show that Italy is not a country with a history of outstanding political leaders. Looking at more recent developments, this paper argues that the reign of Silvio Berlusconi is the natural product of a long history of Italian anti-political culture. Yet despite his rejection of politics, Berlusconi has ironically become a strong political leader—but still falls short of becoming a great statesman.

Italy is, in memorable words attributed to Benito Mussolini (1883–1945), a country of “heroes, poets, saints, navigators, and colonizers.” Leaving aside the great political theorist Niccolò Machiavelli, Italy has also been since its founding a country where anti-politics has dominated. From 1861 to 1919, democracy was quietly accepted and was even expanded, but the “politicians” never enjoyed prestige of any kind, and anti-parliamentarianism ran rampant. Intellectually, one cannot overlook the fact that the theory of the ruling class was born in Italy, thanks to the work of Gaetano Mosca (and later Vilfredo Pareto and Roberto Michels). As for political leadership, aside from the authoritarian Mussolini, Italy does not appear to be a country of outstanding political leaders. For his exceptional leadership qualities, Mussolini was appropriately called *Il Duce* (the leader), and he certainly left his mark not only on the Italian political system but also on authoritarian governments around the world. Obviously, in the history of a country celebrating its 150th anniversary of unification, there have been many political leaders. Mussolini is the epitome of an authoritarian leader, but there are several significant examples of *democratic* Italian leaders that also deserve some attention and consideration—some having held institutional office, others having led political movements and parties.

In my opinion, there are three fundamental ways to approach the subject of political leadership in democratic regimes. The first is to consider those figures whose *leadership qualities* have been recognized by historians and public opinion and extract from them the features they seem to have in common. The second is to focus on the *most important decisions taken* by certain figures that have had significant consequences for that specific country, analyzing how and why those decision makers have shown leadership capabilities. The third is to look at the ability of those figures to establish and maintain a relationship with society. There are no leaders without many faithful, enthusiastic, and even adoring *followers*.

---

Gianfranco Pasquino is Senior Adjunct Professor of European Studies at the Johns Hopkins University SAIS Bologna Center and Professor of Political Science at the University of Bologna. He is president of the Italian Society of Political Science (2010–2013) and a member of the National Academy of the Lincei. He also has served as a member of the Italian Senate (1983–1996). His most recent books are *Quasi sindaco. Politica e società a Bologna 2008–2010* (2011) and *La rivoluzione promessa. Lettura della Costituzione Italiana* (2011).

For a long time, US historians and political scientists have studied and ranked American presidents with respect to leadership qualities and contributions to the political system. Nothing of this kind exists for even important Italian political figures. Excellent monographic studies on some have been published, but no comparative evaluation has ever been attempted. Obviously, parliamentary leaders (that is, heads of government) enjoy less visibility and, arguably, wield less political and institutional than leaders of presidential republics. The sheer plethora of post-Second World War Italian prime ministers is in itself discouraging. Nevertheless, Italian as well as foreign historians can easily identify the figures who have played important political roles in Italian history. A unified Italy would be simply inconceivable without the leadership and diplomatic qualities of Camillo Benso, Count of Cavour (1810-1861). The adventurous military prowess of Giuseppe Garibaldi (1807-1882) was also of major importance for il Risorgimento. Referred to as “the hero of two worlds” because of his additional role as freedom fighter in Latin America, Garibaldi is still in all likelihood the most admired of Italian political leaders, as evidenced by the well-known expression “*non si parla male di Garibaldi?*” (“one should not speak ill of Garibaldi”). He is also highly revered for having retired from all political activities without claiming any public reward and then proceeding to lead a rather austere life.

While often cited together with Cavour and Garibaldi as protagonist of *il Risorgimento*, rarely is Giuseppe Mazzini (1805–1872) given recognition for his leadership qualities. This is understandable because he was more of a civic preacher than a political leader. Almost all the men who unified Italy belonged to the same political alignment, *Destra Storica*. All had important leadership qualities, but what really counted was their willingness to exercise collective leadership. Italian democracy was shaped and dominated in the years 1900 to 1914 by the figure of Giovanni Giolitti (1842–1928). His fiercest opponent was the historian Gaetano Salvemini (1873–1957), who gave Giolitti the title of “Minister of the Underworld.” Yet later, in 1949, Salvemini generously recognized that in the end, Giolitti had done his best to lead the country forward (though cautiously) through difficulties and perhaps inevitable compromises.<sup>1</sup>

The Giolittian era contains two outstanding historical and political lessons. First, a fundamental quality of the Italian style of leadership is to take into account all social, cultural, and political contradictions and then attempt to negotiate a compromise. Second, if during those negotiations additional conflicts of any kind should arise, these new issues will usher in new leadership. Indeed, the rise of Mussolini as political leader can, among other reasons, be attributed to the previous parliamentary leaders’ inability to solve post-war conflicts through a bargaining process. It must be emphasized that Mussolini himself neither abolished the monarchy nor “fascistized” the armed forces, and he was able to come to terms with the Catholic Church. Thus, he did not succeed in constructing a totalitarian state but rather accommodated himself within an authoritarian regime. Because the regime was essentially authoritarian, it did not collapse immediately after 1943. The old actors—the monarchy, the armed forces, and the Church—forced out Mussolini and prepared a political transition that, had it not been for the Resistance struggle, might have ended with the implementation of a quasi-Salazarist regime.

### Post-War Leadership

The post-1945 Italian regime is a republic endowed with traditional, classic parliamentary institutions. All of the important political leaders between 1945 and 1994 have been identified with their political parties and have to a large extent owed their political power to their role in their respective party organization. The Christian Democrats dominated Italian politics during this period and furnished all the prime ministers until 1980. It is therefore among them that one can find three important political leaders, each endowed with a different leadership style: Alcide De Gasperi (1881–1954), Amintore Fanfani (1908–1999), and Aldo Moro (1916–1978). I may be excused for not considering Giulio An-

dreotti (1919–), a political leader who successfully manipulated the levers of state power yet made no important decisions and had neither special qualities nor enthusiastic followers. Because there was no possibility for governmental alternation, the quality of the Communist leadership can be measured only with reference to the prestige a few leaders, both within and outside the Italian Communist Party (PCI). There is no doubt that, for quite different reasons, Palmiro Togliatti (1893–1964) and Enrico Berlinguer (1922–1984) have been the dominant figures in the PCI. Finally, because of his success in both breaking the Christian Democratic government monopoly and in preventing any Christian Democrat-Communist agreement, Bettino Craxi (1934–2000) of the Socialist Party qualifies as an influential political leader. He has also indelibly left his mark on the ten-year period of the *pentapartito* (five-party) governmental coalitions.

Looking at the aforementioned political leaders from the perspective of their international influence, Fanfani and Moro fade out of the overall picture. De Gasperi understood the importance of solidly placing Italy in the nascent European organizations, such as the European Coal and Steel Community (ECSC), and in the North Atlantic Treaty Organization (NATO). Less positively, Togliatti succeeded in preventing the internal Stalinization of the PCI—but at the cost of supporting Soviet foreign policy positions and decisions. Berlinguer’s leadership must be evaluated with reference to his ability to distance the PCI from the Communist Party of the Soviet Union (CPSU) as well as his personal lifestyle characterized by austerity, dignity, and seriousness that made him a truly revered politician. Craxi was Berlinguer’s antagonist *par excellence*. He deliberately introduced a different political style. While the Christian Democrats and the Communists were, with slightly different approaches, willing to soften conflicts and negotiate solutions, Craxi stressed his own decision-making capabilities. Moro and, to a lesser extent, Berlinguer appeared inclined to offer social representation and political intermediation. Craxi, on the other hand, strived to shape the image and substance of someone capable of making tough decisions, as evidenced by his drastic cuts of the indexation system in 1984–1985, his confrontation of US leaders in the Sigonella crisis in 1985, and, on a quite different issue, his strong support for the European Single Act in 1985.

### The Rise and Success of Berlusconi

The memories of the qualities and influence of these Italian leaders have been obfuscated by post-1994 events. For nearly two decades, political leadership in Italy has been embodied by the leadership of Silvio Berlusconi (1936–). It is paradoxical and yet revealing that the contemporary outstanding figure in Italian politics is someone who is not a professional politician, who never aspired to become a politician, who despises what he calls “the small theatre of politics,” and who constantly stresses his distance and difference from the politicians who have never “worked” in their lives. Berlusconi, who epitomizes and cherishes the defining features of anti-politics, has conspicuously and, in all likelihood, irreversibly affected contemporary Italian politics. In order to fully understand the characteristics of his “political” leadership, it is first necessary to contextualize him within the history of Italy.

Berlusconi did not come from Mars. He is the logical product of the political/non-political/anti-political culture of Italy.<sup>2</sup> The young intellectual leader of the left-democratic opposition to Fascism, Piero Gobetti (1901–1926), denoted the ascent of Mussolini and his Fascist movement to power as the consequence of the “autobiography of the Nation.” All the country’s inadequacies, unsolved problems, shortcomings, and liabilities (of which there were many) coalesced and found expression in Fascism. Mussolini’s personality passionately embodied all of those traits. Despite several misguided attempts, it would not be an exaggeration to connect Berlusconi’s leadership to Mussolini’s: they are of different origins,<sup>3</sup> figures, and times. One should never forget that Berlusconi is competing in a democratic environment. He is winning and losing free elections. Just as Mussolini capitalized on an

outstanding dispute, the many problems left unsolved by the development of the first long phase of the Republic (1948–1992), as well as the many scandals exacerbated by the pentapartito, opened a wide window of opportunity for Berlusconi, a wealthy media tycoon, who felt threatened by the disappearance of all his political friends, utmost among them fugitive Bettino Craxi. Berlusconi felt further threatened by the distinct possibility of an electoral victory by the Left. At the same time, nearly 40 percent of Italian voters had witnessed the disgraceful demise of the parties that had previously represented, protected, and promoted their interests. Those voters became available and willing to entertain new options. In fact, all of them were looking for someone capable of offering a convincing representation of their interests and preferences while also providing solid protection against the “Communists.” The state of the Italian political system opened up space for creative and daring “political entrepreneurs,” an expression used by Max Weber and Joseph Schumpeter to label individuals capable of entering the political market by offering a new, attractive, and competitive product.

Many of those voters found themselves in the situation of “collective anxiety” that, according to Weber, allows the possibility of the emergence of charismatic leadership. Indeed, Berlusconi proved to be that kind of leader. He had the aura of someone accustomed to tremendous success (as he continuously emphasized) in his business endeavors, including in real estate (construction of the Milano 2 residential development), television (three national TV stations, now Mediaset), and football (the successful AC Milan team). Moreover, he immediately performed the extremely significant “miracle” of preventing the Left from acquiring a governmental majority. This meant not only that collective anxiety was soothed but also that “the leader” acquired the never-ending gratitude of those who had felt distinctly threatened by a Communist rise to power. Of course, Berlusconi campaigned heavily on the threat represented by the Communists, former Communists, and post-Communists. His insistence won him many votes and much gratitude from the electorate. His second miracle was the construction, from the ashes of the pentapartito, of a party vehicle called *Forza Italia*. Derisively dubbed by many “ignorant” left-wing intellectuals as a “flash party,” a “party made of plastic,” or “*partito azienda*” (party of the firm), *Forza Italia* has not only survived but thrived, consistently winning national and European elections. The third (and more minor) miracle was boosting the previously ostracized Northern League and the former neo-Fascists by including them in his two-tier governmental coalition. This, again, has been a lasting contribution to the shaping of a new party system.

Berlusconi has lost only two elections since 1994. He lost in 1996 due to a lack of an agreement with the Northern League, because too short a time had elapsed since the 1994 government turnover that he considered a betrayal. He returned to office in 2001, lost by a slight margin in 2006, and then won again in 2008 with a large parliamentary majority. Since 1994, the main opposition party has changed its leadership seven times. Berlusconi has, in one word, dominated Italian politics. There is no doubt that all other Italian leaders pale in comparison to his tenure and political achievements. Critics rightly point out that his monumental conflicts of interest (which are fundamentally condoned by Italian voters) and his concentration of political, economic, and media power are all a part and parcel of his leadership profile.

Berlusconi is by all means a modern political leader, though I contend that he is entirely the product of the Italian (anti-)political culture. He has put to good use all the instruments necessary to understanding and shaping public opinion: surveys, focus groups, and marketing techniques. He has personalized his politics to the utmost and has deliberately created a “love affair” with his (often adoring) followers. Today, political analysts, commentators, and journalists point to the ability and necessity of political leaders to formulate a “narrative.” When “taking the field” in 1994, Berlusconi had prepared a specific narrative focused on his many achievements as well as his vision of Italy. The book *Una storia italiana*, distributed for free to twelve million households, was an innovative and extraordinary piece of political and electoral propaganda. More than ten years later, Romano Prodi and his wife at-

tempted a similar performance with—in my opinion—much less success.<sup>4</sup> More recently, in his campaign to become the secretary of the Partito Democratico, Walter Veltroni attempted to formulate his own narrative by publishing a booklet, *La nuova stagione*,<sup>5</sup> but to no avail. In its search for a winning leader, it appears that the Left is looking for a counter-narrative to Berlusconi's story.

In systematically chastising the leaders of the Left and the Center both because they “have never worked” and because they represent “old politics,” Berlusconi has made reference to past Italian political leaders, especially to two revered Christian Democrats: seven-time Prime Minister De Gasperi and Don Luigi Sturzo (1871–1959), the Sicilian priest who founded the *Partito Popolare* (predecessor of the *Democrazia Cristiana*). These references (recently abandoned because those leaders' lifestyles clash with that of Berlusconi) were meant primarily to invent an unlikely political pedigree (it is well known that Berlusconi's closest political friend was Bettino Craxi), attract Catholic voters, and legitimize his leadership in the eyes of other powerful European Christian Democratic leaders. Perhaps due also to his economic power, Berlusconi does not appear to be isolated within the European Popular Party.

Berlusconi's success raises several important questions, none of them complimentary to Italians. The first question concerns the longevity of his success. With the exception of Mussolini, no Italian political leader has held power for such a long period of time. Paraphrasing the interpretation of Fascism by liberal Italian political philosopher Benedetto Croce (1866–1952), Berlusconi is not the leader of the Hyksos who invaded Egypt, resided there for almost eight hundred years, and left without a trace. Rather, Berlusconi is the product and the representative of what appears to be the dominant political culture in Italy: that of a selfish, corporatist, fragmented society that despises politics and considers politicians to be useless and obnoxious. A society that is inclined to follow its particular interests and relies on *amoral familism*<sup>6</sup> has given birth to Berlusconi and has consistently supported him.

Berlusconi's success has been paved by *berlusconismo*, a complex mixture of misplaced individualism, selfishness, distrust of others, anti-parliamentarism, and a lack of “civil religion.” The concept also encompasses the convictions that the State is the problem rather than the solution and that politicians care solely about their own interests and careers. There are no visible signs of a widespread, shared cultural reaction to *berlusconismo*, not even following the scandal of the “escorts” and “sex parties” in the prime minister's villas. Rather, *berlusconismo* will outlive its founder and continue to linger in the attitudes and behaviors of Italian society. It will survive because millions of Italians hold the basic beliefs of *berlusconismo*, and because there is no widely shared alternative political/anti-political/non-political culture. The bickering Left, or what remains of it, provides several minor competing views, though nothing approaches the indispensable goal—the creation of a European political culture consisting of rights and duties, commitment, performance, and civility.

The second question raised by Berlusconi's success concerns this inability of the Center and Left to provide a convincing alternative to Berlusconi's leadership. My explanation is based on two elements. On the one hand, both the Communists and Christian Democrats, despite having been capable of producing some important political leaders, have always held reservations and diffidence towards personalized leadership. The Communists believed in the masses and the forces of history, while the Christian Democrats emphasized that politics was meant to be a service to the people. For both parties, personal political leadership and its legitimate ambitions had to be debased, discouraged, and criticized. This intellectual climate is hardly the hotbed of powerful political leaders. Moreover, these parties became prisoner to the distaste for political leadership that they convey. Regardless of the explanation, it remains that the merger of former Communists and former Christian Democrats that has given birth to the *Partito Democratico* has most certainly not produced any significant political leader. Indeed, the simple fact that the Democratic Party has had three leaders in three years and that the present one is often criticized does not bode well for the future. Rather, the Center Left appears better equipped to dismantle its own leadership than to construct and loyally support it.

Finally, whether or not one likes Berlusconi, it is undeniable that he has incredible charisma—which he has not always been able to fully exploit. The comparison often made between Berlusconi and Charles de Gaulle is far-fetched and even insulting, and not only because of their incredibly different lifestyles.<sup>7</sup> Like de Gaulle, Berlusconi also had the opportunity to enact major reforms of institutions and even of the Italian Constitution itself. Yet he proved entirely unable to fulfill the task of institution-builder. When his parliamentary coalition approved a constitutional reform in 2005, not only was the reform poorly drafted and full of contradictions but Berlusconi never tried to promote it or engage his supporters. It is little wonder that voters resoundingly rejected a referendum on the reform in June 2006. Rather than constructing a more efficient institutional circuit, Berlusconi preferred to challenge the existing ones—above all, the judiciary and, to a lesser extent, the presidency of the Republic. He has regularly confronted the opposition, often resorting to Manichean statements: for example, his party is the “party of love,” while the opposition is the “party of hate.” Berlusconi’s leadership has exhibited truly toxic qualities and certainly deserves to be labeled as such.<sup>8</sup>

### Conclusion

For roughly the past twenty years, Italy has witnessed the existence of only one political leader endowed with the resources and the stamina to acquire, control, and exercise governmental power while at the same time displaying a ferocious contempt for politics. This man is Silvio Berlusconi. The center-left alternative is Romano Prodi (1939–), never a political leader and, at most, a manager. Brought to the office of prime minister twice by all-too-large and encompassing coalitions, Prodi was twice ousted after only two years of difficult navigation.

When it comes to the achievements of political leaders, it is imperative to draw a clear line separating political leadership from statesmanship. Political leaders create parties or similar political vehicles. They aggregate coalitions. They shape and guide political organizations and movements. In contemporary democracies, political leaders will show their capabilities when running for office and campaigning. On the other hand, statesmen govern a country. They have vision. They implement projects. They profoundly affect and transform the existing situation, and they improve on it. The measure of statesmanship is to be assessed by the capability of a leader to leave the country in better shape than when he or she acquired political power. Visibly and vividly, all indicators that are customarily used to measure the success of a country—governmental stability, political corruption, freedom of the press, and economic growth—show that Italy is worse off than it was ten years ago. Berlusconi, the political leader, has by no means raised himself to the status of statesman.

1. William Salomone, *Italian Democracy in the Making* (1949).

2. This is not entirely grasped by Stille in Alexander Stille, *Citizen Berlusconi* (New York: C.H. Beck, 2005). For my own analysis, see Gianfranco Pasquino, “The Five Faces of Silvio Berlusconi: The Knight of Anti-Politics,” *Modern Italy* 12, no. 1 (February 2007): 39-54.

3. Massimo Giannini, *Lo Statista: Il Ventennio Berlusconiano tra Fascismo e Populismo* (Milano: Baldini Castoldi Dalai, 2009).

4. For a deft comparison, see Cristian Vaccari, “Meet Silvio and Romano: Political Communication as Personal Storytelling,” in *For a Fistful of Votes: The 2006 Italian Elections*, ed. Justin Frosini and Gianfranco Pasquino (Bologna: CLUEB, 2006), 75-101.

5. Walter Veltroni, *La Nuova Stagione: Contro Tutti i Conservatorismi* (Milano: Rizzoli, 2007).
6. I use the controversial definition offered by American political scientist Edward Banfield in his book *The Moral Basis of a Backward Society* (1958), because it still captures much that is significant in Italian political culture.
7. Donatella Campus, *Antipolitics in Power: Populist Language as a Tool for Government* (Cresskill, NJ: Hampton Press, 2010).
8. Jean Lipman-Blumen, *The Allure of Toxic Leaders: Why We Follow Destructive Bosses and Corrupt Politicians—and How We Can Survive Them* (Oxford: Oxford University Press, 2005).



# The Green Party in Colombia: A Hope for Healthy Politics

JIMENA SERRANO

This paper analyses to what extent the Green Party challenged traditional political practices that have driven Colombian politics for more than a century. It argues that the Green Party's presidential campaign for the elections held in 2010 constitutes a significant advance towards the strengthening of Colombian democracy. The Green Party focused on fighting clientelism and involving the citizens as agents of its campaign. However, the weak presence of the Green Party in the rural areas as well as its lack of experience in dealing with the press led to its defeat.

By May 2010, during the presidential pre-election period, a common joke among Colombian social circles was: "You can't fight the FARC with sunflowers!"<sup>1</sup> The statement originated from supporters of Juan Manuel Santos, the presidential candidate for the *Partido Social de Unidad Nacional* (U Party), whose main appeal was the continuation of Alvaro Uribe's policy of *mano dura* (tough hand policy).<sup>2</sup> The joke's aim was to deride the campaign slogan of independent presidential candidate Antanas Mockus, who was running for the Green Party, a non-traditional party.<sup>3</sup>

The Colombian presidential elections of May and June 2010 featured a rather unusual battle for power. Though it is not uncommon to see independent candidates compete in the first round of the election, it is unusual to see one defeat a traditional party nominee and advance to the second round.<sup>4</sup> The victory of a non-traditional party not only surprised Colombian society, but it probably also shocked the victorious Green Party itself. For the first time, it seemed that the traditional parties' power over their voters was being threatened. What was the appeal of Antanas Mockus to the Colombian citizens who managed to challenge the hegemony of the Liberal Party and the conservative parties?<sup>5</sup> This paper discusses to what extent society's response to the Green Party's presidential campaign posed a challenge to clientelism, corruption, and the political machineries that have prevailed in the Colombian presidential elections for more than a century.

My approach is three-pronged. First, I identify traditional practices in Colombian politics, including a brief political history. Next, I analyze features of the Green Party's campaign in order to address the novelties that the party sought to introduce into Colombian politics—novelties that subsequently became the basis of its leadership in the political game. Finally, I provide some explanations as to why the Green Party failed in its bid for the Colombian presidency.

---

Jimena Serrano is an M.A. candidate at the Johns Hopkins University SAIS Bologna Center, and she is currently enrolled in the Latin American Studies Program. She graduated from Universidad de Los Andes in Colombia in 2006 with a degree in Law.

---

## The Birth of the Conservative and Liberal Parties and Their Traditional Political Practices

Colombian political history is essential to understanding the hegemony of the traditional political parties in Colombia. Since its independence in 1810, Colombian politics have been tied to either conservative trends, whose ideas were conceived by Simón Bolívar, or to liberal tendencies, based on the political philosophy of Francisco de Paula Santander.<sup>6</sup> The formation of political trends had its roots in the economic structure, which featured major landowners called *hacendados* as well as peasant workers. Traditionally, the Conservative Party base included the *hacendados* and the Church, whereas the Liberal Party represented the interests of artisans, businessmen, and lawyers.<sup>7</sup>

While the Liberals and Conservatives managed to coexist and achieve political stability for decades, economic as well as social factors led to party radicalization and a wave of political violence in 1948. It took a military coup in 1953 to settle the national disorder; a political settlement between the two parties was finally reached in 1957. This agreement gave birth to a political formula called the *Frente Nacional*, through which Conservative and Liberal leaders would share power for almost 30 years.

The terms of the *Frente Nacional*, whereby the two parties agreed to share government power, are important in understanding many of the current political practices in Colombia. First, this political pact, far from being representative of the Colombian population, was exclusionary. It assembled the elites of Colombian society, namely landowners, businessmen, and those with access to higher education. As a result, a major part of the Colombian population, mainly the lower classes, did not find its interests represented in the political game.

In addition to the lack of representation inherent to the structure of the *Frente Nacional*, the political game also limited the access of new parties to the political arena. This feature came from the pact itself, which established that government posts be split proportionally between the two parties.<sup>8</sup> Although it was not forbidden to create new parties, complex restrictions made it necessary to obtain the backing of one of the two traditional parties in order to successfully constitute a new one. Consequently, the masses faced many obstacles to participation in the political arena.

The terms of the *Frente Nacional*, as well as subsequent laws, fostered clientelistic practices that still affect Colombian politics today. Gary Hoskin writes, “The parties gravitated increasingly towards a reliance upon state resources, especially clientelism and *auxilios parlamentarios*...to maintain their electoral fiefdoms.”<sup>9</sup> For example, government posts were offered in exchange for support from the political party not currently in office. In the case of *auxilios parlamentarios* (pork-barrel funds), congressmen benefited from financial resources in return for their support of legislative acts that the government wanted approved by Parliament. These practices, which still occur, increased the wedge between the voter and the individuals they elected, and they created ample opportunity for egregious corruption.

These practices persist despite efforts to bring them to an end. Current laws have made it possible for political parties to face fewer restrictions to access the political arena and have allowed independent political parties to proliferate. However, most of them have fallen into what Hoskin has called the “catch all model.” According to this model, “parties move towards the center of the political spectrum, becoming less distinct in terms of ideology and policy distinctiveness, [they] rely increasingly upon the mass media to mobilize voters, and [they] appeal to the policy preferences rather than social identities of the electorate in order to win elections.”<sup>10</sup> In fact, the parties’ platforms are not clear, and it is difficult to differentiate them. Moreover, political campaigns are based on the individual candidate’s name rather than personal or party ideology. For example, Andrés Pastrana, a candidate of the Conservative Party and winner of the presidential elections in 1998, had “Andrés Presidente” as his campaign slogan.

The political machinery that traditional parties developed throughout Colombia plays an important

role in vote buying. The long existence of the Conservative and Liberal parties has allowed them to establish pacts with landowners known as *caciques electorales* or *gamonales*.<sup>11</sup> This kind of patronage has deep roots in the countryside, where landowners can exert huge influence over the peasants that work for them and have the capacity to mobilize resources to suit their political interests. For example, a *gamonal* might sponsor a lunch for peasants in order to obtain their vote for the candidate he supports.

Given these attributes, politics in Colombia have usually kept citizens from making political decisions that satisfy the country's long-term interests or even their own. Whether through clientelistic practices or patronage, political decisions have generally benefited the same elites. Consequently, the lower classes have made decisions out of the necessity to satisfy their immediate needs—here, the *gamonales* played an essential role. In the case of the middle and upper classes, their interest lay in receiving government posts or other political benefits.

### The Green Party and Its Campaign: An Effort to Introduce Political Consciousness

By May 2007, an environmental political party called *Partido Verde Opción Centro* (referred to hereafter as the Green Party) had been created with the intention of building a new independent political power.<sup>12</sup> However, this party gained little political weight until it received support from four ex-mayors of Bogotá and Medellín, who had won popularity because of their achievements in office. In October 2009, former Bogotá mayors Antanas Mockus, Luis Eduardo Garzón, and Enrique Peñalosa, and ex-Medellín mayor Sergio Fajardo joined the Green Party's presidential campaign.

The nomination made by the Green Party to select Antanas Mockus and Sergio Fajardo as presidential and vice-presidential candidates created a historic first—a combination of independent candidates that represented a legitimate political option. Though previous presidential elections in Colombia involved independent candidates, aspirants did not have enough political weight to stand as leaders and make a difference in the electoral outcomes. Mockus and Fajardo, however, managed to build the foundation for their leadership not because they had previously belonged to one of the traditional parties, which has been the conventional way to become a significant political player, but because of their successes as mayors of Bogotá and Medellín.

In fact, Mockus and Fajardo were not traditional politicians, and they had rather unusual backgrounds for the careers they were pursuing. Both were mathematicians and former professors. This latter commonality undoubtedly marked their political priorities during their time in city hall. Mockus introduced peculiar policies to teach the citizens of Bogotá, which was one of the most dangerous cities in the world during his first term in office (1995-1997), how to behave.<sup>13</sup> According to Mockus, the propensity to commit illegal acts was linked to a lack of civic culture. For example, by drawing stars in the streets where fatal car accidents had taken place, he managed to reduce the number of car accident deaths due to alcohol consumption. His excellent management skills made it possible for him to overcome the deficit faced by the Bogota city government; he left it with a financial surplus.

As for Fajardo, his success during his tenure in Medellín's city hall (2003-2007) was due mainly to the emphasis placed on education and transparency of public resources. To promote education, he embarked on the construction of several public libraries in the most dangerous areas of Medellín, highlighting employment opportunities outside of criminal activities. As for transparency, he reinforced accountability by creating spaces called *Feria de la Transparencia* (Transparency Fair), where the citizens could witness the signing of contracts between the city government and the private sector. As a result, he was recognized as the Best Mayor in Colombia for the period 2004-2007.<sup>14</sup>

These significant accomplishments allowed Mockus and Fajardo to build their own support base, which was a constituency for whom accountability and violence-reduction were at the top of the political agenda. This base was composed of citizens governed by Mockus and Fajardo, within Bogotá

and Medellín, who benefited from their policies. Furthermore, they managed to build a staff of highly educated individuals independent of traditional politics, which was exempt from the paramilitary and corruption scandals that affect traditional parties and that continue to challenge the legitimacy of Colombian democracy today.

The formalization of an alliance between Mockus and Fajardo was solid evidence of the desire for this political independence to continue. They were aware of how much had been done to achieve their political goals, particularly in a country where traditional parties had held a monopoly of power for such a long time. By April 2010, Mockus and Fajardo signed an agreement to name Fajardo as Mockus's vice-presidential candidate for the elections taking place in May 2010.<sup>15</sup> The significance of this agreement had two facets. First, it proved that independent parties could work together and make strategic political moves. It allowed Antanas Mockus to gain votes in Medellín, the second most important city in Colombia and a place where his political support was weak.<sup>16</sup> Second, it showed that independent candidates were capable of building and leading a true political coalition. Fajardo's movement stated, "This is not an electoral business...We don't want to be an opportunistic sum."<sup>17</sup> The union demonstrated that the coalition wanted to abandon any personalistic features in the campaign.<sup>18</sup>

The new political force represented by the Green Party lay on principles that attracted those tired of traditional party leadership. The first message conveyed by the Green Party was that it stood against the classic clientelistic practices that had distorted the political decision-making in Colombia for many years. To highlight this shift in political practices, the campaign focused on three elements of its movement. The first one spells out the conditions for joining the party: any potential member had to agree not to demand governmental posts in exchange for contributions made to the party.<sup>19</sup> This had never been made so explicit in Colombia. Though the political parties had established ethical rules, none had established such a restriction.

Second, one of the main pillars of the Green Party's presidential campaign was to convey the importance of the public resource management to support healthy political practices. Mockus adroitly appealed to the Catholic religion.<sup>20</sup> He stressed the importance of public resources in religious terms by declaring them "sacred." Consequently, he managed to convey to the Colombian population the importance of being responsible with the government's money and the need to reject any form of corruption involving such resources. He even declared that were he to win the presidency, he would go to the Central Bank to bless the government's coffers.<sup>21</sup>

In a third sign of a shift in political practices, the Green Party proved willing to make concrete changes, thereby gaining credibility with voters. Some scholars have attributed the proliferation of clientelistic practices to the lack of credibility of political parties and political leaders.<sup>22</sup> The Green Party gained credibility by refusing to accept more than half of the money that it had the right to receive based on the amount of votes won during the party's candidate nomination. The reasoning behind the refusal of such resources was that the campaign did not spend much money and that those funds should be used in other state projects. This astonished the media, the politicians, and the Colombian society as a whole.<sup>23</sup>

In addition to winning credibility with the voters, the Green Party emphasized inclusion and participation as main objectives of its campaign. In fact, the Green Party's presidential campaign not only asked the electorate to vote for Antanas Mockus, but it also made a plea for all citizens to exercise their right to vote and to get involved in the country's decision-making. Besides asking for its vote, Mockus asked the Colombian electorate to make informed decisions when choosing its presidential candidate. Such sober-minded analysis had not been requested of the voters by any other presidential candidate. The Green Party managed to awaken the political conscience of Colombians, especially the youth. This had a positive impact on the Green Party's campaign for the presidency as many teenagers below the voting age persuaded their parents to vote for Mockus.<sup>24</sup>

The Green Party's messages, which had a positive impact on many voters, were effectively conveyed to the electorate through three separate means, which involved thousands of citizens. First, most of the Green Party's presidential campaign was constructed using social networks and other online resources. Colombian society's response to the use of Facebook and Twitter was overwhelming; social networking contributed to people's awareness of the political process, while strengthening the Green Party's leadership in the race for the presidency. People participating in these social networks were easily persuaded to show their support because the party actively used these channels to campaign.

Second, Mockus's presidential vision of public transparency and legality, and his view of public resources and human life as sacred inspired many intellectuals and artists to contribute to his campaign. These influential Colombians were pivotal in spreading Mockus's message. Many of them made public their intention to vote in order to convince others to vote for the Green Party.<sup>25</sup> Intellectuals like Jürgen Habermas and other scholars from Harvard, Columbia, and the Massachusetts Institute of Technology publicly declared their support for Mockus to demonstrate what they saw as the importance of his leadership for Colombia's political and economic future.<sup>26</sup>

Third, the Green Party fostered citizen participation by providing them easy access to campaign materials such as its brand, its slogan, and its membership cards. The Green Party's website made all of these materials easily printable on shirts, bracelets, and any other instrument that could be imagined by its supporters. The Green Party successfully turned the common citizen into an agent of its campaign. The involvement of the common citizen was without a doubt a key factor to the Green Party's construction of leadership. However, these signs of success failed to materialize in the first round.

### The Green Party's Failure to Cope with Competition

Though the vast number of voters reached by the Green Party's campaign was reflected in the polls for the first round, it was not enough to win the second round. Juan Manuel Santos, the U party's candidate, obtained more than 60 percent of the votes while Mockus obtained only slightly more than 30 percent.<sup>27</sup> What prevented Mockus from becoming the president of Colombia?

Many have tried to explain what caused the Green Party's loss of support after the first round. The Green Party started with a very high level of popularity but quickly lost it when it did little to fight its contender during the second round. What accounts for the decline in the party's momentum?

Perhaps what most negatively affected the Green Party's campaign was the disappointing outcome of the congressional elections only three months before the presidential ones. In fact, the Green Party managed to win only eight places in the Colombian Congress.<sup>28</sup> This is likely an explanation as to why the Green Party did not win the majority of voters' support in almost any of Colombia's regional departments in the presidential elections. The Green Party seems to have underestimated the power of traditional politics in rural areas, where the conservative parties have their political machinery and patronage ready to tilt the balance to satisfy local interests. Mockus overlooked both the fact that Santos had almost the full support of Congress and that the Conservative Party, which was influential in the countryside, backed him.

Not only did the Green Party fail to grant enough importance to the traditional political machinery, but it also made a mistake in overestimating online resources. The appearance of mass support obtained from Facebook and other social networks, likely accentuated by misleading national polls, made Mockus believe that support for the Green Party was stronger than it actually was. The reason for this overconfidence may have resulted from the wide-spread success of a march against the FARC organized through Facebook. This march had taken place a year earlier, when a group of young Colombian citizens called for a mass manifestation against this illegal group's acts. The event was a success and thousands of people marched in many cities.<sup>29</sup> However, there is a difference between supporting a

civic march against terrorism and making an important political decision by casting a vote. In an entry posted in a Spanish-language blog entitled *The man in the hatch*, the writer noted on May 31, 2010 that it is “[o]ne thing...to call for a march against the FARC with the support of the media and without any electoral purpose and [it is an]other thing...to campaign for the presidency.”

In addition, it seems that the Green Party’s inclusionary success was largely an illusion. Though it engaged the youth more than ever in the electoral process, which was essential to diffusing the party’s ideas, the Green Party did not give enough attention to its lack of support in rural areas, where peasants were not active Internet users. This provided an opportunity for the conservative parties to successfully employ traditional patronage and clientelistic practices.

Finally, a factor that hindered the Green Party’s campaign was the inexperience of its presidential candidate in dealing with the press. In fact, one of Mockus’s perceived advantages, his lack of any political experience, turned out to be one of the most harmful shortcomings of the party’s campaign. Mockus was unable to skillfully answer controversial questions, likely stemming from both a lack of experience in Congress and his academic background, which did not train him to deal with these politically delicate situations. For example, when he was asked his opinion of President Chávez, Mockus answered that he admired the democratic process through which Chávez had been elected. When this declaration went public, in the midst of a major political crisis between Colombia and Venezuela, Mockus had to clarify the meaning of his words by stating that he respected the Venezuelan electoral process.<sup>30</sup> However, Colombians were extremely sensitive to this issue, and Santos reaped the benefits of his opponent’s lack of experience in addressing highly controversial topics.

## Conclusion

The presidential elections of 2010 proved that clientelism and patronage are practices that remain widespread and accepted in Colombia. The countryside is the area most sensitive to this electoral manipulation. Here, the Conservative and Liberal Parties have managed to maintain a structure that allows them to manipulate voters to their advantage. As a consequence, voters are incapable of responding to their long-term interests and are forced to vote for a candidate they believe will satisfy their immediate needs. By the same token, voting based solely on immediate needs perpetuates the same political behavior that has prevented people from making informed and conscious political decisions in the first place.

Nonetheless, the Green Party’s presidential campaign constitutes a significant advance towards the strengthening of Colombian democracy. With the presence of the Green Party, Colombia witnessed for the first time the rise of a serious and independent political force willing to demonstrate that politics can be a game played with transparency. Though defeated in the second round, the Green Party demonstrated significant progress towards political independence and the abolition of clientelism. More importantly, it proved that neither corruption nor political favors were necessary to have influence in the political arena. The Green Party showed the emerging importance of voters’ political consciousness, and that parts of society are ready to respond to this realization. This effort to change the basis of voters’ political choices demonstrates that, without a doubt, new styles of party leadership can significantly change citizens’ voting habits. The Green Party’s hard work provides hope for a renewal in Colombian politics. It may be possible to transform the relationship between voters and their choice for a candidate from a patron-client relationship based on personalistic and patrimonial features, as suggested by Martz, to one where citizens make decisions that reflect their long term and rational interests.<sup>31</sup> The Green Party’s achievements have given hope to Colombian citizens that they can have real political power.

Whether the Green Party will be able to consolidate its political force depends on its leaders’ decisions. The lesson learned in this campaign is that a *new political force* does not mean *rejection of all the*

*traditional political practices.* The Green Party has to reinforce its presence in rural areas, where the traditional parties are especially strong and learn to more effectively deal with the press in order to convey messages that will not be misunderstood by the public. Otherwise, it will not manage to become a national force, as its popularity will remain restricted to urban areas. The Green Party's main challenge is to demonstrate the benefits of being active and aware in electoral politics to a population that has long felt alienated from the political process or that does not even believe in it. The Green Party must take advantage of the fact that it maintains the support of the most vital and active segment of the population: the youth.

1. According to the Green Party's website, the sunflower slogan is a symbol of tolerance and solidarity, values which the Party seeks to foster through its program.
2. The U Party stands for *Partido Social de Unidad Nacional* (Social Party of National Union). It is identified as President Uribe's political party, and the "U" in the party's name is often associated with Uribe's last name.
3. Though Mockus's Green Party has an environmental issues platform, the green color also refers to the hope he wants to convey for changing the way of doing politics in Colombia.
4. For the purpose of this paper, we consider the U Party a traditional party, given the fact that its members previously belonged to either the Conservative or the Liberal Party, and that its ideology did not differ substantially from that of the others. In any case, during the second round of these elections, the U Party had the support of the Conservatives.
5. Whenever conservative parties are mentioned, both the Conservative and U parties are included.
6. Bolívar propounded political and military centralization and saw himself as president for life of the "Gran Colombia." In turn, Santander believed in federalism as the most convenient way of political organization and was against the monarchic trends that Bolívar's political ideas seemed to endorse.
7. Gary Hoskin, "The State and Political Parties in Colombia," in *Colombia: The Politics of Reforming the State*, ed. Eduardo Posada-Carbó (London: Palgrave Macmillan, 1998), 51.
8. *Ibid.*, 56.
9. Hoskin, "The State and Political Parties in Colombia," 56.
10. *Ibid.*, 58.
11. Jorge Orlando Melo, "Caciques y gamonales: Perfil político," *Revista Credencial* (August 1998), 25.
12. Partido Verde Colombia. "Historia del Partido Verde," accessed December 11, 2010, <http://www.partido-verde.org.co/HistoriaPartidoVerde.aspx>.
13. "Bogotá, la ciudad más peligrosa de América," *El tiempo.com*, June 20, 1996, accessed March 11, 2011, <http://www.eltiempo.com/archivo/documento/MAM-416435>.
14. Partido Verde, "Perfiles Partido Verde," accessed November 22, 2010, <http://www.partidoverde.org.co/newperfiles.aspx>.
15. Sergio Fajardo has his own political movement called the "*Compromiso ciudadano*" ("Citizen's commitment").
16. Juanita León, "La Unión hace la fuerza": Mockus y Fajardo," *La Silla Vacía*, April 4, 2010, accessed December 12, 2010, <http://www.lasillavacia.com/historia/9103>.
17. *Ibid.*
18. All the major leaders that joined the Green Party agreed not to use the party to make personalistic parties for themselves. Germán Darío Espejo, "Arranca trabajo conjunto de los ex alcaldes de Bogotá para elegir candidato único," *El Espectador.com*, January 21, 2010, accessed December 6, 2010, <http://www.elespectador.com/impresso/articuloimpresso183434-arranca-trabajo-conjunto-de-los-ex-alcaldes-de-bogota-elegir-candidato>.
19. Partido Verde Colombia, "Deberes, Derechos Partido Verde," accessed November 22, 2010, <http://www.partidoverde.org.co/derechospartido.aspx>.
20. According to some studies, more than 90 percent of the Colombian population is affiliated with the Catholic Church. ColombiaInfo, "Religión," accessed December 12, 2010, <http://www.colombia.com/colombiainfo/infogeneral/religi%F3n.asp>.
21. Salud Hernández-Mora, "No fue la noche de Antanas Mockus," *El Mundo*, April 28, 2010, accessed Decem-

- ber 12, 2010, <http://www.elmundo.es/america/2010/04/28/colombia/1272459117.html>.
22. Philip Keefer, "Democratization and Clientelism: Why are Young Democracies Badly Governed?," *Social Science Research Network* (May 2005), accessed November 21 2010, [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=748364](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=748364).
23. "Mockus renunció a \$4.500 millones otorgados por el estado por reposición de votos," *El tiempo.com*, April 7, 2010, accessed December 12, 2010, <http://www.eltiempo.com/archivo/documento/CMS-7553175>.
24. Antanas Mockus, "A votar desde más jóvenes," *Semana.com*, August 31, 2010, accessed December 6, 2010, <http://www.semana.com/noticias-vida-moderna/votar-desde-jovenes/143820.aspx>.
25. For expressions of intellectuals and artists' support for the Green Party, see: "Actores, Actrices, la cultura con Mockus y Fajardo," <http://www.youtube.com/watch?v=XIgbZzpCuow> and "Intelectuales invitan a votar por Mockus," <http://www.youtube.com/watch?v=LHIN08FLqIQ&feature=related>.
26. "Intelectuales del mundo apoyan la candidatura de Antanas Mockus a la Presidencia," *El tiempo.com*, May 25, 2010, accessed February 11, 2011, <http://www.eltiempo.com/archivo/documento/CMS-7724989/>.
27. "Juan Manuel Santos sale ganador de las elecciones en Colombia," *www.aler.org*, June 20, 2010, accessed March 22, 2011, <http://www.aler.org/produccioninformativa/index.php/coberturas-informativas/elecciones-presidenciales-de-colombia/2471-juan-manuel-santos-sale-ganador-de-las-elecciones-en-colombia>.
28. "Colombia Politics: a Green Party President?" *EIU ViewsWire*, May 13, 2010, accessed March 22, 2011, [http://www.eiu.com/index.asp?layout=VWArticleVW3&article\\_id=1677125752&region\\_id=1510000351&country\\_id=1510000151&channel\\_id=210004021&category\\_id=500004050&refm=vwCat&page\\_title=Article](http://www.eiu.com/index.asp?layout=VWArticleVW3&article_id=1677125752&region_id=1510000351&country_id=1510000151&channel_id=210004021&category_id=500004050&refm=vwCat&page_title=Article).
29. "Marcha contra las FARC: Mayor desmovilización en la historia del país," *El tiempo.com*, February 4, 2008, accessed December 12, 2010, <http://www.eltiempo.com/archivo/documento/CMS-3945957>.
30. Cesar Paredes, "Por qué ganó Santos y por qué perdió," *Semana.com*, accessed December 6, 2010, <http://www.semana.com/noticias-elecciones-2010/gano-santos-perdio-mockus/140603.aspx>.
31. John D. Martz, *The Politics of Clientelism: Democracy & the State in Colombia*, (New Jersey: Transaction Publishers, 1997), 66.

# Iran: An Emerging Power in Perspective

From a lecture delivered at the Bologna Center, November 11, 2010, adapted by Shirin Mohammadi and William J. Burke

GARY SICK

Iran remains the one significant unsolved problem for the United States in the Persian Gulf. Over the course of the past decade, US policy has inadvertently allowed Iran to become the dominant power in the region. While Iran does pose a certain threat, it is necessary to view this threat in perspective, not allowing an exaggeration to be accepted as reality. If the Iranian threat is to be taken seriously, the internal dynamics of the country must also be taken seriously. Inside of Iran exists the most complex analytical environment since the days of the Revolution, with the Revolutionary Guard playing an ever-increasing role in the fissiparous political environment of the country. The regime in Iran is not as united as it would like the world to believe but is in fact terribly disunited and dysfunctional. The best US policy might be to avoid seeking to control events in Iran, instead, leaving the various factions in Iran to fight amongst themselves.

## Iran: A New Regional Power

The United States has either a formal or informal military alliance with every Arab country in the Persian Gulf. In many cases, the United States maintains bases in these countries, although some of them are not acknowledged. This is a delicate issue for some of the Arab governments, who would prefer the facilities simply to be forgotten, but they are there, and this is a fact. Because of its diplomatic relations and military facilities, the United States has access to countries in the region while also placing these countries in a position to influence the United States—it is essentially a double-sided coin.

While these patterns hold consistent throughout much of the region, Iran remains the one significant unsolved problem for the United States in the Persian Gulf. Iran represents one side of a polar rivalry that exists in the region. The other pole is Israel, the dominant military power in the region and the only country in the Middle East that has nuclear weapons. These two emerging powers set the agenda and dominate regional policymaking in this region.

There are some peculiarities about this rivalry. Neither of these countries is Arab. Neither is Sunni Muslim. As a result, the countries that have been left out—Saudi Arabia, Jordan, Egypt, and many

---

Gary Sick served on the National Security Council staff under Presidents Gerald Ford, Jimmy Carter, and Ronald Reagan and is a Captain (ret.) in the US Navy. He was the principal White House aide for Iran during the Iranian Revolution and the hostage crisis and is the author of two books on US-Iran relations. He was the deputy director for International Affairs at the Ford Foundation from 1982 to 1987, where he was responsible for programs relating to US foreign policy.

others accustomed to seeing themselves as the dominant powers in the Middle East—are upset by what is only now emerging in the region.

Israeli statements claiming that Iran and its policies constitute a threat to “Israel’s very existence” are exaggerations. Yet the strong line and heated reactions underscore the rivalry between the two.

Escalating dialogue also reflects the stakes at hand. Who is going to emerge as the dominant power in the Middle East? If the issues are examined in this sense, rather than in radical terms of right or wrong, or good or bad, and if the situation is accepted as a rivalry between two emerging powers breaking the traditional mold of Middle Eastern politics, it puts a different perspective on the current situation in the region.

Considering this emerging bipolar rivalry, we must ask ourselves, how did Iran suddenly become a major power? Simply put, the United States made it one.

The United States responded to the September 11<sup>th</sup> attacks by attacking Afghanistan. In the process, they scattered the Taliban, who also happened to be Iran’s worst enemy to the East. However, prior to finishing that undertaking, the United States changed gears and attacked Iraq, removing Saddam Hussein, Iran’s worst enemy to the West. After these foes had been defeated or incapacitated, Iran had no natural enemies left in the region. For the first time in centuries—due to no action of its own—Iran began to emerge as a truly significant power in the region. And, the United States did it for them. The Iranians did not have to lift a finger.

While Iranians are certainly pleased with these results, the developments have not been lost on other players in the region. There is an element of irony when a country like Saudi Arabia, Egypt, or Jordan voices their concerns about the Shia explosion and the fact that Iran is now becoming the dominant power in the Middle East. They do not go ahead and finish their complaints by saying that the United States was responsible.

Recently, I attended a meeting with a senior US government official who had been very involved in policymaking during that period of time. He denounced Iran for all the terrible things that they were doing—terrorism, subversion, and the building up of their military and nuclear programs. At the end of the meeting, there was a Q&A session, and I told him I agreed with his commentary, but, I asked, “Weren’t we the ones who actually made this possible by our own behavior?” He thought for a second and replied, “Well, we didn’t mean to.” This exchange says a great deal about US policy.

In the Middle East, nobody in the Arab countries believes that the United States was unaware of what it was doing. Most countries do not believe that the United States acted in a fit of momentary absentmindedness in making Iran the single most powerful country in the Gulf. Arab countries believe that the United States must have had a reason for its action. This type of omnipotence attributed to American policy is common, and of course it is wrong. Yet Iran was empowered, and since there always needs to be somebody to blame, the United States is the culprit. To the Arabs, recent developments suggest that the United States must be getting ready to return to its old relationship with the Shah, when the United States identified Iran as the principle force in the region and sided with it.

That is also false. Absolutely. Unequivocally. But the fact that the United States so deliberately put Iran into this position of power leads Arabs to believe that there must have been logic behind it.

Thus, if the United States decides in the future to have serious discussions with Iran, which I hope it will, it must first talk to the Arabs. They will most likely retort that their worst suspicions are now being realized—that the Americans are in fact cutting a deal with the Iranians. The United States will have to convince Arab leaders that this is not true. This scenario is a future diplomatic problem that will have to be overcome, and I am not sure that the US government—at least those officials with whom I have spoken—understands this. Government officials do not seem to grasp that the United States is seen as the progenitor of Iran as a regional leader.

## The Iranian Threat

In order to understand the implications of Iran as regional leader, we must consider the so-called Iranian threat, an issue that is used as ammunition by opponents of US policy or people who would like to reshape US policy.

What exactly is the Iranian threat? Iran is a middle level power with a largely unpopular and dysfunctional government headed by a firebrand populist president who has very limited power. Iran's gross domestic product (GDP) is about the same as the state of Florida's GDP. Eighty-five percent of its hard currency revenue comes from oil, a commodity subject to price fluctuations that bedevil attempts to predict future budgets. Iranians have mismanaged their finances. Inflation is officially running anywhere between twenty to thirty percent. Job creation is so low that many of its youth—its very best and well-educated citizens—have left the country to find work elsewhere. Iran's annual defense expenditures are about US\$19 billion or 2 ½ percent of GDP. That is less than half of Saudi Arabian defense expenditures. Iran's entire defense budget is equivalent to about three months of US expenditures in Iraq. Most of this money goes towards defensive systems such as air defense. They are not buying heavy lift aircraft, heavy armor, or any long-range strike aircraft of any significance. They possess no naval amphibious forces. They fought Iraq for eight years, and at the end, they had to sue for peace to save themselves.

Iran has borders that have not changed for about 200 years. They have not invaded anybody—with the exception of their counterattack against Saddam Hussein after he had invaded them. Even then, they still did not succeed in taking any territory inside Iraq. In fact, Iran has almost no capacity to project power outside its own borders and has not done so for some 200 years.

In this light, I believe the Iranian threat needs to be put in perspective. Yet, this is not to dismiss Iran's significance. Even weak and bankrupt states like Pakistan and Afghanistan, can be, and are in fact, dangerous on occasion. Though Iran cannot project conventional force, they have asymmetrical warfare techniques that they are often quite good at implementing. There have been unacknowledged attacks in the Persian Gulf by small boats. Although Tehran claims ignorance and no involvement, everyone knows that the attacks are Iranian.

These capabilities are dangerous, and they must be taken seriously, but they must be kept in a realistic perspective, rather than talking as if Iran could strike the United States in the near future or take over the region. The United States is currently building up a huge missile defense capability against Iran. It does not publically claim that the defense armament is for Iran, but it is. It is not against anybody else. The United States is putting both its own money and a large amount of political capital into building this missile system that would stop the terrible threat of Iranian ballistic missiles. Yet the best experts estimate that it will take 10 to 15 years for Iran to fully develop the missile technology and fit a warhead on it capable of anything more than just creating a very large bang at the other end.

Because US policymakers have adopted this exaggerated threat as a reality, costly policies are now pursued. These policies will demand political efforts to address this “threat”—but the threat needs to be kept in a realistic perspective.

### Internal Power Dynamics: Who is in charge?

Meanwhile, if Iran is an asymmetrical threat to be taken seriously, the internal dynamics of the country must also be taken seriously. The way they make decisions must be understood. We need to know who is making decisions and what is going on inside in the country.

Inside of Iran exists the most complex analytical environment since the days of the Revolution. At a minimum, it is possible to say that a new order is being created in Iran. The Revolution is over.

Of course, the Iranians do not admit as much. They do not say that most of the things that they fought for during the revolution have been lost, but this is the case. That is what the Green movement in Iran is really all about—total disappointment with this regime, its conceptual approach and the way the country had been governed. There is no consensus, but the palpable sense of disappointment is unmistakable.

The election of Akbar Hashemi Rafsanjani—the first president after Ruhollah Khomeini died—was not so unusual. He wanted to reconstruct a country that had been destroyed during the Iran-Iraq War. Subsequently, the election of Mohammad Khatami ushered in a man who ran against the system. Critical of recent developments, Khatami won more than 70 percent of the vote twice, but of course managed to accomplish very little because the regime itself was scared of what would happen if the props supporting it were removed.

Finally, Mahmoud Ahmadinejad rose to power. Curiously enough, his election in 2005 almost certainly represented a vote against the system as well. He ran on an anti-corruption platform—as a candidate who was going to come in and fix the system, enabling it to operate more efficiently. He has not done that, but that was his platform. The most recent election demonstrated a clear indication of the disappointment that people had in Ahmadinejad and the system as a whole. Iranians' votes for the reformist candidates showed they were trying to vote against the system. Depending on which side you listen to, these votes were either counted or not counted, but by any interpretation, votes for the government were over-counted and votes against it were under-counted.

All of the different forces in Iran are in motion, which makes the current situation rather opaque. The final outcome is not just unknown to foreign analysts, but it is also unknown to the leaders of Iran. They know they have got a tiger by the tail, and they cannot figure out what to do about it.

The principal force at the present time is the Revolutionary Guard. Khomeini created the Revolutionary Guard at the very beginning as a force that would be loyal to the Revolution and protect it. The Revolutionary Guard was competing with the regular military and won that competition. It now dominates the military situation. The old professional military corps is never heard about anymore, and they have largely disappeared from sight.

Furthermore, the recent political encroachment of the Revolutionary Guard is astonishing. When Khomeini created the Revolutionary Guard, he clearly said that the military should not get involved in politics. Today, the Revolutionary Guard *is* the politics of Iran. The Guardsmen are involved at every level. Every significant political candidate and anybody of importance within any of the ministries is a veteran of the Revolutionary Guard. Part of this is due to a generational change. In many cases, people who were in the Revolutionary Guard during the Iran-Iraq war have “graduated” and they became the body of people drawn on to run the government. This will not be unfamiliar to students of American history. You could not run for high office in the United States for 25 years after World War II unless you were a veteran and could show that you had fought.

The Revolutionary Guard makes no bones about the fact that it does not heed Khomeini's cautionary words to stay out of politics. In fact, the Guard denounced his words outright, arguing that the Guard needs to be involved in politics if the Revolution is to be protected.

So what is the Revolution they claim to protect? It is the rather cozy status quo that has been established by a tiny group of leaders, both on the political side and on the military side, who have found a comfort zone for themselves, where they dominate the government. They want to have things their way, and anybody who interferes with that in any way is threatening the Revolution.

In the past, the legitimacy of the regime was based, first of all, on Islam. But, it was also based on the voice of the people. Khomeini said that you had to have both Islam and the assent of the people. The voice of the people had to be heard.

The 2009 presidential election was perhaps the last free, or semi-free, election that will be seen in

Iran. People actually did come out and vote. They did say what they thought and anybody who disagreed with the regime was promptly persecuted. The two leaders of the Green Movement, Mehdi Karrubi and Mir Hossein Mousavi, have been consistently subject to intimidation. A good number of their followers have been thrown in jail as well. Many others have been killed. Today, the legitimacy of the Islamic Republic is derived only from God, and the regime is actually proposing openly, clearly, and unequivocally the concept that the present rulers are representatives of a divine force—that God has nominated them to watch over the Revolution. If God has put them there, what can the people do? How can the Iranians argue with God? If God decided that these are the rulers, and these are the responsibilities that they should have, why is an election needed at all?

The Islamic Republic was always a peculiar hybrid. Islam and Republic did not seem to fit together very neatly, but the government tried. Khatami and a number of others really believed in this approach. But in the last two years, the Islamic element has driven out the Republic element. It is a regime that is essentially reverting to the concept of the divine right of kings.

Revolutionary unity had been the strength of the regime: all factions of society came together to overthrow the Shah and to stand up for a particular point of view. Today, that is no longer true. You have a small group of individuals clustered around the Supreme Leader Ali Khamenei, and they are effectively in competition with the senior clergy, who constitute the vast majority of the religious leaders in Iran—from the smallest mosque, right up to the people who teach in the seminaries of Qom. Most of these individuals are not enthusiastic supporters of the current regime and the concept of divine right. They believe it undercuts Islam, and it does. They argued from the beginning that when an individual has authority to rule, he has to make compromises. Islam is a religion. Religions are absolute. They do not split the difference, they do not compromise. It is right or wrong, and that is what religion expresses. The bulk of the religious clerics and the regular clergy in Iran actually feels that this “Islamic Republic” is potentially harmful to Islam.

The regime is also a rival of the bazaar—the merchants who paved the way for the Revolution and are now unhappy with the way the country is run. The regime is completely at odds with industrial workers, who say they are not getting paid and whose conditions are terrible, as they are not allowed to form unions or express themselves. The regime is, of course, at odds with the reform elements at all levels, and it has completely broken with Rafsanjani’s pragmatist interests, which actually promoted a sort of commercial freedom in Iran.

There are differences even within the Revolutionary Guard itself. At the top, there is a little clique of hardliners, but the vast bulk of the Revolutionary Guard is composed of ordinary citizens, many of whom have actually voted against Revolutionary Guard leaders and candidates in the past.

Given these circumstances, it is sometimes difficult to assess who is actually running the country. Ahmadinejad has served a couple of purposes. He helped replace all of Rafsanjani and Khatami’s loyal supporters who were scattered throughout the bureaucracy with Revolutionary Guardsmen. These men frequently have no real background or experience in the positions in which they are placed. Their only qualification is their loyalty. They currently hold nearly all of the key jobs. Ahmadinejad has also served well as a noisemaker, but one could argue that he does not actually make many decisions. He stirs up trouble, attracting quite a bit of publicity, which he loves, but he does not, in fact, determine the policies that Iran will follow. One of the exceptions is the economy—he does have influence over economic policy. He has actually taken on the old subsidy system and has attacked it quite forcefully—and that is a tough job. I give him high marks for that. On just about everything else, however, he is wrong.

Ahmadinejad’s general economic policies tend to be harmful for the economy. His answer to the problem of disparity between the wealthy and the poor is not to create jobs, but rather to hand out money, and to essentially distribute free loans. If you wanted to get married, could show that your

bank account had insufficient funds and could prove you were looking for a new position, then you could take out a loan from the bank. Banks were forced to loan at very low rates, and, because of inflation, the interest rate on the loan was effectively zero. Free money was handed out left and right, including at his rallies, which attracted large crowds in the provinces. At the end of his speeches, his cronies would walk through the crowds and hand out packets of money. It is a political technique that has certainly been practiced in the United States in the past, but it has never been done to the magnitude that Ahmadinejad has been practicing.

Contrary to popular opinion, Iran's foreign policy has been on cruise control since Ahmadinejad has been president. The actual policies that he is now following, as opposed to the noise that he makes about them, are the same ones that were in place under Rafsanjani and under Khatami. Iranian policy has changed little. In that sense, with the exception of the economy, Ahmadinejad is definitely not in charge.

What about the Supreme Leader Khamenei? Nominally, he is in charge of everything. Nothing can get done and nothing is supposed to happen without his approval. On the other hand, he seems unable to contradict the Revolutionary Guard when they act, even if the move is contrary to what Khamenei has said earlier. If the Revolutionary Guard, in effect, has a veto power over the Supreme Leader, who is really in charge?

### The Mystery of the Revolutionary Guard

The Revolutionary Guard now controls access to Khamenei. He is surrounded by people who make decisions about who can see him and who cannot. That bubble, which was created in the name of security, controls what he can do and where he can go. The Revolutionary Guard now controls the intelligence service, the security service, the judiciary, and large portions of the economy. They run the cell phone system. They are contractors for the oil industry. They are building the underground railway system in Tehran. The Revolutionary Guardsmen are some of the main beneficiaries of the sanctions regime that the United States and others have imposed on Iran. Anybody who goes to Tehran will tell you that the shops are full of goods—a patron can buy just about anything he is looking for. Products are a little more expensive than they might be elsewhere, but they are there. How did they get there with all of these sanctions in place? Most were smuggled. Who controls the smuggling routes? Who controls the ports where those things come in? And who takes a cut to get those goods into the country? The Revolutionary Guard does.

The Revolutionary Guard is making a substantial amount of money. They have a huge business now. A colleague once said, imagine if you asked your military chief of staff for advice, and he responded, "Well, let me check my portfolio first." That is the situation in Iran today. They have such a large stake in the economy that any potential economic disruption affects their willingness to carry out a program.

So who forms the Revolutionary Guard? Who is actually calling the shots? The answer is unknown. There is a collective leadership at the top—the hardliners remain at the top of the structure. Through some mysterious process, they produce decisions and ideas. But, as to naming an individual, I do not think anybody in the world can identify one right now. We probably do not know and perhaps have not even met the individual or individuals who are the strongest and most charismatic in this particular group. It is likely that we will not know the answer to that question until there is some kind of a shakeout and a new leader emerges from that process. Consider President Gamal Abdel Nasser of Egypt. He was a member of the Free Officers Movement, and nobody had heard his name until after the coup that ejected the monarch. Suddenly, he emerged and became the dominant name, feature, and power in Egypt. The best intelligence did not predict this in advance.

It is worth asking about the type of shakeout that would bring this individual or group of individ-

uals into the open. There are several potential scenarios that could cause the requisite chaos. One is that Khamenei, who is the Supreme Leader and around whom all power is allegedly centered, could die. But that is not the only thing that could upset the status quo. A financial breakdown in which Iran could not meet debt liabilities, and in effect, could not pay insiders, could also trigger a shakeout. There is even the possibility of an earthquake taking place in Tehran. Tehran lies right on a major fault, and it is not built to be earthquake-proof. A large earthquake in Tehran could kill millions of people and would destroy the government.

In any of those circumstances, one possibility is that political chaos will emerge, and there will be calls for somebody to get the system under control and establish order. That is how military leaders step into vacuums. The late Shah's father was a fairly junior military officer, and in a period of great chaos, emerged as a completely unexpected leader. In time, Reza Khan crowned himself Shah. It is easy to imagine a similar process happening again.

### Conclusion

The regime in Tehran is not as united as it would like the world to believe. In fact, it is terribly disunited and dysfunctional. In many ways, the best US policy might be to leave Iranians to fight amongst themselves. The problem is that American politicians will not accept this idea. Strategic patience is not an area where the United States excels. Politicians such as Senator Lindsey Graham suggest that the only way to deal with Iran is a military attack—and that attack should not just be to knock out their nuclear facilities but should involve a complete wiping out of their navy, a taking out of their army and a destruction of the Revolutionary Guard. Proceeding from this logic, the next phrase is “we should invade Iran.” If politicians really believe that a third military invasion in that area is a good idea right now, they should also answer the question about where the United States will get the needed troops.

With regards to the policy of engagement, assuming that the United States and Iran could actually begin serious negotiations again, what would they discuss? There are many concerns in addition to the nuclear issue that one can talk about, where Iran and the United States actually have a lot of interests in common: Afghanistan, Iraq, regional security, and so forth.

In thinking about future US policy, I would offer a few words of advice. First of all, the United States and the West do not control events in Iran. Those who think that they can use leverage are misinformed. Anybody who suggests this as a panacea to the Iranian problems should be immediately doubted. We should not delude ourselves, regardless of the policy issues, to think otherwise.



# The People's Republic of China: An Alternative Model?

EMILIA GALIANO

The article presents the People's Republic of China as a possible alternative model to those represented by the developed world. The focus is, on the one hand, on China's foreign policy, critically examined in the light of the main theories regarding international relations. On the other hand, China's prospects for domestic political reform will be analyzed, based on the relevant literature regarding economic growth and democratization. Specific principles guiding China's foreign policy and the possible adoption of a deliberative kind of democracy characterize the country and allow many to see it as an innovative alternative.

**T**he impressive economic growth of the People's Republic of China in the last twenty years is difficult not to mention due to its importance and its potential effects. Liberalization of the economy coupled with the opening to foreign capital guaranteed the country continued growth, which reached an average of 10.2 percent in the period from 2001 to 2008.<sup>1</sup> These developments have been matched by the increasing demands of civil society, as it is largely dissatisfied with the lack of a political transition and suffering under rising inequalities. Despite this, the Chinese Communist Party (CCP) still enjoys a remarkable degree of legitimacy, thanks to its accomplishments in the economic realm, to the recourse to a nationalistic discourse, and to the greater salience given by the CCP to concepts such as "socialist democracy" or "sustainable development."

Chinese capabilities are changing. Economic growth has allowed the People's Liberation Army to pursue modernization of the military and the acquisition of more sophisticated defense technologies. This military power nevertheless composes just a small fraction of the huge economic power of the country. As a result of unprecedented export-oriented foreign direct investments (FDI), the country was able to maintain a double surplus in current accounts as well as capital and financial accounts, and thus able to accumulate huge amounts of foreign reserves.<sup>2</sup> Nowadays, China might become either a savior or a final un-doer: if the country continues to increase domestic consumption, developed countries could turn to China as a potentially vast market for exports during a time of global recession; the downside is that the country's use of foreign reserves is unpredictable, and in the remote case that this power should be wielded offensively, it could debilitate the global economy. China's behavior within the international community has changed as well. Since the early 1990s, China has adopted a more moderate stance in its foreign policy, trying to integrate into the international community, often

---

Emilia Galiano is an M.A. candidate at Johns Hopkins University SAIS Bologna Center. She graduated from the University of Bologna in 2010, having completed a master's thesis entitled "Commercial Power or Rising Challenger? Political and Economic Objectives in Chinese Foreign Policy, from 1990-2008." Although she continues to study the People's Republic of China, she is now widening her interests and concentrating on International Development.

accepting externally imposed conditions—such as its accession to the World Trade Organization (WTO)—and cooperating in order to provide for stability and peace in the international system. China has adopted multilateralism as its foreign policy. Simultaneously, the United States is acknowledging the fact that it cannot manage the whole international system without the support of the other major players; other actors in the international community are following suit.<sup>3</sup>

I will briefly analyze the relevant literature, first regarding China's foreign policy and then regarding the country's domestic prospects for political reform. In this paper, I will discuss the People's Republic of China's alternative model. It will become clear that the country is following a tailored development path, chosen specifically to balance the needs of the society with the will of the party to survive. The prioritization of economic growth domestically determines both an unprecedented political reform path and very specific foreign policy choices. Through its mere existence, this model of development and behavior, coupled with the process of globalization, the declining power of the United States, and the negative consequences of the current financial crisis, will exert pressure on the increasingly inefficient models proposed by the developed world to change and adapt.

### A Critical Review of the Relevant Literature on China's Foreign Policy

Both China's foreign policy stance and its internal economic and political development are unprecedented and only partly explained by the existing literature. In this brief review, I cover some of the theories developed within the different schools of thought in international relations, which have been applied to explain China's behavior. I start with some theories developed within the broader realist tradition: the hegemonic stability theory, Mearsheimer's offensive realism and how he applied it to China, and balance of power theory. I then analyze China's behavior according to liberalism, making reference on the one hand to institutionalism and on the other to interdependence liberalism. The last school of thought I refer to is constructivism. According to hegemonic stability theory, a declining hegemon together with a rising power will create instability within the system. According to Gilpin, the international system undergoes significant changes when the effective power of the hegemon declines and its supremacy is challenged by the rising of unsatisfied and revisionist powers.<sup>4</sup> These revisionist countries will try to change international institutions and regimes created by the prevailing hegemon. When applied to the Chinese case, we would presume that the twilight of American power constitutes an opportunity for a rising China to at least try to change those international institutions and regimes. The United States had contributed to their design.<sup>5</sup>

However, China has not tried to challenge existing international institutions and regimes. It has not only adopted a more moderate attitude in the region but has also tried to integrate itself into a number of international institutions and legal frameworks. The country contributed to the creation of the Shanghai Cooperation Organization, became a member of the WTO in 2001, and actively participates in regional institutions such as the Association of Southeast Asian Nations (ASEAN) + 3, the ASEAN Regional Forum (ARF), and the Asia-Pacific Economic Cooperation (APEC).<sup>6</sup> It has also signed various treaties, among them the Nuclear Non-Proliferation Treaty, the Convention on Chemical Weapons, the Convention on Bacteriological Weapons, the Comprehensive Test Ban Treaty, the Convention on Economic, Social and Cultural Rights, and the International Convention on Civil and Political Rights.<sup>7</sup> Another oft-cited example is China's participation in several peacekeeping operations, which is exceptional for a country that upholds sovereignty and non-interference in other states' domestic affairs as fundamental values of its foreign policy.

According to Mearsheimer, every great power aims at becoming a regional hegemon since this is the only condition that will guarantee its security.<sup>8</sup> To be able to achieve this goal, states will develop their economic and military capabilities to the fullest possible extent. According to Mearsheimer: "In

the anarchic world of international politics it is better to be Godzilla than Bambi.”<sup>9</sup> Both the United States and China would compete for regional hegemony in the Asia Pacific region, according to this view. Moreover, a future clash between them will be almost inevitable: China will pursue assertive policies to reform the system, while the United States will aim for the maintenance of the status quo. Nevertheless, this perspective cannot account for the rising economic interdependence between these two countries, nor for the increasing disengagement of the United States from the region, and thus the increasing reliance on Japan and China in dealing with security issues in Asia-Pacific. The participation of China in the talks regarding the North Korean nuclear crisis is one prominent example. Another perspective applied to the Chinese case is the balance of power theory, which forecasts that, given the insecurity of living in an anarchic environment and the presence of superior powers in the system, a country can choose between balancing or bandwagoning—that is, to look for reliable allies to counter the predominant countries in the system or side with the latter against the weakest.<sup>10</sup> The predictions resulting from the application of this perspective to Asia would be as follows: on the one hand, China would balance the superior power of the United States, looking for allies in the region and upgrading its defense systems; on the other hand, as China rises, other countries, both in the region and in the global system, should increasingly balance Chinese rising power, if they feel it is a threat.

Nevertheless, these predictions can be countered by some arguments drawn from liberal theorists. Again, the rising interdependence and cooperation between the United States and China cannot really be explained by the balancing theory: if China did seek to balance a more powerful America, which it saw as a threat, it would surely not engage in trade, finance its domestic debt, or cooperate on security issues. It is true that East Asian countries, especially Japan and South Korea, are balancing Chinese power and bandwagoning with the United States by modernizing their defense apparatuses and regularly carrying out military exercises with American troops. Yet it is also true that these same countries have pursued economic cooperation, which leads to ever increasing economic flows in terms of trade and FDI, with a country they should perceive as threatening. This economic integration has led to the creation of a China-ASEAN free trade area, the Chiang Mai Initiative, and projects for a potentially wider free trade area that includes Japan and South Korea. Economic cooperation pursued both by the People's Republic of China and other countries in the region has been accompanied by a cooperative attitude towards security issues and a moderate stance on territorial disputes on the part of all the parties involved.<sup>11</sup>

Although I do not want to spend too much time here describing the situation in the East and South China Seas, suffice it to say that governments are trying to avoid confrontational attitudes; some steps towards a resolution of the dispute have been taken, including the Declaration on the Conduct of Parties in the South China Sea in 2002 and a 2008 agreement on the joint exploration of the seabed near the Diaoyu/Senkaku Islands. Incidents are still possible, however, as demonstrated by the recent issue concerning a Chinese fishing boat near the Diaoyu/Senkaku Islands.

Balance of power theory, offensive realism, and hegemonic stability theory are insufficient to explain China's behavior in the international arena and the responses of other stakeholders in the system. Put differently, this behavior would be explained only if one could assume that economic objectives can be separated from strategic and security issues. This assumption is not possible in a realist framework, in which economic growth, security, and power are closely interrelated: in such a framework, economic integration is only possible if it does not lead to an excessive dependence, if it serves vital interests of the state, and if the trade partner is not perceived as a threat.<sup>12</sup> Relative gains from trade and security externalities arising from economic integration can help sustain this argument: on the one hand, countries will only engage in trade if the partner's relative gains are not excessively high; on the other, trade will mainly occur between allies who will invest gains from trade in mutual security.<sup>13</sup> Taking either of these approaches, how can the rising economic ties binding countries in the Asian region and in the

world to China be explained? If China is perceived as a threat because of its assertive interests, why are these countries not balancing the rising Chinese power by cutting these economic ties?<sup>14</sup>

Liberal theory could provide a more moderate perspective: China has not pursued aggressive objectives because it has been integrated into the global economy. According to institutionalism, becoming part of international institutions and regimes facilitated cooperation and understanding with rival countries. This strand of liberalism considers that issues concerning anarchy and security can be overcome through cooperation, which is possible within international institutions where information is easier to acquire and transaction costs are lower. Moreover, considering interdependence liberalism, greater economic interdependence would highly increase the costs of a possible conflict. Now that China's economy is growing at double-digit rates thanks to huge flows of FDI and the exports of cheap, labor-intensive goods, why would it try to disrupt and challenge the system? Economic growth also fosters the emergence of domestic social groups, who profit from economic reforms and greater openness and will favor even more liberalization and integration with the global economy.

However, while liberals criticize realists by pointing out the importance of institutions and economic incentives resulting from increased integration, realists in turn criticize liberals as being too utopian and not seeing that China's real intentions are aggressive in the long run. According to realist scholars, the supposed attitudinal change in China's foreign policy is nothing but a "Charm Offensive."<sup>15</sup> This last critique highlights the problematic fact that deciphering a country's intentions is indeed difficult—the more so given that China in particular still has some strong territorial claims, feels victimized, and is ruled by a party seeking to legitimize itself internally, partly by drawing on nationalistic ideology. Moreover, it is important to note that at the regional level China is not really binding itself to a given set of values or procedures, as all the regional forums it participates in are discussion forums. This makes drawing conclusions about the efficacy of these institutions difficult.

Before considering the last perspective, constructivism, I would like to summarize the issues treated up to this point by citing the opinion of a constructivist scholar. Legro, in an article published in 2007, points out that both realism and liberalism are overly deterministic in that they do not leave room for considering the effects of unpredictable events.<sup>16</sup> More than predicting future behavior, constructivists explain China's present increased integration and moderate attitude within international organizations. They focus on the concept of socialization: China's exposure to Western values, decision-making processes, and behavioral procedures have completely changed the set of incentives the country faces. In the end, this is what "the ASEAN Way" is all about—integrating the People's Republic of China in a regional framework, and thereby encouraging the country to share a set of common values and views regarding regional security and the promotion of economic development.<sup>17</sup>

Liberalization of its domestic economy and integration into the international system have indeed contributed to the development of new ideas regarding China's foreign policy, such as the "New Security Concept" and the preference for multilateralism, in order to attain a common, comprehensive, and cooperative kind of security.<sup>18</sup> Constructivism might seem appealing given its ability to explain why China has adopted a more moderate foreign policy stance, which is no longer guided by the exportation of Communist revolution, and why the countries in the region have not engaged in balancing behavior. Nevertheless, this perspective fails to deliver a comprehensive interpretation of China's economic and security objectives. In particular, it fails to explain the prioritization of the goal of economic growth, which is arguably the single most important determinant of the country's foreign policy, both now and in the future. The prioritization of economic growth has been included in the CCP's domestic agenda in order to ensure the country's development and the party's survival; it has not only produced an agenda of gradual domestic political reforms, but also a new attitude in the international arena—one guided by the need to ensure a stable and peaceful environment to allow for the country's continued economic prosperity. This development can hardly be linked to a constructivist perspective, since

this is mainly concerned with international relations and how complex regimes, based on specific values, together with socialization dynamics can shape a country's behavior.

By focusing on the prioritization of economic objectives and the CCP's survival, I am adopting a different level of analysis from one of nation-states as main actors to one that focuses on nation-states as domestic actors and looks at their incentives and preferences. Such a change in the level of analysis allows perception into what makes China's foreign policy choices so unusual and not ascribable to any particular theory or perspective. It also introduces the next section about the domestic situation. The prioritization of economic development is linked to the lack of political reforms and the prospects of survival for the CCP.

### A Critical Review of the Relevant Literature on China's Political Reforms

China has also followed a very specific trajectory in respect to its economic and political development. Because economic growth was both high and visible, many scholars expected a parallel breakthrough in the political sphere, and could point to some political reforms. In other words, many were waiting for tangible steps towards democratization. Nevertheless, political change was never really pursued, outside of reforms, which were limited in scope. In this sense, the Chinese case once again differs from what the vast literature has predicted on the basis of the relation between economic development and democracy and the direction of the causal link between the two.

In this review, I will refer to recent studies concerning the fundamental question of whether or not economic growth favors the emergence of democracy or vice versa that have begun to proliferate since Lipset's article was published in 1959. What is clear from the vast literature on the subject is that there is no unique answer despite the many studies both quantitative and qualitative. The modernization theory claims that democratization cannot happen without the existence of some prerequisite conditions linked to economic growth. In general, these conditions, which favor the emergence of a new set of values and a middle class supportive of democratization, have to do with urbanization, economic wealth, and education.<sup>19</sup> These conditions should hold in the case of China. On the one hand, it appears that the emergence of a more politically organized civil society has been crushed by the CCP, which has been quick to spot and stop every potential threat to its survival. The 1989 Tiananmen Square events and the recent repression of the Falun Gong illustrate this propensity. On the other hand, it is also true that outright opposition and bottom-up democratization might have difficulty emerging in China since the party still enjoys legitimacy, even if it might seem limited, because of its achievements in the economic sphere and the partial reforms in the political and social spheres.

The CCP has increased its legitimacy through promulgating the belief that it is the appropriate institution to govern the Chinese people, and gathers support by drawing on nationalism, economic growth, and the provision of social stability to gather support. The "Three Represents Theory"<sup>20</sup> has, in addition, broadened the legitimacy base of the CCP by enabling the middle class to enter the party. Moreover, recently the fourth- and fifth-generation CCP leaders are using concepts such as equality, sustainable development, and democracy with Chinese characteristics, which had been common elements in Deng Xiaoping's political discourse, in a new, pragmatic framework. Government effectiveness has been targeted by the CCP through the provision of more generalized public services such as health care and education, which partly satisfy the expectations of the broad public. All of this might not be enough, and a more sustainable strategy would need to address the lack of the most fundamental rights concerning political representation, labor protection, freedom of opinion/expression and assembly/association, reproductive rights, and so on. The lack of these rights is strongly perceived by the Chinese citizens, who are demanding to be heard.<sup>21</sup> The contrary perspective is introduced elegantly by Przeworski and Limongi in their 1997 paper: "The emergence of democracy is not a by-

product of economic development. Democracy is or is not established by political actors pursuing their goals, and it can be initiated at any level of development.”<sup>22</sup> This perspective holds that democracy favors development—or at least that it should be pursued together with economic growth.<sup>23</sup> For Amartya Sen, democracy is a universal value, recognizable as such and valued by a majority of people. Moreover, its intrinsic value, its instrumentality, and its constructive function make it a political system capable of supporting a more general human development. It also allows for a balanced and more sustainable (and arguably more equitable) growth and the advancement of society as a whole. The link between democracy and economic growth has been verified through various econometric studies that have underlined its ability to produce more predictable and stable long-run growth and deal more efficiently with economic shocks.<sup>24</sup> Democracy also has indirect effects on growth, through better health and education provision.<sup>25</sup>

Indeed, the CCP has recognized the intrinsic value of democracy, although there is a gap between words and deeds: the political discourse is full of references to what is called “socialist democracy,” but its characteristics are rarely stated openly. However, one might expect that such a system would presuppose the preeminence of the CCP and only accord limited political rights to the broader population. Moreover, it does not seem that a “democratization” process in this direction has started. It is debatable whether or not the Party has recognized the potential growth-enhancing effect of democracy. If it were to account for this effect, the CCP might indeed push for democratization for no other reason than its own survival, which is linked to the performance of the Chinese economy. However, why would the CCP decide to follow a model of development based on democracy, given that the Chinese system has delivered solid economic performance and that representative democracy itself is a model experiencing some troubles, mainly due to globalization? If the growth-enhancing effect of democracy is just a matter of moderation, inclusion, and openness to dialogue, there is no reason why the People’s Republic of China could not develop an alternative to democracy, a mixed-type of system capable of being efficiently responsive to the growing demands of the population.

Many sinologists have underlined the precariousness of the Chinese system. It might be relatively stable in the short run, but the prospects for the long run are quite different, ranging from total collapse to democratization, with few scholars viewing the continuation of the status quo as feasible.<sup>26</sup> Some point to the strength of the Chinese “resilient authoritarian system,”<sup>27</sup> while others note its self-destructive weaknesses and envision collapse.<sup>28</sup> A few have forecasted that democratization will indeed happen,<sup>29</sup> while most Chinese scholars like to highlight the prospects for the emergence of a “consultative rule of law regime”<sup>30</sup> or a “socialist democracy” (democracy with Chinese characteristics).<sup>31</sup> According to yet another strand of debate, the Chinese elite will choose incremental, idiosyncratic, and instrumental reforms,<sup>32</sup> maintaining a central role for the CCP and leading to the emergence of an “eclectic state.”<sup>33</sup> This last view seems the most feasible and realistic since it takes into account the fact that China’s domestic political reforms have in many cases not followed modern theories about growth and democratization and acknowledges that the CCP tried, and will try, to adapt the system to a changing environment. This gradual and incremental process has characterized the People’s Republic of China as an exception, far from becoming a proto-liberal democracy, but possibly moving towards the adoption of a model based on deliberative democracy with a strong rule of law element.

### Conclusion: China’s Alternative Model

Many scholars have tried to understand the priorities of the CCP both internationally and domestically. The most relevant issues are the survival of the CCP—ensured by social stability and legitimacy based on economic performance and nationalism<sup>34</sup>—and the maintenance of a peaceful and stable international environment based on multilateralism to ensure continued growth. In this framework, economic

growth does not seem to be a means to increase military capability, but rather an end in and of itself, connected to the survival of the party.

The needs of the People's Republic of China and its experience have specific characteristics reminiscent of some other East Asian states. Some scholars have tended to refer to the "Beijing Consensus" as indicative of a set of Sino-specific elements that other developing countries are increasingly considering as an alternative to the Western-structured model of development. These Sino-specific elements include: a preference for authoritarian regimes, a technocratic approach to governance issues, the stressing of sovereignty principles (territorial integrity in particular) and non-interference, free market promotion and prioritization of growth, and stronger and more influential international organizations.<sup>35</sup> It seems that there is no consensus in the international community about these elements, nor about their diffusion and application: the multifaceted concept of the "Beijing Consensus" has mainly been used in comparison with the "Washington Consensus"—the latter includes in this context both macroeconomic prescriptions and Western values. Nevertheless, the specifics that characterize the People's Republic of China (call it "Beijing Consensus" or otherwise) clearly constitute an alternative—viable or not—to the model put forward by the developed world.

As already seen, China's foreign policy hardly follows what international relations theories have forecasted, and this is because the country's guiding principles are defined in terms of the overarching objective of economic development. Moderation, a cooperative attitude, and the preference for multilateralism indicate China's willingness to maintain and favor a stable and peaceful international environment conducive to the country's economic growth. The principles of sovereignty, territorial integrity, and non-interference are coupled with sincere cooperation within the multilateral framework of international organizations, both on a global and a regional level. China's active participation in the ASEAN+3 forum, and the creation of the China-ASEAN FTA and the Shanghai Cooperation Organization, are of particular interest within this context.

On the domestic side, the People's Republic of China does not yet constitute a viable and credible alternative to representative democracies. Nevertheless, as mentioned by some scholars,<sup>36</sup> the political elite determine the direction of the development process in the economic as well as in the political realm. In this sense, there is indeed room for hope that the CCP will pursue reform in the direction of greater political openness to ensure its own survival and to reinvigorate its legitimacy. Representative democracy seems an unlikely choice given that the party is concerned with its own survival. Such a system might not be an appropriate option in this regard. Nevertheless, it is possible that the CCP might pursue some kind of deliberative/consultative democracy. This concept is usefully defined following what Habermas wrote about a republican kind of democracy, where the hierarchical regulations of the state and the decentralized regulations of the market coexist with solidarity and are oriented towards the attainment of the common good.<sup>37</sup> For Fishkin, deliberative democracy, possible in small groupings of citizens, "gives a prime role for the public's considered judgments—for opinions that people arrive at after they have had a chance to consider competing arguments and opposing points of view."<sup>38</sup> In such a decentralized system, civil participation can coexist with the survival of the CCP, which would be perceived as the provider of stability and the instrument to effectively implement the decisions made on this grass-roots level.

The adoption of consultative/deliberative forms of democracy at the local level is indeed possible. As grass-roots democracy and economic reforms have been tested and spread mainly in a decentralized way, the Party can certainly be seen as pursuing political opening in the same incremental, decentralized way. This does not challenge the Party's role and would give the people the chance to discuss problems and put forward solutions more effectively. Deliberative/consultative forums could certainly provide representation for different ethnic groups at the local level and their respective needs, and this could lessen localized tensions concerning cultural differences. Such mechanisms would require the granting

of individual rights, but if the whole process were managed in a gradual way, the final extension of these rights would most likely have minimal effects on the survival of the CCP, since all dissatisfaction would effectively and efficiently be channeled within forums of discussion. In addition to deliberative mechanisms, the CCP should also define a rule of law system capable of decreasing the incidence of corruption and collusion and able to complement the eventual implementation of a pure deliberative democracy model.

In short, the Chinese system is undeniably at a crossroads: on the one hand, economic development has led to the emergence of growing demands from the civil society regarding much needed reforms in the public sector to enlarge the provision of education and health and to curb corruption; on the other hand, Chinese citizens will increasingly demand more rights as basic needs are met and new necessities regarding political and social development emerge. The CCP will be able to address both of these issues in a successful way, at least in the short- to medium-run, through the provision of extensive public goods,<sup>39</sup> the reduction of inequalities among rural poor and rich urban households, more decisive steps towards the expansion of political participation (through the adoption of deliberative democracy methods), and pro-growth strategies. A way to ensure continued economic growth is through the provision of public goods in rural areas in order to decrease savings and increase consumption domestically: it is self-explanatory how such a strategy could address these two issues simultaneously.

In conclusion, it is highly unlikely that China will adopt an aggressive stance or proactively try to redefine international regimes and institutions according to its values. The country will nonetheless actively participate and integrate in the world community, and this active participation also means that it will contribute to the shaping of international norms and procedures. The world will probably move toward a multipolar and more globalized world in which the principal actors are still nation-states, although their predominance will increasingly be challenged. In such a world, China's guiding principles in both foreign policy and domestic development might represent an alternative kind of approach some might decide to follow.

- 
1. National Bureau of Statistics of P.R. China, *China Statistical Yearbook 2009* (Beijing, China Statistics Press, 2010).
  2. China holds a little more than one trillion the worth of US bonds, although this situation is starting to change as the country seeks to diversify the destination of its capital outflows.
  3. Joseph Nye, "The Future of American Power," *Foreign Affairs* 86, no. 6 (2010): 2-12. It is notable that Clark quotes President Obama's affirmation that different nations are exerting greater influence in a more dynamic international system; Ian Clark, "China and the US: A Succession of Hegemonies?," *International Affairs* 87, no. 1 (2011): 13-28. Niall Ferguson points to the unavoidable decline of the US, accelerated by the economic crisis. Niall Ferguson, "Complexity and Collapse," *Foreign Affairs* 89, no. 2 (2010): 18-32. Hugh White makes similar points. Hugh White, "The End of American Supremacy," *East Asia Forum* (2010), <http://www.eastasiaforum.org/2010/09/12/the-end-of-american-supremacy/>.
  4. Robert Gilpin, *War and Change in World Politics* (Cambridge: Cambridge University Press, 1981).
  5. Christopher Layne, "The Unipolar Illusion: Why New Great Powers Will Rise," *International Security* 17, 4 (1993): 5-51; Roy Denny, "Hegemon on the Horizon: China's Threat to East Asian Security," *International Security* 19, no. 1 (1994): 149-168.
  6. The active participation has been fostered, according to some scholars, by the accommodating attitudes and the consensual practices of the Asian countries, sometimes termed as the "ASEAN Way." Michael Yahuda, "The Evolving Asian Order: the Accommodation of Rising Chinese Power," in *Power Shift: China and Asia's New Dynamics*, ed. David Shambaugh (Los Angeles: University of California Press, 2005).
  7. Rosemary Foot, "Chinese Power and the Idea of a Responsible State," *The China Journal* 45 (2001): 1-19.
  8. John J. Mearsheimer, "China's Unpeaceful Rise," *Current History* 105, no. 690 (2006): 160-162.

9. Zbigniew Brzezinski and John Mearsheimer, "Debate: Clash of Titans," *Foreign Policy* 146 (2005): 48.
10. Zbigniew Brzezinski and John Mearsheimer, "Debate: Clash of Titans," *Foreign Policy* 146 (2005): 46-50; Thomas Christensen, "Posing Problems without Catching up: China's Rise and Challenges for U.S. Security Policy," *International Security* 25, no. 4 (2001): 5-40; Joshua Kurlantzick, "China's Charm Offensive in Southeast Asia," *Current History* 105, no. 692 (2006): 270-276.
11. Ralf Emmers, "The De-escalation of the Spratly Dispute in Sino-Southeast Asian Relations," *RSIS Working Paper* 129 (2007); Rosemary Foot, "Chinese Strategies in a US-Hegemonic Global Order: Accommodating and Hedging," *International Affairs* 82, no. 1 (2006): 77-94; Mingjiang Li, "Security in the South China Sea: China's Balancing Act and New regional Dynamics," *RSIS Working Paper* 149 (2008); Ren Xiao, "Between Adapting and Shaping: China's Role in Asian Regional Cooperation," *Journal of Contemporary China* 18, no. 59 (2009): 303-320.
12. I refer here to the literature dealing with the "power v. plenty" dilemma. Jacob Viner, "Power Versus Plenty as Objectives of Foreign Policy in the Seventeenth and Eighteenth Century," *World Politics* 1, no. 1 (1948): 1-29; Wolfers Arnold, "The Pole of Power and the Pole of Indifference," *World Politics* 4, no. 1 (1951): 39-63; Robert O. Keohane, "American Policy and the Trade-Growth Struggle," *International Security* 3, no. 2 (1978): 20-43.
13. Joanne Gowan and Edward Mansfield, "Power Politics and International Trade," *The American Political Science Review* 87, no. 2 (1993): 408-420; Helen Milner, Peter Rosendorff, and Edward Mansfield, "International Trade and Domestic Politics: The Domestic Sources of International Trade Agreements and Institutions," in *The Role of Norms and Institutions in International Cooperation in Trade and Environmental Issues*, eds. Eyal Benvenisti and Moshe Hirsch, (New York: Cambridge University Press, 2004).
14. Many authors are convinced that China will become more assertive as it reaches a sufficient level of military power. Aaron L. Friedberg, "The Future of U.S.-China Relations: Is Conflict Inevitable?," *International Security* 30, no. 2 (2005): 7-45; Michael G. Gallagher, "China's Illusory Threat to the South China Sea," *International Security* 19, no. 1 (1994): 169-194; Bonnie S. Glaser, "China's Security Perceptions: Interests and Ambitions," *Asian Survey* 33, no. 3 (1993): 252-271; Robert Ross, "Beijing as a Conservative Power," *Foreign Affairs* 76, no. 2 (1997): 33-45; Erika Strecker Downs and Phillip C. Saunders, "Legitimacy and the Limits of Nationalism: China and the Diaoyu Islands," *International Security* 23, no. 3 (1998-1999): 114-146.
15. Joshua Kurlantzick, "China's Charm Offensive in Southeast Asia," *Current History* 105, no. 206 (2006): 270-276.
16. Jeffrey Legro, "What China Will Want: The Future of Intentions of a Rising Power," *Perspectives on Politics* 5, no. 3 (2007): 515-534.
17. Thomas Berger, "Power and Purpose in Pacific East Asia: A Constructivist Interpretation," in *International Relations Theory and the Asia Pacific*, eds. G. John Ikenberry and Michael Mastanduno (New York: Columbia University Press, 2003); Alastair Ian Johnston, "Is China a Status Quo Power?," *International Security* 27, no. 4 (2003): 5-56; Alastair Ian Johnston, "Socialization in International Institutions: The ASEAN Way and International Relations Theory," in *International Relations*.
18. Jianwei Wang, "China's Multilateral Diplomacy in the New Millenium," in *China Rising: Power and Motivations in Chinese Foreign Policy*, eds. Yong Deng and Fei-Ling Wang (Lanham: Rowman & Littlefield Publishers, 2005).
19. Martin Lipset, "Some Social Requisites of Democracy: Economic Development and Political Legitimacy," *The American Political Science Review* 53, no. 1 (1959): 69-105. Barro addresses the concept of living standards, comprehensive of economic wealth, education and health conditions. Robert Barro, "Democracy and Growth," *Journal of Economic Growth* 1 (1996): 1-27; Barro, "Determinants of Democracy," *Journal of Political Economy* 107, no. 6 (1999): 158-183. Burkhart and Lewis-Beck found that economic growth, measured as per capita energy consumption, explains a statistically significant amount of democratization. Burkhart Ross and Michael Lewis-Beck, "Comparative Democracy: the Economic Development Thesis," *American Political Science Review* 88, no. 4 (1994): 903-910.
20. The theory states that the CCP represents the development trends of advanced productive forces, the orientations of an advanced culture, and the fundamental interests of the overwhelming majority of the people of China.
21. Within this context, Shambaugh and Nathan have underlined the ability of the party to reform and adapt itself to changing conditions. Andrew J. Nathan, "Authoritarian Resilience," *Journal of Democracy*, 14, no. 1, (2003): 6-17; David Shambaugh, *China's Communist Party: Atrophy and Adaptation* (Princeton: California University Press, 2008). Growing resources favor the survival of the regime. Adam Przeworski and Fernando Limongi, "Modernization: Theories and Facts," *World Politics* 49, no. 2, (1997): 155-183; Bruce Bueno de Mesquita and George Downs, "Development and Democracy," *Foreign Affairs* 4, no. 5 (2005): 77-86.

- 
22. Przeworski and Limongi, "Modernization: Theories and Facts," 177.
23. Amartya Sen, "Democracy as a Universal Value," *Journal of Democracy* 10, no. 3 (1999): 3-17; Rodrik Dani, "Democracy and Economic Performance" (paper presented at a conference in Cape Town, South Africa, January 1998); Matthew Baum and David Lake, "The Political Economy of Growth: Democracy and Human Capital," in *American Journal of Political Science* 47, no. 2 (2003): 333-347; Elias Papaioannou and Gregorios Siourounis, "Democratisation and Growth," *The Economic Journal* 118 (2008): 1520-1551.
24. Rodrik, "Democracy and Economic Performance."
25. Baum and Lake, "The Political Economy of Growth."
26. One of the few scholars affirming that the Chinese regime is still a viable political system, able to address the country's needs, is Zhengxu Wang, who is convinced that the CCP still enjoys a high level of legitimacy, given its role in the attainment of economic development and its ability to provide public goods that meet the demands of the society as a whole (he points to the high level of satisfaction within the Chinese population). Zhengxu Wang, "Explaining Regime Strength in China," in *China: An International Journal* 4, no. 2 (2006): 217-237.
27. Nathan, "Authoritarian Resilience."
28. Minxin Pei, *China's Trapped Transition: The Limits of Developmental Autocracy* (Cambridge: Harvard University Press, 2006).
29. Bruce Gilley, *China's Democratic Future: How It Will Happen and Where It Will Lead* (New York: Columbia University Press, 2004).
30. Pan Wei, "Toward a Consultative Rule of Law Regime in China," *Debating Political Reform in China: Rule of Law vs. Democratization*, ed. Zhao Suisheng (Armonk: An East Gate Book, 2006).
31. Yu Keping, *Democracy Is a Good Thing* (Washington: The Brookings Institution, 2009).
32. Fred Bergsten, Charles Freeman, Nicholas Lardy, and Derek Mitchell, *China's Rise: Challenges and Opportunities* (Washington: Peterson Institute for International Economics, 2008), especially chapter 3: "Democracy with Chinese Characteristics? Political Reform and the Future of the Chinese Communist Party."
33. Shambaugh, *China's Communist Party*.
34. Increasingly, as underlined in the introduction, the CCP is making open reference to concepts such as equality, sustainable development, and socialist democracy to meet the favor of the public.
35. Richard Bitzinger and Barry Desker, "Why East Asian War is Unlikely," *Survival* 50, no. 6 (2008-2009): 105-128.
36. Przeworski and Limongi, "Modernization: Theories and Facts."
37. Jürgen Habermas, "Three Normative Models of Democracy," *Constellations* 1, no. 1 (1994): 1-10.
38. James Fishkin, "Deliberative Democracy," *The Blackwell Guide to Social and Political Philosophy*, ed. Simon Robert (Malden: Blackwell Publishers, 2002) 221-238.
39. I include education and health within the concept of "public goods" for convenience even though education is considered a publicly provided private good, and it is debatable whether health should be publicly provided.

# Political Leadership in North Africa: What Comes After Authoritarian Regimes?

KARIM MEZRAN

The leadership styles of and relationships between the authoritarian regimes and militaries in North Africa are important factors in understanding the dynamics of the current upheaval in the region. Inhabitants of the region, affected by blogs, social networks, and liberal European and American culture, demanded either a more rational, value-driven, and open leadership responsible to the people, or a constitutional system. Further, the United States and its allies should maintain political and military distance from the movements sweeping the region as not to discredit them, while training the local population in polling, election monitoring, and the like, to create a basis of democratic action that would ensure the success of the transition process.

An analysis of the leadership styles that characterized North African countries prior to the 2011 revolts is essential in order to understand what kind of leadership could emerge from the at times violent demonstrations observed in the past few weeks. Key to this analysis is the discussion of the main features of two prominent players—the authoritarian leaders and the military—and the kind of relations that existed between these two actors before 2011, in Egypt, Tunisia, Libya, Morocco, and Algeria. How the authoritarian leaders and the military shaped their relationship clearly influenced the development of recent events. On the one hand, in Tunisia and Egypt, the regimes remained stable until the army sided with the protesters, or decided to assume the role of guardian of national unity. On the other hand, the divisions within the army in Libya, determined by tribal affiliations, provoked a situation in which some units defected whereas others remained loyal to the regime, creating a general state of confusion. The stance of the army vis-à-vis the regimes would also be crucial if future uprisings were to occur in Algeria and Morocco.

Moreover, it is important to observe that the authoritarian leadership in North African countries accidentally prompted the onset of a different idea of leadership among political opponents. This aspect will have major implications in determining who will take the lead in these countries and the ways in which the transitions will be managed after the revolts.

## The Style of Leadership Pre-2011

North African countries were characterized by similar but distinctive styles of leadership. Egypt and Tunisia were similarly typified by the so-called praetorian style. Hosni Mubarak and Zine el-Abidine

---

Karim Mezran is an adjunct professor at the Bologna Center and the director of the Center for American Studies in Rome. His analysis on the Middle East and North Africa has been widely published in Italian and foreign-language books and journals.

Ben Ali came to power as military officers and later abandoned the uniform for civilian clothes to run the country as civilian presidents. The case of Algeria is mixed in the sense that Abdelaziz Bouteflika is not a military officer but rules over a system strongly influenced by the country's military apparatus. Lastly, the idiosyncratic rule in Libya and the traditional, charismatic style of leadership in Morocco are rather unique in the area.

Turning first to the leadership in Egypt and Tunisia, the styles of Mubarak and Ben Ali appeared similar. Both leaders surrounded themselves with loyal supporters and established a nomenklatura system where clientelism and nepotism dominated the game. Although the two supported a pseudo-liberal capitalist system, their authoritarian style of leadership spilled over to the entire society, causing widespread corruption—a problem prevalent within these societies as a whole. People's lives depended on networks controlled by the leader and the nomenklatura. In both countries, the leaders established personality cults to solidify the center of power. The pictures of Ben Ali and Mubarak displayed throughout these countries were evidence of this, as was Mubarak's commonly-used nickname "the Pharaoh." The leaders also preferred to use technocrats to run the day-by-day affairs of the country, and the implications of this choice will be analyzed later in this paper.

The role of the military differs significantly in these two countries. On the one hand, in Tunisia, the army was marginalized by the regime as a professional, relatively independent, but weak group. The army officers in Tunisia are loyal to their institutional hierarchy. They are compact and professional patriots, mostly trained in Western countries. On the other hand, in Egypt, the army is an integral part of the system due to its history since the 1952 coup d'état led by Gamal Abdel Nasser. High-level officers were co-opted by the nomenklatura and thereby have direct access to economic power and resources. In both countries, the relations between the leader and the heads of the military were personal.<sup>1</sup> Therefore, the regimes' stability was not called into question until the recent events of December 2010 and January 2011. In Tunisia, the army refused to obey the leader's order to shoot at the demonstrators, whereas in Egypt, the army staged a pre-emptive coup d'état to force the leader to resign in order to save the system.

Another peculiar kind of leadership rules Algeria. The war of national liberation left the legacy of a competitive authoritarian political structure. The triangular system of government composed of the military, the party, and the state apparatus, who shared and competed for power, changed after the 1989 upheaval. Within two years, the country seemed close to a competitive multiparty democracy but, today, the institutions have yet to enjoy power of their own.<sup>2</sup> Under Bouteflika the style of leadership in Algeria changed significantly from that of his predecessors, who had been former military leaders. Bouteflika adopted a charismatic leadership style, making himself the center of all expectations and authority. In his first term (1999-2004), he was still subordinate to the military, but in his second, he started to push the army, the main power in Algeria since 1965, to the margins.<sup>3</sup> While the military is still an important actor in Algeria, the country is transitioning from a military praetorian rule to a form of charismatic but still authoritarian, although progressively more open, rule.

The same kind of analysis cannot be applied to Libya, where there is a clear example of idiosyncratic rule. In Libya, the legitimacy of the country's leadership rests in the shady idea of a revolutionary mission. The officers, having overthrown what they considered a corrupted and backward regime—that of King Idris I—portrayed themselves as the saviors of the country. Soon, Mu'ammarr Gaddafi emerged as the charismatic leader within the Revolutionary Command Council, and the Council became his personal instrument to control the country in a highly personalistic style of government. The successive changes to the system, meant to substitute the military council, maintained the same purpose, i.e. to strengthen the authoritarian leadership. The revolutionary enthusiasm of the 1970s soon dissolved and the "just society," often mentioned by the "Guide of the Revolution," never materialized.<sup>4</sup> Moreover, instead of the creation of a nomenklatura resembling the ones dis-

cussed for Egypt and Tunisia, the power in Libya rested in the hands of the Gaddafi tribe and other loyal tribes whose interests were intertwined with those of the Gaddafi family in a well-defined tribal system.<sup>5</sup> In more recent years, Gaddafi began to insert technocrats into the system of government, and some of them even joined his close circle of relatives. It is important to note that in Libya there has not been a privileged class as in Egypt or in Tunisia, but instead a close-knit group of relatives tied to the leader by a strictly personal association.

These tribal rivalries and alliances are also present within the armed forces and have been used through the years to strengthen Gaddafi's control over the military as well as to draw attention away from himself and from the regime.<sup>6</sup> Indeed, although Gaddafi's charismatic leadership was key to the survival of the regime, it would not have lasted forty years were it not coupled with a strong security system based on tribal ties. Today, it is unlikely that Libya's military will be able to play the role that the Egyptian and the Tunisian armies played in their respective revolts. Libyan armed forces do not possess the professionalism, the discipline, or the popular respect needed to fill a power vacuum and serve as a transitional structure to civilian government. The reports of senior air force officers fleeing to Malta and other recent defections highlight the chaos pervading the Libyan military.<sup>7</sup> Nevertheless we have also seen that the core of the leadership of the insurgents is formed by former military officers who have defected—the former Ministry of Defence Abubaker Jaber Younes is an example of this trend. It is also possible that in case of Gaddafi's loss of control over Tripolitania a military figure will emerge as the main representative of that part of the country. What we have also seen emerging from the Libyan crisis is the role of former members of Gaddafi's technocratic elite who have shamelessly switched side to become the spoke persons of the revolt. Among these are the Libyan ambassador to the UN Abdurrahman Shalgam and former Libyan ambassador to the US Ali al-Ujali. No other relevant data has really emerged so far to clarify the leadership aspect of the Libyan revolt.

A different system of leadership characterizes Morocco, where the king is the center of the political, economic, and military system. The king is mainly perceived as the traditional and religious leader legitimized by God—he is a descendent of the Prophet, the “Commander of the Faithful” endowed with *baraka* (divine blessing).<sup>8</sup> The system of government, called the *Makhzen*, is a very peculiar one. It revolves around the palace and its denizens. There is not a nomenclatura per se, but there is an elite, especially an economic one, that is used by the *Makhzen* to rule the country through a system of commercial and patronage resources, which are the king's most effective levers of political control.<sup>9</sup>

The army in Morocco is similar to that in Tunisia, although in the past—especially during the early seventies when it was accused of having staged failed military coups—it represented a serious threat to the monarchy.<sup>10</sup> King Hassan II dealt with this threat by sending the army to fight the Polisario Front in the Western Sahara. Since then, the loyalty of the army to the king has never been questioned. While the higher echelons of the army are not directly part of the *Makhzen*, they are in personal relationship with the king and belong to his inner circle. The officers are trained in Western countries, especially in France and Spain, but also in the United States. Today, it is a highly professional army, which in case of disruptions, as seen in Egypt and Tunisia, might behave more like the Egyptian army.

### The Style of Leadership Post-2011: What Comes Next?

The systems of leadership described above, entered a crisis in the early months of 2011. Among the determining factors behind the outbreak of the crisis, the awareness of a different style of leadership in Europe and the United States played a significant role. The North African peoples, influenced by blogs, by social networks, and by the liberal European and American culture, demanded a more rational, value-driven, and open leadership responsible to the people and to a constitutional system. For this

reason, the leaders emerging in the context of the protests are technocrats or prestigious figures coming from civil society. Political parties are not yet organized; therefore, there is not a rational bureaucratic political leadership. The opposition is modern—not tied to the traditional forms of political activity such as family, clan or political party. Therefore, it is probably post-modern—that is, interconnected on a horizontal level through the net of the new media, although for now it does not seem very structured. Even groups like *Kifaya* and *Ghad* are disorganized and still too small to determine the leadership of the opposition.

Particularly important within this framework could be the role that the youth may play, especially those militating with Egypt's April 6th youth movement, which began rallying for increased political freedom in 2008. They have not only set the stage for the revolts, but also have continued to pressure the regime to make the transition to a more open and pluralistic system effective—beyond the promises of the military. They do not yet constitute a new power since they have no direct organization to support their request, but nevertheless the importance of their ideas and numbers will definitely play a role in the style of the leadership to come. Their frank, quick, and direct approach to tackling the various issues will mean that any leader willing to acquire their consensus will have a clear and less abstruse discourse, a direct style of command, and a highly responsive approach to the various issues—that is, he or she will have to be very alert to the demands of this group and quick to respond.

Given this scenario, in Egypt, which is currently under the control of the Egyptian army, the only actor in a position to distinguish itself from the rest of the disorganized opposition is the Muslim Brotherhood, which has a completely different approach to leadership. The leader of the movement is the *murshid al-Am*, or the Supreme Guide, a role created by the founder of the organization, Hassan al-Banna. A member of a mystical Islamic Sufi sect, al-Banna transformed the traditional Sufi way of leading into a real political organization. However, today, the leader of the Muslim Brotherhood, Mohammed Badie, is not a particularly charismatic figure. He is more a *primus inter pares* than a leader. This is due to the fact that the organization has changed from a monolithic, cohesive sect into a fragmented, plural movement with many factions following ideological and generational divides. This reality carries enormous consequences for the proposed leadership in the post-Mubarak period. It is possible that the Brotherhood will develop a more open and technocratic style of leadership based on mediation and compromise, instead of charismatic authority as was the case in the past. Outside the Brotherhood, a new group of people that follows a more Westernized leadership style emerged in the past few years, including Secretary General of the Arab League Amr Mohammed Moussa, the 2005 Nobel Peace Prize Mohammed El Baradei, the 1999 Nobel Chemistry Prize Ahmed Zewail, and the leader of the Ghad party, Ayman Nour.

As opposed to Egypt, the Islamists are not formally present either in Tunisia or in Libya where the authoritarian regimes have strongly suppressed them with coercion. In Tunisia, there has been a political Islamist movement since the 1980s called *An-Nabda* led by the charismatic Sufi philosopher Rashid Ghanouchi, who recently returned to Tunisia after more than 20 years in exile in Europe. Whether he will be the leader of a new Islamist party and what kind of style he will adopt remains to be seen.

In Algeria there are political parties, Islamic in nature, whose leadership does not differ much from that of the non-Islamist parties. Morocco presents a different picture because of the presence of a legalized Islamic party, the *Parti de la Justice et du Développement* (PJD), which has the structure and the organization of a regular political party, and also because of the existence of a non-legalized but enormously more popular Islamist movement, *al-Adl wa'l-Ihsan*, whose leader and ideologue Abd al-Salam Yasin is a typical Sufi sheikh (a spiritual leader of a mystical sect), highly charismatic, and venerated by the militants of the movement.

## Concluding Remarks

In Libya, the transition is ongoing, and neither an organization nor a leader has emerged. The personalized system of government created by Gaddafi centered on his family and a narrow elite and completely lacked functioning institutions. This left the country without forces that might have led a smooth transition process such as the ones present in Egypt and Tunisia—i.e. political parties, opposition groups, trade unions or civil society organisations.<sup>11</sup> The fact that some elements within the armed forces have defected to the protesters, along with a handful of senior government figures and diplomats, de facto left the country without institutions and alternative leaders. It is possible that the leadership style that will emerge will again be that of a former military or of a tribal leader. In both cases it will be a higher personalistic charismatic rule.

In Egypt, the military may present a candidate of their own. In that case, the dominant leadership style will be similar to the previous one, but perhaps with more constitutional guarantees and abiding to the rule of law. In Tunisia, the power seems to be shifting into the hands of technocrats who are either part of the former Ben Ali's regime, such as Prime Minister Gannouchi, or who belong to the opposition. Nevertheless, it is expected that leadership dynamics will retain past characteristics in Tunisia as well. Still, one possibility is that the army will not play a dominant role, and a typical bureaucratic and technocratic style of leadership emerging from civil society will gain power. At this stage, it is still too early to understand whether new dynamics will emerge and to advance any forecast on what kind of leadership could come forward and whether any significant change of leadership in Morocco and Algeria should be expected.

Considering all these factors, one last question regards what role, if any, the United States should play to foster a new, more open, and modern leadership style. Given the suspicion with which any action by Western powers is received in the region, it would be advisable for the United States and its allies to maintain a distance from the events, at least politically and militarily. The United States can nevertheless employ its consistent soft power to help the new movements and parties to create an internal structure that, by being open, rational, and democratic, could help in creating a new leadership which mirrors these characteristics. The skills of consultants, educators, training experts, and polls analysts could be taught to the native populations and thus create a basis of democratic action that would ensure the success of the transition process. In this field therefore, Western countries can contribute without raising concerns within the militants.

---

1. Marius Deeb, "Arab Republic of Egypt," in *The Government and Politics of the Middle East and North Africa*, ed. David E. Long, Bernard Reich, and Mark Gasiorowski (Boulder: Westview Press, 2007), 420.

2. Azzedube Layachi, "Democratic and Popular Republic of Algeria," in *Government and Politics*, 499.

3. *Ibid.*, 500.

4. Luis Martinez, *The Libyan Paradox* (London: C. Hurst & Co, 2007), 84-86.

5. *Ibid.*, 87.

6. Mohamed Hussein, "Libya Crisis: What Role Do Tribal Loyalties Play?," *BBC News*, February 11, 2011., <http://www.bbc.co.uk/news/mobile/world-middle-east-12528996>.

7. Paul Koring, "Libyan Military Widely Regarded as Murderous Thugs," *Globe and Mail* February 22, 2011.

8. Gregory White, "Kingdom of Morocco," in *Government and Politics*, 474.

9. *Ibid.*

10. *Ibid.*, 477.

11. Allison Pargeter, "What Future Would a Post-Gaddafi Libya Face?," *BBC News* February 14, 2011, <http://www.bbc.co.uk/news/world-africa-12569902>.



# Leadership and Democratization: The Successful Model of Southern Europe

CHRISTINA POLITI

In the 1970s, three southern European countries—Greece, Spain, and Portugal—democratized successfully. In light of the transitions underway in the Middle East, understanding the reasons behind their success has taken on new urgency. The paths of all three were fragile and uncertain. Yet, when examining their similarities, we find that their success was due in great part to their charismatic and visionary leaders, including Constantine Karamanlis in Greece, King Juan Carlos and Adolfo Suárez in Spain, and Melo Antunes and António Eanes in Portugal, who not only built consensus towards democracy but also skillfully and courageously stood up against threats to the new regimes.

It would have been difficult for a European living in 1970 to envision a different state of affairs for the continent. Democratic Europe was bordered by three dictatorships to the south. In Spain, Francisco Franco had been in power since 1939, having emerged victorious from the horrendous civil war that tore the country apart for three years. In Portugal, Antonio Salazar came to power in 1932 and established the *Estado Novo* authoritarian regime after more than a decade of political instability. In Greece, the dictatorship of the Colonels had ruled since the coup of 1967, after a period of “restricted democracy” since 1950.<sup>1</sup> To the east lay the Soviet Union and the Warsaw Pact countries, bastions of Communism. Nonetheless, by the end of the 1970s, the three southern European dictatorships had successfully transitioned to democracy. As they consolidated their new regimes within the next decade, the USSR would eventually also collapse. The democratic movement, coined the “third wave” by Samuel Huntington,<sup>2</sup> began in these three countries and spread to countries the world over, prompting many scholars to analyze its causes and reasons for success. Due to the broader political and intellectual context of democratization, studying the paths of the three southern European states is not only intriguing but has taken on urgency in the context of the recent democratic fervor that has spread across the Middle East and North Africa. Is it possible for southern Europe’s success to offer a model for other countries? Unfortunately, the answer is more ambiguous than one would hope. Yet the role of leadership in successful democratization is undeniable: the charismatic, visionary leaders that emerged during the transition played a vital role in engineering a democratic outcome.

---

Christina Politi is an M.A. candidate at the Johns Hopkins University SAIS Bologna Center, with a concentration in energy policy and a specific interest in Europe, the Middle East, and North Africa. She graduated Phi Beta Kappa from the Georgetown University School of Foreign Service in 2010 with a degree in International Affairs and a certificate in International Business.

Despite the evident temporal and geographic proximity of the three countries (both to each other and to democratic Europe), the causes of the demise of each dictatorship and the specific path taken toward democracy differ significantly in many ways. Nonetheless, Greece, Portugal, and Spain were similar and successful in five critical respects. First, they emerged from a socio-political setting that was conducive to democratization, while the demise of the dictatorships was relatively swift and smooth. Second, they were gifted with exceptional leadership—Constantine Karamanlis in Greece; King Juan Carlos and Adolfo Suárez in Spain; and Melo Antunes, Mário Soares, and António Eanes in Portugal—that guided them decisively towards democracy, promoted moderation, and were critical in avoiding potential pitfalls during the process. These leaders helped build consensus among the important factions of political parties, the military, the monarchy, and the state bureaucracy. Third, when necessary, these leaders moved to neutralize threats to democracy. Fourth, all three states institutionalized democracy through electoral and constitutional means, paving the way for consolidation. Finally, each country benefited from facilitating conditions, including the moderating role played by the population and external actors.

### The Demise of Dictatorship

The first step to building a successful democracy is eliminating the ruling dictatorship. The underlying long-term factor that led to the fall of these three dictatorships was their inability to adapt to new social, economic, and political realities.<sup>3</sup> Robert Fishman specifically distinguishes between two different causal factors leading to the collapse of authoritarian regimes. The first is via a *crisis of failure*, whereby the dictatorship “manifestly fails” to respond to a crisis, and the second is via a *crisis of historical obsolescence*, according to which the regime has simply been “historically superseded.”<sup>4</sup> Spain falls under the second rather than the first category, because its transformation followed the death of Franco. Greece and Portugal, on the other hand, have elements of both, since the regimes were both historically obsolete and failed entirely to respond to external crises that were the immediate causes of their demise.

In all three cases, the economy played an important role—but in a manner different than the commonly accepted argument, which suggests that the democratizations were the result of two decades of economic growth.<sup>5</sup> Geoffrey Pridham cautions that although “it would be commonsensical to agree that democracy benefits from affluence... this is not the same as a certain threshold of affluence being the cause of democratic institutions.”<sup>6</sup> It is not an economic boom but rather an economic crisis that undermines the legitimacy of the dictatorship.<sup>7</sup> Specifically, Greece, Spain, and Portugal had been plagued by economic stagnation in the postwar period but undertook policies of economic liberalization in the 1950s and 1960s, enabling average GDP growth rates above six percent per year.<sup>8</sup> However, all three continued to have a low standard of living and relied on tourism, remittances,<sup>9</sup> and imported energy<sup>10</sup> and were thus vulnerable to the oil shock of 1973. This shock proved that the dictatorships, whose very legitimacy was tied to economic growth, were too inflexible to deal with the crisis.<sup>11</sup>

In Greece, although the regime had already been largely weakened by student protests demanding greater freedom at the Law School and Polytechnic of Athens, it was the debacle in Cyprus, in which the Colonels backed a coup against Cypriot president Makarios III,<sup>12</sup> followed by an invasion of the island by Turkey on July 20, 1974, that provided the *coup de grace*. In the ensuing 72 hours, several key decisions taken by the leadership “effectively signaled the end of authoritarian rule in Greece.” Indeed, the military’s weakness in responding to the attack was uncovered, and Brigadier-General Dimitrios Ioannides lost his support, paving the way for a handover to civilian rule.<sup>13</sup> The fact that a threat to national security contributed to the fall of the Colonels had significant consequences for the evolution of the democratic process. Both the subsequent “wave of national solidarity” in response to the external threat and the “climate of self-restraint” allowed for a “precious interregnum” during which democratization could occur effectively.<sup>14</sup>

As in Greece, the cause of regime change in Portugal was rooted in the country's international engagements, although the process was decidedly different. Even after the death of Salazar, the regime under Marcello Caetano had failed to reform in any meaningful way,<sup>15</sup> but, "[i]n the absence of domestic opposition, the only resistance ... came from the military, the country's sole independent institution."<sup>16</sup> The military, which had grown impatient with the costly yet futile wars in the African colonies, engineered an April 1974 coup against the *Estado Novo* that was both popular and successful.<sup>17</sup> The Armed Forces Movement (MFA), with General António de Spínola, a "popular" veteran of long-running anti-guerrilla campaigns in Africa, at its head,<sup>18</sup> would play a key, yet often conflicting, role in Portugal's democratization.

In contrast to both Greece and Portugal, international considerations did not have an important impact on the fall of Franco's dictatorship in Spain. In reality, the preceding years had seen the rise of a working class that was increasingly mobilized, mounting opposition from student and regional movements, and the "withdrawal" of support for the regime by the Church. However, it was Franco's own death in 1975 that opened up prospects for reform.<sup>19</sup> As the assassination of Carrero Blanco by the terrorist organization *Euskadi Ta Askatasuna* (ETA) in 1973 caused a lack of strong leadership in the Francoist camp, Juan Carlos emerged as king and successor to Franco, having "gained an unexpected freedom of manoeuvre that he was to use in unanticipated ways."<sup>20</sup>

### Building Consensus Towards Democracy

Thus, by the mid-1970s, the three southern European states had overthrown their repressive dictatorships but still had not succeeded in establishing democracy. In the following months and years, charismatic leadership would move the three countries decidedly into the democratic camp. In this enterprise, they would benefit from favorable domestic factors. First of all, the prosperity of the previous decade had brought about "an unprecedented degree of social, economic, and cultural modernization," which in turn favored moderation in the political sphere and helped smooth the transition.<sup>21</sup> Secondly, previous experiences with democracy in all three cases—both successes and failures—created conditions conducive to a democratic transition. Although Greece had the shortest-lived dictatorship, only in place since 1967, it had also witnessed the failures of a "restricted democracy" after 1950. Following failed experiments in establishing truly democratic republics, both Greece and Spain had witnessed terrible civil wars. In Spain, both the failure of the Second Republic (1931–36) and the civil war "served as a... cautionary tale counseling moderation and restraint." Finally, of the three, Portugal had the least democratic experience, which made the transition more perilous and crisis-ridden. In fact, Portugal's rocky path served as a warning during Spain's transition.<sup>22</sup> Thus, economic and social progress, as well as prior experiments in democracy, would prove valuable during the transitions in Greece and Spain, while the relative lack of progress would make the Portuguese path more difficult.

The key turning point for all three countries was the move to break decisively with the past toward a democratic future. According to Huntington's analysis of democratic transitions, this could occur either through *transformation*—whereby democratic elements from within the regime lead the transition, as was the case for Spain—or through *replacement*, in which democratic elements outside the government instigate a process for the complete removal of the existing regime, as occurred in Greece and Portugal.<sup>23</sup> Both cases demanded significant consensus building, so that the existing power balance could be readjusted without causing instability. The key would be for supporters of democracy to cooperate, while at the same time avoiding the mobilization of a dangerous opposition that could lead to either a reactionary backlash by conservative "standpatters" or revolutionary chaos brought about by "radical extremists."<sup>24</sup>

In Spain, success was achieved largely because of the leadership of King Juan Carlos and Suárez.

In 1975, Juan Carlos could have steered the country down one of three diverging routes: first, an approach of continuity supported by staunch Francoists;<sup>25</sup> second, limited reform; or third, a “democratic rupture.”<sup>26</sup> In 1976, he opted firmly for the third route and replaced Arias Navarro with Suárez as prime minister. Suárez, a technocrat from within the regime, was not only able to “manipulate successfully the bureaucratic machinery” but also used it to gain valuable information, thereby “exploit[ing] the opposition’s internal divisions.”<sup>27</sup> Impressively, Suárez managed to convince the *Cortes* legislative body to essentially disband itself by voting for a system of universal suffrage and a new Parliament,<sup>28</sup> which, along with the legalization of unions, strikes, and the Spanish Socialist (PSOE) and Communist (PCE) parties, paved the way for elections.<sup>29</sup>

According to Kenneth Medhurst, “consensus” politics ensued.<sup>30</sup> Here it is important to highlight the judgment of opposition parties to pursue a path of moderation and collaboration, an outcome that was not necessarily obvious at the time.<sup>31</sup> In the 1977 elections, Suárez was able to win due to the backing of Juan Carlos as well as his careful crafting of the Unión de Centro Democrático (UCD) party consisting of an amalgam of Christian and Social Democratic elements.<sup>32</sup> Subsequently, Suárez, the apt negotiator, achieved agreement on the 1977 Moncloa Pact, which officially recorded the joint goals of renouncing Franco’s regime and building the new one in a “nonconfrontational” spirit.<sup>33</sup> Additionally, the constitution-writing process successfully addressed divisive issues—such as the relationship of the state with the Catholic Church, education, and the explosive issue of the rights of the regions—with ambiguous wording, often brokered in back-door meetings.<sup>34</sup> “Gradualism and consensus” would also pervade negotiations on economic reforms, especially efforts to control inflation, in which unions were heavily involved.<sup>35</sup>

In many respects, Greece had a consensus-driven approach similar to that of Spain. In Greece, as in Spain, the fall of the dictatorship did not automatically lead to an institution of liberal democracy. In fact, the initial proposal by the military leadership, made in a back-door meeting with eight centrist and rightist leaders, advocated a largely unaltered role for the army with only a semblance of democratic politics, and in particular the exclusion of the Far Left.<sup>36</sup> The critical refusal of the National Radical Union (ERE) and the Center Union (EK) to accept this proposal led to the alternative solution of bringing Karamanlis back from his exile in Paris. Karamanlis had left Greece in 1963 and was thus not politically tainted by the junta. At the same time, he appealed to the Right because of his staunch anti-Communist stance as evidenced in his prior tenure as prime minister.<sup>37</sup> Seen as a *deus ex machina*,<sup>38</sup> Karamanlis eased the democratic transition by using his “skill in breaking with his own past, while at the same time conveying an image of seasoned competence and continuity.”<sup>39</sup>

Developments in Greece took on a similar character to those in Spain, although stability came mainly from Karamanlis and the office of prime minister, rather than from the monarch. Karamanlis immediately made all political parties legal, including the Communists; reversed both junta-era and predating civil-war legislation; and released political prisoners.<sup>40</sup> Karamanlis turned to highly divisive issues only after an electoral victory in November 1974 had further legitimized his tenure.<sup>41</sup> Soon thereafter, he conducted a referendum on abolishing the monarchy, which had played an interventionist and destabilizing role in the past; the measure passed by an overwhelming majority.<sup>42</sup> Foreseeing the rise of the Center-Left, Karamanlis also attempted to reform the Right<sup>43</sup> and drafted a strong presidential position into the constitution to act as a counterweight to government.<sup>44</sup>

The trajectory of Portugal was different from that of Spain and Greece, most significantly because the MFA came to power after the coup. The following year and a half was critical for the establishment of democracy: from April 25, 1974 until November 25, 1975, “power shifted from the reformers to radicals, then to populists and finally to moderates who were able to impose their preference for a West European pluralist democracy.”<sup>45</sup> The victory of the moderates was in great part due to the leadership of Soares, Antunes, and Eanes. After the coup, the MFA chose Gen. Spínola as president and

leader of the Board of National Salvation, comprised of military officers. Spínola “brought centrists and socialists into his provisional cabinet,”<sup>46</sup> but was unsuccessful in using this to “consolidate his power.”<sup>47</sup> After being forced by the MFA to accept Colonel Vasco Gonçalves, a radical Communist,<sup>48</sup> as prime minister, Spínola tried to reassert himself by calling for a popular rally to mandate his program. The roads and the rally, however, were blocked by Communist barricades, which the military refused to break up. As a result, Spínola resigned in September 1974.<sup>49</sup>

What followed was a radical turn in the Portuguese transition. Francisco da Costa Gomes, who was pro-West but also for the MFA program, replaced Spínola as president. The radicals within the MFA were growing stronger, and Gonçalves adopted the policy of the PCP.<sup>50</sup> Soares, who had been gathering external support for his Socialist Democratic agenda, nevertheless “assured” US president Gerald Ford and Secretary of State Henry Kissinger that December that the “PCP would be gradually marginalized.”<sup>51</sup> However, on March 11, 1975, Spínola engineered an anti-Communist coup (known as the “right-wing” coup) that failed and actually strengthened the MFA radicals, who then purged moderates from government; set up the Council of Revolution; and carried out large-scale nationalizations.<sup>52</sup> Simultaneously, the PCP promoted agrarian collectivization projects, which were resisted by farmers in the northern, heavily Catholic areas.<sup>53</sup> Surprisingly, the scheduled April 1975 elections were a success for Soares and the *Partido Socialista* (PS), “showing how democracy had rapidly taken hold in Portugal”<sup>54</sup> as the population demonstrated its opposition to the radicalization of Portuguese politics. However, after the elections, PCP General Secretary Alvaro Cunhal warned that “there [was] no possibility of a democracy” in Portugal, while there were rumors of an imminent “Lisbon Commune” and even civil war between North and South.<sup>55</sup> In July 1975, Soares and other Socialist members of government resigned, while Communists prepared for “the final takeover.”<sup>56</sup> The alarming radicalization of the Left during the “hot summer” of 1975 convinced moderates to cooperate and consolidate their forces in favor of democracy.<sup>57</sup> It was critical that at this point, Maj. Antunes and other fellow moderates published the “Manifesto of the Nine” asking for the resignation of Gonçalves and the democratization of Portugal.<sup>58</sup> This manifesto was supported by 85 percent of the armed forces.<sup>59</sup> The MFA, which had become more moderate, and President Costa Gomes forced Gonçalves to resign and appointed in his place a moderate prime minister.<sup>60</sup>

Following the publication of this manifesto, the moderates grew stronger, but they would still face a grave threat from a left-wing military coup in April 1976. Due to the successful suppression of this coup, Portugal soon thereafter celebrated the country’s “first freely elected government in nearly 50 years” with the election of Soares as prime minister.<sup>61</sup> General Eanes, who had played a key role in suppressing the coup, was elected president.<sup>62</sup> Eanes “provided an important stabilizing force in Lisbon,”<sup>63</sup> especially because governments had difficulty forming majorities.<sup>64</sup> Thus, provisions in the 1976 Constitution that provided stability were important. The president of state also served as president of the Revolutionary Council and commander-in-chief of the armed forces.<sup>65</sup> In fact, through this position of strength, the president actually drew “power away from the Assembly as he sought to ensure some stability and effectiveness” but did not attempt to institutionalize such power.<sup>66</sup> The Revolutionary Council acted as a further “balance or flywheel in providing a certain orientation to the unstable system”<sup>67</sup> until it was abolished in 1981.

### Neutralization of Potential Threats

Despite positive tendencies toward moderation and stability, “threats to the survival of a new institution will be very high in its infant stages.”<sup>68</sup> Greece, Spain, and Portugal were no exceptions to this theory, but the leaders of these respective countries played pivotal roles in effectively responding to and neutralizing potential and actual threats. In Greece, Karamanlis took several steps to cleanse

the army of extreme Rightist elements and in so doing, prevent a backlash in response. After the 1974 elections, he pursued a policy of “contained and circumscribed retribution.”<sup>69</sup> In fact, in 1975, a “foiled military coup” gave Karamanlis the political capital to try the leaders of the 1967 coup along with those of the 1975 attempted coup. Those implicated with torture or the brutal repression of the 1973 student uprising were also tried. Lesser sentences prevailed, with the exception of the junta leaders (who nonetheless received clemency from the death penalty) in an effort by the government to avoid polarization.<sup>70</sup> Moreover, Karamanlis attempted to neutralize the military by appointing trusted officers, such as Evangelos Averoff, and by repeatedly stressing “the principle of civilian supremacy.”<sup>71</sup> Nonetheless, he “resisted calls to purge the army,” offering them early retirement instead,<sup>72</sup> and thus opted to “offer reassurance in return for strict observance of the new rules of the game.”<sup>73</sup>

The threat faced by Greece was mild compared to that of Spain. After economic discontent prompted Suárez to resign, there was an attempted coup by Colonel Antonio Tejero Molina, supported by General Jaime Milans del Bosch, in February 1981. It is clear that it was King Juan Carlos’s explicit support for democracy and condemnation of the coup that served to delegitimize it. This one pivotal action of a single individual leader “determined . . . the shape of subsequent Spanish history.”<sup>74</sup> After the attempted coup, the government passed legislation to reduce the autonomous regions’ powers so as to placate the military.<sup>75</sup> In fact, “the fear of a military intervention against democracy helped to restrain the more radical instincts of some political actors.”<sup>76</sup>

Portugal had not one, but two coup attempts that challenged the success of democratization. The failed “right wing” coup by Spínola in March 1975 caused a dangerous radicalization toward the left while the leftist coup of November 25, 1975 also challenged the democratization agenda. Prior to this coup, despite the strengthened position of the moderates, “anarchy continued unabated” and “the military . . . became paralysed as the chain of command broke down completely.” General Otelo Saraiva de Carvalho, a radical populist,<sup>77</sup> refused to resign and organized paratroopers to take over, but he was successfully stopped by a “strike force” under the command of Eanes. This victory by the moderates was a “major turning point of the process of transition”<sup>78</sup> and ensured that Portugal remained on a democratic path. Eanes, appointed chief of the general staff, undertook the depoliticization of the army, reducing the forces by more than two-thirds to 40,000 men and integrating them into NATO.<sup>79</sup> Finally, in 1982, the Council of Revolution, which kept certain political power in the hands of the military, was abolished by Parliament, symbolizing “the final return to the barracks of the armed forces.”<sup>80</sup> Due to the strong support of democracy by several politicians and key MFA officers, the liberal democratic system prevailed.<sup>81</sup>

### Factors Aiding the Institutionalization of Democracy

As is evident from the above analysis, although all three countries successfully emerged from dictatorships in the mid-1970s, the move towards democratization was a perilous one requiring charismatic and innovative leaders. Pridham’s warning against “the fallacy of retrospective determinism”<sup>82</sup> serves as a reminder that it is impossible to judge *a priori* whether, even if many necessary conditions are in place, they will be sufficient to sustain a democratic outcome. Concerning Spain, Omar G. Encarnación notes that “we can be misled into believing that a successful democracy was a predestined outcome,” when, in fact it was “a delicate operation fraught with uncertainty and peril.”<sup>83</sup> This concept applies to Portugal and Greece as well and emphasizes the critical significance of the leadership in cultivating a consensus movement toward democracy and neutralizing potential and active threats.

Significantly, throughout this process, one group played a consistently moderate role: the citizenry. In Spain, “the emergence of a larger and more variegated middle class discouraged the kind of sharply polarised and ideological conflicts that characterised the 1930s.”<sup>84</sup> When called to vote, the people supported Suárez’s referendum for constitutional changes in 1976, voted for the UCD and Suárez in

1977, and again overwhelmingly supported the 1978 referendum on the new constitution. Finally, in 1982, the public voted left-of-center for Felipe González and the PSOE.<sup>85</sup> In Greece, Karamanlis was widely popular with a population that desired above all “an uneventful ‘normalisation’ of political life,”<sup>86</sup> and it duly elected him in November 1974. In fact, Karamanlis’s occupation of the presidency facilitated the election in 1981 of the Panhellenic Socialist Movement (PASOK) party and Andreas Papandreou, because he played the role of a conservative “counterweight.”<sup>87</sup> Finally, in Portugal, the people decidedly voiced their opinion against the radicalization toward the Left in 1975, when they voted for the center-left Socialist Party and Soares, indicating an overwhelming support for the “prodemocracy” parties,<sup>88</sup> and again in 1976 and 1980, when they supported Eanes as president.<sup>89</sup>

In addition to the multiple rounds of elections in the three southern European countries, the approval of new constitutions (as well as laws that liberalized society) helped consolidate the democratic process. In Greece, the 1975 Constitution was inspired by Gaullist France: it provided for a relatively strong presidential office, which was seen as a way to prevent the chaotic politics of the past.<sup>90</sup> In Spain, the 1978 Constitution provided for a parliamentary monarchy, in which the king was seen as a stabilizing factor, as well as autonomy for the regions. No official religion was specified.<sup>91</sup> These provisions attempted to solve two of the most divisive issues in Spanish politics by establishing a strong, centralized state with simultaneous decentralization and by delicately addressing the relations between state and Church. The constitution was seen as legitimate precisely because it took an ambiguous stand and was thus evidently the result of compromise. In addition, it denounced repressive practices under the dictatorship in an attempt to break with the past.<sup>92</sup> It also included “mechanisms...to impede the fall of the government” in response to the democratic failures of the 1930s.<sup>93</sup> Finally, in the case of Portugal, an initial constitution was adopted in 1976, which guaranteed universal suffrage, fundamental rights and liberties, the rule of law, and the transition to Socialism.<sup>94</sup> However, it was revised in 1982 to replace the Revolutionary Council with the Council of State and to diminish the power of the presidency.<sup>95</sup>

Finally, in all three cases, the external environment had an impact on the process of democratization. The most important aspect of this environment was western Europe’s ability to serve as a model for southern European countries.<sup>96</sup> In fact, Spain, Greece, and Portugal were strongly influenced by their northern neighbors, both in the formation of institutional structures and in the character of their political parties. Greece and Portugal were directly inspired by the Gaullist constitution of France in initially establishing a strong presidential office. Similarly, in Spain, the constitution allows for “a constructive vote of no-confidence,” which was “a direct borrowing from the West German Basic Law.”<sup>97</sup> In addition, the political parties of Greece, Portugal, and Spain were “identifiable in relation to the different ideological movements in western Europe.”<sup>98</sup> In Portugal, while the Communist Party was receiving assistance from the Soviet Union, this was matched by assistance to the moderate parties from North Atlantic Treaty Organization (NATO) member states, including West Germany, and from Socialist parties and unions in western Europe. In fact, the Common Market pledged \$180 million in loans with the political condition of the establishment of a multiparty democracy.<sup>99</sup> In addition, Spain’s PSOE received “advice, money, and organizational expertise” from Socialist parties in France and West Germany.<sup>100</sup> Even the Communist Party in Spain, which could have been a destabilizing force, adopted Eurocommunism and worked within the democratic system.<sup>101</sup> However, although European and international actors provided significant “moral, political, and material support” to the democratic cause in southern Europe, their “role ... can only be described as complementary and secondary to that of domestic forces.”<sup>102</sup>

## Conclusion

It is evident that the causes underlying the fall of the dictatorships and the processes of democratization in Spain, Greece, and Portugal were notably different. However, it is from their similarities that

one can distill those factors that were truly crucial in determining a successful outcome: the formation of a liberal democracy. First, it was evident that the dictatorships were obsolete and near collapse. Here, socio-economic modernization and previous democratic experiences were facilitating factors, while external factors in the case of Greece and Portugal, and Franco's death in the case of Spain, provided the immediate impetus for change. In addition, throughout the transition, the people took a truly moderate stance when they voted in multiple elections, belying fears that Communism would dominate, especially in Portugal.<sup>103</sup> More importantly, while the people's desire for change was in place, it was primarily due to effective leadership that the dangers of the transition were successfully avoided. Democratization was indeed ensured by the existence in each country of a "swing man"<sup>104</sup> (or two) who built consensus and cooperated with the opposition, as exemplified by Karamanlis, Juan Carlos, Suárez, Antunes, Soares and Eanes. These leaders also played a key role in mitigating threats from established powerful groups, especially the armed forces. Finally, the political influence and financial assistance from Europe helped moderate the Socialist and Communist parties, inspire the constitutions of the three new democracies, and build a multiparty democratic model. If there is one primary lesson to be drawn from the evolution of Greece, Spain, and Portugal, it is that the path to democracy was wrought with peril and the outcome was in no way predetermined.

Determining the reasons for the democratic successes in these three countries should not be seen as just an academic exercise. In fact, if common threads are identified, they can provide an important model for democratization elsewhere. Recently, the world has witnessed what appears to be another wave of democratization sweeping across several countries in North Africa and the Middle East. It will therefore be important to observe in those countries the evolution of the key factors identified in this piece: the role of the people; the character of the transition of the authoritarian regime; the stances of key power players, including the religious establishment, the army, and international actors; and, most importantly, the role of leaders in guiding change and engineering compromises that will allow moderate forces to prevail. Thus, one is pressed to ask, where will this much-needed leadership come from? And, in the face of a leadership deficit, can these movements be successful?

- 
1. Nikoforos P. Diamandouros, "Southern Europe: A Third Wave Success Story," in *Consolidating the Third Wave Democracies: Regional Challenges*, ed. Larry Diamond and Marc F. Plattner (Baltimore: The Johns Hopkins University Press, The International Forum for Democratic Studies, and The Institute for National Policy Research, 2007), 9.
  2. Samuel P. Huntington, "How Countries Democratize," *Political Science Quarterly* 106, no. 4 (Winter 1991-1992): 582-590, JSTOR, accessed January 23, 2011, <http://www.jstor.org/stable/2151795>.
  3. Geoffrey Pridham, "Comparative Perspectives on the New Mediterranean Democracies: A Model of Regime Transition?," in *The New Mediterranean Democracies: Regime Transition in Spain, Greece and Portugal*, ed. Geoffrey Pridham (UK: Frank Cass and Company Limited, 1984), 21.
  4. Robert M. Fishman, "Review: Rethinking State and Regime: Southern Europe's Transition to Democracy," *World Politics* 42, no. 3 (April 1990): 422-440.
  5. Jose Maria Maravall, *Regimes, Politics, and Markets: Democratization and Economic Change in Southern and Eastern Europe* (Oxford University Press, 1997), 4.
  6. Pridham, "Comparative Perspectives," 19.
  7. Maravall, *Regimes, Politics, and Markets*, 11.
  8. *Ibid.*, 44-46.
  9. Tony Judt, *Postwar: A History of Europe since 1945* (London: Random House, 2007), 504.
  10. Maravall, *Regimes, Politics, and Markets*, 47.
  11. *Ibid.*, 56.

12. Judt, *Postwar*, 509.
13. Nikiforos P. Diamandourous, "Transition to, and Consolidation of, Democratic Politics in Greece, 1974-1983: A Tentative Assessment," in *The New Mediterranean Democracies: Regime Transition in Spain, Greece and Portugal*, ed. Geoffrey Pridham (UK: Frank Cass and Company Limited, 1984), 53-54.
14. *Ibid.*, 54.
15. Fishman, "Review," 430.
16. Judt, *Postwar*, 511.
17. Thomas C. Bruneau, "Continuity and Change in Portuguese Politics: Ten Years after the Revolution of 25 April 1974" in *The New Mediterranean Democracies: Regime Transition in Spain, Greece and Portugal*, ed. Geoffrey Pridham (UK: Frank Cass and Company Limited, 1984), 72-83.
18. Thomas C. Bruneau, "Discovering Democracy," *The Wilson Quarterly* 9, no. 1 (January 1, 1985), 67-81, accessed January 23, 2011, <http://www.jstor.org/stable/40257659>.
19. Kenneth Medhurst, "Spain's Evolutionary Pathway from Dictatorship to Democracy," in *The New Mediterranean Democracies: Regime Transition in Spain, Greece and Portugal*, ed. Geoffrey Pridham (UK: Frank Cass and Company Limited, 1984), 30-49.
20. *Ibid.*, 32.
21. Nikiforos P. Diamandourous "Southern Europe: A Third Wave Success Story," in *Consolidating the Third Wave Democracies: Regional Challenges*, ed. Larry Diamond and Marc F. Plattner (Baltimore: The Johns Hopkins University Press, The International Forum for Democratic Studies, and The Institute for National Policy Research), 7-8.
22. *Ibid.*, 9.
23. Huntington, "How Countries Democratize," 582-590.
24. *Ibid.*, 589.
25. Medhurst, "Spain's Evolutionary Pathway," 33.
26. *Ibid.*, 33.
27. Medhurst, "Spain's Evolutionary Pathway," 36.
28. Judt, *Postwar*, 519.
29. *Ibid.*, 519-520.
30. Medhurst, "Spain's Evolutionary Pathway," 37.
31. *Ibid.*, 37.
32. *Ibid.*, 38-39.
33. Omar G. Encarnación, "Spain After Franco: Lessons in Democratization," *World Policy Journal* (Winter 2001/02): 39.
34. Medhurst, "Spain's Evolutionary Pathway," 39-40.
35. Encarnación, "Spain After Franco," 40-41.
36. Diamandourous, "Transition and Consolidation," 54.
37. *Ibid.*, 55.
38. *Ibid.*, 55.
39. Judt, *Postwar*, 510.
40. Diamandourous, "Transition and Consolidation," 57-60.
41. *Ibid.*, 57.
42. *Ibid.*, 61.
43. *Ibid.*, 59.
44. *Ibid.*, 63-64.
45. Walter C. Opello, Jr., "Portugal: A case study of international determinants of regime transition," in *Encouraging Democracy: The International Context of Regime Transition in Southern Europe*, ed. Geoffrey Pridham (Great Britain: Leicester University Press, 1991): 91.
46. Judt, *Postwar*, 51.
47. Opello, "Portugal: A case study," 92.
48. *Ibid.*, 86.
49. *Ibid.*, 92.
50. *Ibid.*, 93.
51. *Ibid.*, 94.

52. Opello, "Portugal: A case study," 94.
53. Judt, *Postwar*, 514.
54. Mario Del Pero, "A European Solution for a European Crisis. The International Implications of Portugal's Revolution," *Journal of European Integration History*, ed. by The European Union Liaison Committee of Historians, 15, no.1 (2009): 29.
55. Judt, *Postwar*, 514-515.
56. *Ibid.*, 96.
57. Del Pero, "A European Solution," 31.
58. Opello, "Portugal: A case study," 97.
59. "Portugal: The Anti-Communists Strike Back," *TIME Magazine*, August 25, 1975, <http://www.time.com/time/magazine/article/0,9171,913421,00.html>.
60. Opello, "Portugal: A case study," 97.
61. *Ibid.*, 99-100.
62. Bruneau, "Discovering Democracy," 75.
63. *Ibid.*, 75.
64. Bruneau, "Continuity and Change," 75.
65. *Ibid.*, 77.
66. *Ibid.*, 78.
67. *Ibid.*, 78.
68. Pridham, "Comparative Perspectives," 12.
69. Diamandouros, "Transition and Consolidation," 58.
70. *Ibid.*, 59.
71. *Ibid.*, 60.
72. Judt, *Postwar*, 510.
73. Diamandouros, "Transition to Democratic Politics," 60.
74. Judt, *Postwar*, 521.
75. Medhurst, "Spain's Evolutionary Pathway," 46.
76. Fishman, "Review," 430.
77. Opello, "Portugal: A case study," 96.
78. *Ibid.*, 98.
79. *Ibid.*, 100.
80. Opello, "Portugal: A case study," 87.
81. Bruneau, "Continuity and Change," 73.
82. Pridham, "Comparative Perspectives," 16.
83. Encarnación, "Spain After Franco," 38.
84. Medhurst, "Spain's Evolutionary Pathway," 40.
85. Kenneth Maxwell, "Spain's Transition to Democracy: A Model for Eastern Europe," *Proceedings of the Academy of Political Science* 38, No. 1, *The New Europe: Revolution in East-West Relations* (1991): 37.
86. Diamandouros, "Transition and Consolidation," 55.
87. *Ibid.*, 64.
88. Bruneau, "Discovering Democracy," 73.
89. *Ibid.*, 75.
90. Diamandouros, "Transition and Consolidation," 64.
91. Judt, *Postwar*, 520.
92. Medhurst, "Spain's Evolutionary Pathway," 40.
93. Maxwell, "Spain's Transition," 38.
94. Bruneau, "Continuity and Change," 74.
95. *Ibid.*, 80.
96. Pridham, "Comparative Perspectives," 15.
97. *Ibid.*, 9.
98. *Ibid.*, 9.
99. Bruneau, "Discovering Democracy," 75.

100. Maxwell, "Spain's Transition," 39.

101. Ibid., 38.

102. Diamandouros, "Southern Europe," 6-7.

103. "The Battle for Southern Europe." *The Economist*, August 10, 1974, 14-15, The Economist Historical Archive 1843-2006, <http://www.tlema.com/economist/home.asp>.

104. Pridham, "Comparative Perspectives," 18.



# Economic Leadership in Europe

DAVID C. UNGER

Europe urgently needs effective economic leadership to address its trade imbalances, shaky Eurobond markets, and diminishing trust in European integration. The European Union (EU)'s fiscal rules are neither strict enough nor comprehensive enough to hold the currency union together. The status quo is not sustainable. Already wobbly economies in Europe's periphery face punishing, unaffordable interest rates as private creditors back away from their debt, and the European partners kick away successive chances to devise a comprehensive and feasible debt workout plan. Unfortunately, none of its present political leaders seems capable of meeting the challenge, in particular, German Chancellor Angela Merkel, the leader of the EU's biggest economy, biggest exporter and biggest paymaster. Leaders overly focused on narrow perceptions of national advantage endanger the future of European economic integration and the benefits it has brought all member states.

**E**ffective economic leadership in the European Union (EU) is an impossibility, and yet, a necessity. It is an impossibility because each of the EU's 27 member countries is determined to retain as much national sovereignty as possible in matters of taxation, public spending, and bank and business regulation. It is a necessity because without it there can be no restoring the trust of nervous bond markets in the euro or even of disenchanted Europeans in the entire European integration project. Rebuilding that trust is impossible in the absence of credible and coherent continental economic leadership that is politically acceptable to the voters of all EU states—or at least all euro-zone members—rich or poor, surplus or deficit, governed from the left or governed from the right.

In a world of globalized capital and labor markets, no country truly exercises full economic sovereignty; yet no government ever acknowledges this in public. Beyond globalization's constraints, all 27 EU members have agreed to abide by the rules of the Single European Market and the decisions of the EU Competition Commissioner. Furthermore, the 17 countries that use the euro have agreed to at least nominally abide by the fiscal benchmarks of the European Stability and Growth Pact. Yet existing EU rules are, by design, far too weak to prevent the massive imbalances of trade, competitiveness, borrowing, and creditworthiness that have kept the EU and the euro in constant crisis for the past year and a half.

---

David C. Unger is a member of *The New York Times* Editorial Board who writes weekly foreign policy editorials from Europe. His new book, *The Emergency State: How to End America's Obsessive Quest for National Security And Reclaim our Democracy*, will be published by Penguin, North America in January 2012. He has been teaching American Foreign Policy at the Bologna Center since 2009.

Redressing those imbalances is now a necessity if the euro, and the European integration process it underlies, are to survive. The alternative to survival would be very ugly—for the euro zone's more robust economies like Germany and the Netherlands, as well as for its struggling ones like Greece and Ireland. Europe's economic and financial integration has gone too far to disassemble without wide and lasting pain. The fact that Europe once managed satisfactorily without a common currency does not mean that it could do so today. History does not allow do-overs.

### Solving the Euro Crisis?

Seventeen countries now use the euro—Estonia joined in January—and their prospects for paying their past, present, and future bills seem headed in 17 different directions. All sell bonds denominated in euros, but the interest rates each must pay vary widely, based on creditors' varying perceptions of their risk of eventual default.

The European Central Bank could bring these rates more closely into line by issuing Eurobonds covering the whole euro zone. But the Bank's directors, especially its German directors, oppose this. The newly established European Financial Stability Facility could help by lending to the most troubled economies. Germany, however, wants borrowers to first commit themselves to a wide range of made-in-Germany economic policies covering everything from wage indexing to retirement ages. Individual countries can do very little on their own to bring their interest rates into line, because as members of the euro, they are not free to devalue. Yet the high interest rate premiums some countries now have to pay could force one or more of them into default. That would hurt the credit of all euro users, put pressure on the defaulting country to abandon the common currency and on the other euro members to bail it out.

The official requirements for admission to the euro zone, as spelled out in the 1992 Maastricht Treaty, set two absolute standards: 1. a deficit-to-GDP (gross domestic product) ratio below 3 percent, and 2. a debt-to-GDP ratio below 60 percent. It also set two relative standards: 1. inflation rates not more than 1.5 percentage points higher than the three lowest inflation countries in the zone, and 2. interest rates not more than 2 percentage points higher than the three best performing countries in terms of price stability. The absolute standards have since been redefined as "close to," "moving in the right direction," and "most of the time," and the relative standards are vulnerable to external market shocks beyond the control of even the most prudently managed economies.

In 1997, the two absolute standards were incorporated into the European Stability and Growth Pact and declared to be requirements for remaining in the euro zone. But again, this was more sovereignty than member nations really meant to yield. In 2005, at the insistence, interestingly, of Germany and France, these clear numerical criteria were deliberately relaxed and blended with various subjective tests (including allowance for higher deficits during recessions), which rendered them effectively unenforceable.

As of the end of 2010, the last year for which we have complete data, 10 of the then 16 members of the euro zone were out of compliance with either the debt or deficit requirement, and six had been out of compliance for at least three years. Remarkably, those six included Germany and France (and Austria, Belgium, Greece, and Italy), but did not include Ireland, Spain, or Portugal.

Germans want to believe another story—one of Teutonic bourgeois hard work and savings in contrast to Latin sloth and borrowing. This belief is stoked by nationalist tabloids like *Bild* and pandered to by nationalist politicians like Angela Merkel. And it is reinforced by Germany's position as the EU's largest economy and biggest financial contributor. Germany also, significantly, runs the EU's largest export surplus, and its banks are the biggest creditors of wobbly banks in some of the euro zone's weakest economies, to whom they lent imprudently in the boom years before 2008. There is a

connection. Although the EU as a whole can run an export surplus, there is no realistic possibility for every member country to run a trade surplus since roughly two-thirds of total EU trade is with other EU members. Germany's trade surpluses fueled Greece's trade deficits, and German bank loans fueled the reckless Irish and Spanish mortgage lending that fed those countries' housing bubbles.

The 2008 financial crisis punctured those housing bubbles, slashed tax receipts, and pushed several countries' budget deficits well beyond the euro-zone convergence criteria. In particular, Greek, Irish, and Portuguese deficits swelled and made international lenders reluctant to roll over their bonds.

Chancellor Merkel initially said there would be no bailouts. Later, she said there could be bailouts, but only in exchange for growth-killing austerity. However, she then backed this statement with what turned out to be a bailout fund too small to impress credit markets. Subsequently, she and French president Nicolas Sarkozy said that after 2013, bailouts would be accompanied by debt write-downs, which is the same thing as telling lenders not to make long-term loans. And so on. Each grudging step forward is accompanied by conditions and declarations that undo the potential benefits. The sums committed get bigger, the austerity terms get tougher, and still there is no exit from the crisis.

### A Vacancy in Economic Leadership

There can be no exit without effective European economic leadership. That leadership will have to come from one or more of Europe's national leaders. Right now, there is no other kind of leader in the EU. The European Commission and Council are led by cautious bureaucrats who lack charisma and authority. To bridge Europe's economic, political, and national divides, effective leaders will have to look beyond narrow, short-term national interests and summon the kind of supranational vision that guided Helmut Kohl, François Mitterrand, and Jacques Delors two decades ago.

Their challenge will be to cobble together and mobilize support for a sweeping continental grand bargain that compels surplus and deficit countries to voluntarily agree to do things each would rather avoid but can no longer afford to do without. It could, for example, involve German consent for the European Central Bank to issue Eurobonds to cover the debts of euro-zone countries unable to tap private markets at affordable rates. In return, those borrowing countries might be called on to commit themselves to a five-year measured glide path to conformity with the debt and deficit guidelines of the European Stability and Growth Pact. The five-year countdown clock could start ticking once recovery from the current recession begins, as measured by four consecutive quarters of positive growth. The glide path would be formally voluntary, but access to Eurobond financing would depend on meeting the intermediate annual benchmarks.

The grand bargain might take other forms. Whatever is agreed upon will be tough medicine all around. And it is hard to envision any of Europe's current national leaders—Angela Merkel, Nicolas Sarkozy, David Cameron, or Silvio Berlusconi—or Brussels Eurocrats like Council president Herman Van Rompuy or Commission president José Barroso taking on the difficult intra-European diplomacy necessary for stitching such a bargain together and then summoning the continent-wide credibility and charisma to win it broad, transnational popular support.

Chancellor Merkel, more than any of her postwar predecessors, has chosen to stress German national interests over Europe as a whole—or, more accurately, at the expense of Europe as a whole. Germany's soaring trade surpluses make it harder for the rest of Europe to generate the surpluses they need to pay their bills. In addition, Merkel's hard-line insistence that deficit countries adopt German-dictated austerity policies makes it impossible for countries like Greece and Ireland to grow fast enough to reduce their towering debt-to-GDP ratios.

President Sarkozy dreams big. But he has neither the economic gravitas nor the political skills to be Europe's economic leader, and France lacks the economic weight and dynamism to lead alone. So

he tried to hitch himself to a reluctant Merkel in an attempted reprise of the successful Charles de Gaulle-Konrad Adenauer and Mitterrand-Kohl partnerships of the past. With neither partner cast for that role, it has not been a pretty performance, offending other European partners with its presumption, while alarming the bond markets with its clumsiness.

British prime minister Cameron is even more poorly positioned. He leads a coalition divided on Europe, a party dominated by Euroskeptics, and a country that chooses to remain outside the euro and a host of other Europe-wide arrangements. At home, he has embarked on a radical and risky experiment in ideologically-driven austerity that few others would voluntarily emulate.

Italy's prime minister Berlusconi has personal distractions and national liabilities. And even a highly qualified Italian like Mario Draghi, Governor of the Bank of Italy, has seen his candidacy for the presidency of the European Central Bank stir up snooty north European prejudices against Italian economic stereotypes.

We could explore further, but our search would still turn up no plausible European economic leader.

### The Necessity for Long-Term Vision

It is a truism to say that a common currency requires a common fiscal policy. The euro's designers understood that. What they counted on was a continuation of the same deepening dynamic that has nudged the European project forward since its inception, beginning with the European Coal and Steel Community of 1952. The six-country Europe of the 1957 Treaty of Rome eventually became the 27-country Europe of today. The European Common Market became the European Community and then the European Union. Each step marked a deeper level of supranational commitment.

Some argue that Europe simply grew too big and diverse. The levels of coordination that Germany could contemplate with states roughly comparable to it in terms of wealth and development, like France, could not be agreed upon with much poorer and less competitive economies like Greece and Portugal. But while Greece joined in 1981 and Portugal in 1986, Europe's financial crisis only began in 2009. Instead, the crisis points to two other factors: the global financial crash and Germany's post-unification turn toward narrow nationalism.

Europe's economic model is broadly Keynesian, committed to the social market economy and the welfare state. That means a housing and financial crash will rapidly push up deficits as tax revenues fall, relief payments rise, and governments try to stimulate demand. Furthermore, central banks provide added liquidity to weakened and overleveraged banks.

If the Keynesian consensus for counter-cyclical stimulus preached by political leaders like Barack Obama and Gordon Brown, as well as Nobel prize-winning economists like Paul Krugman and Joseph Stiglitz, had held, bond buyers might have accepted current elevated deficit levels as cyclical and stayed in for the longer haul. But with the political rise of pre-Keynesian budget balancers on both sides of the Atlantic, those investors have started insisting on austerity now.

Chancellor Merkel epitomizes this pre-Keynesian approach, even though Germany was out of compliance with the euro-zone's convergence criteria from 2003 to 2006 and is still out of compliance on overall debt. Yet Germany now asks why the Irish and the Greeks cannot do what the Germans eventually did and force their accounts back into balance. They cannot because there is no way of reducing debt-to-GDP ratios without room for GDP growth. Economic sovereignty in Europe is theoretically available to the poor as well as the rich, but that is like the old saw that the rich and the poor have an equal right to sleep under a bridge. Greece and Ireland have already had to bow to the austerity demands of the Germans and the bond markets. Portugal, Spain, and Italy are doing what they can to avoid the same fate. Germany, meanwhile, looks to narrow German self-interest, myopically conceived. Export-dependent economies cannot long prosper if they force their leading customers to contract.

A deutschmark cut loose from the euro would increase the price and decrease the competitiveness of German exports.

Within the euro zone there are no self-correcting mechanisms at work. Continued drift almost assures a euro crash. Dark days loom ahead unless Europe can find economic leaders with a long-term European vision. It looks like an impossibility. But it has become a necessity.



# Managing the Resource Curse and Promoting Stabilization through the Rentier State Framework

RYAN J. CONNELLY

Despite much discussion of the resource curse in recent years, a consensus on a development model for resource-rich states has not emerged. Such states have tremendous economic potential but have tended to underperform when compared to resource-poor states due to a higher propensity to resort to civil conflicts. This article argues that the key to escaping the resource curse is through the application of a rentier state development mode, which creates political stability while increasing GDP per capita through (1) increased military expenditures, (2) private goods transfers to elites, (3) redistributive economic programs, and (4) security guarantees from foreign states.

**T**he *resource curse* is the common name for the observation that nations largely dependent upon natural resource have tended to underperform relative to similar countries that lack a substantial natural resource base. A particularly unsavory feature of the resource curse is that this underperformance is often due to the higher propensity for violent civil conflict in these countries.

Natural resources have different exploitation potential. The political economies of nations dependent upon diamonds, timber, and oil are drastically different. This paper will focus on the evolution of oil-rich<sup>1</sup> states for two reasons. First, the presence of oil reserves is the most accepted as being “a significant predictor of the onset of civil war.”<sup>2</sup> Second, 100 percent of civil war movements in oil-rich states are secessionist, in stark contrast to only 68 percent when the resource is not oil.<sup>3</sup> Although the focus will be on oil-rich states, the argument applies to the exploitation of other hydrocarbon resources, and with minor augmentation should apply to other non-renewable resources that exhibit lower exploitation potential.<sup>4</sup>

The resource curse is at odds with the *rentier state* framework, which argues that oil exploitation should be a source of political stability. According to the rentier state framework, autocratic regimes use oil revenues to “maintain internal peace by combining a huge security apparatus with generous distributional policies.”<sup>5</sup> Since government revenues come from export markets, these states have no need to tax their populace. They then use distributional policies that create a largely enfranchised populace, which, combined with small winning coalitions, create very stable political systems. Thus a rentier state is able to maintain political stability in spite of, and, in fact, because of its natural resource wealth, as long as it is able to generate sufficient income.

---

Ryan J. Connelly is an M.A. candidate at SAIS Bologna Center, specializing in Energy Politics and Conflict Management. He graduated from The George Washington University in 2006 with a degree in International Affairs. Ryan developed an interest in the political economy of resource-dependent states while at Morgan Stanley, where he worked as a desk analyst focused on energy markets.

Current development policy for post-conflict states relies on extracting policy concessions from regimes in exchange for development assistance, which tends to include a democratization agenda. This strategy does not work for resource-rich countries, which have less incentive to make policy concessions since there is little problem with capital generation. The West is therefore no longer able to effectively sanction resource-rich nations to force regime change, especially because China has made large investments in a variety of resource-rich countries in Africa and Central Asia that are “shunned as pariahs by...the rest of the world for human rights abuses.”<sup>6</sup>

In this paper, I will argue that the rentier state framework proposes a more suitable development model for post-conflict oil-rich countries than do current models. After expanding on the resource curse and the rentier state theories, I will show how a post-conflict oil-rich country exhibits the same characteristics as a rentier state in all but one area: low exploitation per capita. This lends credence to the argument for a development model that increases stability through improving exploitation per capita. Lastly, I will present the post-civil war stabilization of Angola as a successful example of rentier state development.

### The Resource Curse and Civil Conflict: Greed, Grievance and Stagnation

The key issue facing resource-rich countries is the elevated threat of civil conflict.<sup>7</sup> A large portion of the observed economic underperformance of resource-rich states as a group is due to a higher propensity to resort to civil conflicts. Encouraging political stability is a mechanism for improved economic performance.<sup>8</sup>

A brief introduction to one long-term economic issue faced by resource-dependent economies, the so-called *Dutch Disease*, is appropriate before framing political stabilization recommendations. Dutch Disease occurs when external demand for primary commodities leads to exchange rate appreciation, which reduces competitiveness in other sectors of the economy. This discourages diversification and enhances reliance on primary commodities, a potential source of instability since commodity prices are set by volatile international markets. Because post-conflict states tend to have very low agricultural and industrial output, they are particularly susceptible to over-reliance on primary commodity exports, and are therefore vulnerable to Dutch Disease. However, targeted policies, including stability funds and directed infrastructure investments, can mitigate these negative economic impacts.

Such long-term economic effects are a second-order concern for post-conflict states. The first concern is creating a politically stable environment by reducing the potential for civil conflicts, which involves exploring their sources. Paul Collier and Anke Hoeffler have developed a model that proposes three factors that significantly impact the probability of civil conflict: income per capita, gross domestic product (GDP) growth rates, and dependency on primary commodity exports.<sup>9</sup> It is not debated that high income per capita and high GDP growth rates reduce potential for civil conflict: the opportunity costs for resorting to civil war are significantly higher in rich countries than in poor ones. However, a schism has emerged among academics as to why high resource dependency leads to increased potential for civil conflicts. Table 1 summarizes the three common explanations: greed, grievance, and weak institutional structures.

The greed mechanism is an economic argument positing that resource control is sought for private gains. The grievance argument insists that identity politics lie at the heart of the conflict and that “leaders simply seize on the resource issue to build support for their movement.”<sup>10</sup> Though the grievance argument does not deny the importance of resource exploitation as a capital source for rebel financing, it insists that it is merely a means to an end. Other scholars take an institutional approach, arguing that dependence on rents for state revenue leads to weak organizational structures, which increases the potential for civil conflicts.

Table 1: Commonly Cited Causal Mechanisms for the Resource Curse

ARGUMENT	MECHANISM	EXPLANATION
Greed	Economic	Conflict is caused by "opportunities for primary commodity predation." Groups seek territorial control over areas containing primary commodities with the goal of using this capital to provide personal enrichment.
Grievance	Identity	Political oppression and inequality of marginalized groups create social structure around which political and economic demands are made. These groups seek control over resources so as to assure equitable distribution and to make up for past grievances. Identity groups provide "troops, legitimacy, money, subsistence, cover, and other elements needed for the struggle." <sup>11</sup>
Weak State Institutions	Organizational	States with high resource dependence do not create strong institutions except for the military. There is no need to tax the population since revenues come from resource rents. As the government is not reliant on the expansion of economic activity among the citizenry for expanding its tax base, there is no need to create state institutions necessary for business growth, such as strong courts or rule of law. In fact, these are discouraged to prevent constraining the leader in providing private goods transfers to his or her supporters.

These three mechanisms are inextricably linked. For instance, weak state institutions, which lack appropriate mechanisms to mediate conflicts between distinct identity groups, can lead to irresolvable grievances over wealth distribution. On occasion, these grievances will result in open conflict, which can lead to either a violent suppression by the State or a civil war. In the analysis of any conflict, all three of these mechanisms can provide insights.

In the case of oil-rich states, however, there is a strong argument for the greed mechanism as the driving force towards political conflict. The key difference between oil-rich states and non-resource-rich states is the presence of a low-lootability resource of significant economic value. Exploitation of low-lootability resources requires attracting infrastructure capital, which requires stable control over the territory. Collier and Hoeffler argue that, in order to gain economic advantage over a resource located on their territory within a state, "secessionist political communities invent themselves when part of the population perceives secession to be economically advantageous."<sup>12</sup> This is especially relevant for oil-rich countries, since all prior civil wars have had a secessionist element.

By definition, a secessionist movement needs a defined territory. For a group to seek secession, this territory must be significantly richer than a separate defined territory. Otherwise, individuals in the secessionist movement would be willfully attempting to lower their standard of living. While the ideological leadership of the movement may be willing to make such sacrifices, the support for a mass movement "will come not from people who are passionately committed" but rather from people who listen to rhetoric that promises improved economic conditions.<sup>13</sup>

If the central government exerts strong control over the territory where the resources reside, a secessionist movement is unlikely. Strength in this case is a function of the magnitude of coercive forces

in that region, their loyalty, and the distance from resource base to the seat of power. Conversely, a weak central government with a weak coercive apparatus, or oil fields far from the seat of government, makes secession more likely.

If fields are currently producing, a secessionist group would be able to sell oil on international markets, potentially increasing arms purchases and recruitment while also depriving the State of revenues. To prevent this scenario, a political leader would drastically overinvest in coercive institutions to far higher levels than if the country lacked the resource base. This is the intuitive logic of rentier state formation.

### The Rentier State Framework

With large resource endowments and proper motivation, a central government should be able to exercise effective territorial control and maintain political stability. It is therefore difficult to account for the prevalence of civil wars in countries that have such vast capital resources to buy political support and fund coercive institutions. This is the fundamental paradox of the resource curse.

The rentier state framework has the opposite conclusion: natural resource wealth, once properly scaled up, provides stability. A rentier state expands export capacity until the bulk of state income derives from rents accrued from exports of primary commodities rather than taxation.<sup>14</sup> Revenues are then used to buy peace through “patronage, large-scale distributive policies and effective repression.”<sup>15</sup> For individuals, low or zero taxation combined with distributive spending policies leads to an economic policy in which, though some groups may be favored with a higher proportion of revenues, no one is directly harmed. In general, public policies will “be seen as benefiting everyone.”<sup>16</sup>

An important part of the structure of a rentier state is the desire to “avoid having a clearly defined constituency.”<sup>17</sup> The rationale for this is readily gleaned from *selectorate theory*.<sup>18</sup> Political leadership has the greatest chance for survival when the minimum winning coalition is small and the selectorate large—that is, when all groups are enfranchised but few key actors are necessary to maintain political office. This is an autocratic form of government.

Autocratic regimes are particularly stable for the political leadership because the loyalty norm among the winning coalition is strong. Any member of the vast selectorate could replace any member of the small winning coalition, which means that the opportunity cost for defection from the leader is very high within the coalition. As such, “when the government is not already autocratic, incumbent leaders have an interest in making the system more autocratic...[which] is achieved by reducing the size of the winning coalition and expanding the size of the selectorate.”<sup>19</sup>

Matthias Basedau and Jann Lay attempt to resolve the contradictions between the resource curse and rentier peace arguments. They observe that “almost all studies” on the subject conducted since 1995 use primary commodity exports as a percent of GDP as the measure for resource wealth.<sup>20</sup> This statistic only tells half of the story, however:

Dependence means that rents from resources are the most important source of income relative to other value-adding activities, while abundance or wealth refers to the absolute amount of resource rents available in per capita terms. It can be easily illustrated that these two variables may differ substantially. Nigeria and Saudi Arabia, for instance, were almost equally dependent on oil exports in 2002—oil exports accounted for 38.9% and 38.5% of GDP, respectively. Yet, if the governments had decided to pay out the proceeds from oil exports to their citizens, Nigerians would have been given a mere US\$ 140 while Saudi Arabia’s citizens would have earned US\$ 2,715.<sup>21</sup>

This distinction is crucial: higher dependency ratios should only have a destabilizing impact during periods of market volatility or in the long run, which is why economic diversification is many experts' primary recommendation. However, wealth per capita has a much more intuitive effect in politically unstable areas. In Nigeria, the central government has much less money on a per capita basis, which makes it difficult to sustain an armed forces presence large enough to maintain stability.<sup>22</sup>

The authors tested the rentier stability hypothesis with a data set that included 27 net oil-exporting countries with similar average primary commodity exports to GDP ratios. This was done in order to isolate the effects of resource dependence while analyzing the effects of production per capita. States were separated into groups based on whether annual per-capita production was above or below 10 tonnes (25 barrels per person per day).<sup>23</sup> They then ran the data against UCDP/PRIO's Armed Conflict Dataset<sup>24</sup> and determined the results reproduced below:

Table 2: Oil Wealth and Civil Conflict in Highly Dependent Net Oil Exporters<sup>25</sup>

	PEACEFUL 1990-2005	CONFLICT-RIDDEN 1990-2005
Oil Production per capita over 10 tonnes per annum	Bahrain,* Brunei, Equatorial Guinea,** Gabon, Kuwait, Libya, Norway, Oman, Qatar, Saudi Arabia, UAE	
Oil Production per capita below 10 tonnes per annum	Kazakhstan, Syria, Turkmenistan	Algeria, Angola, Azerbaijan, Congo Republic, Iran, Iraq, Nigeria, Papua New Guinea, Russia, Trinidad & Tobago, Uzbekistan, Venezuela, Yemen

*Peaceful* = no year of conflict; *conflict ridden* = at least one year of conflict (all conflicts), according to UCDP/PRIO dataset 1990-2005; \*Oil and Gas; \*\*No substantial oil production in 1996, but since 1999.

Above the threshold of 10 tonnes of production per capita per annum, civil conflict entirely disappeared during the observation period. On the other hand, only three states with oil production below this level managed to avoid civil conflict.

Using the same data, the authors proceeded to test for causal mechanisms. They detected causal mechanisms for high spending on coercive institutions, large-scale distributional programs and the permanent presence of foreign troops: 7 out of the 11 states producing above the threshold employed all three of these policies simultaneously. These states were also found to have “more effective state institutions.”<sup>26</sup> Key findings are summarized in Table 3 on the following page.

Increased cash flow allowed the central government to solidify its position through increased military expenditures and the implementation of large-scale distribution policies. The uptick in production levels also encouraged a foreign military presence. Though not part of the classic rentier state framework, a foreign military presence is a logical strategic move by Western governments looking to assure access to oil. This benefits the host country, since the mere presence of foreign troops has been shown empirically to significantly reduce the potential for civil conflict.<sup>27</sup> Although this study failed to find a corruption mechanism, a separate study from 2009 concluded that “strategic use of public resources for off-budget and selective accommodation of private interests might reduce the risk of violent challenges to state authority in oil-rich states.”<sup>28</sup>

Table 3: Summary of Key Findings, Causal Mechanisms Linking Oil Wealth to Peace<sup>29</sup>

MECHANISM	KEY INDICATOR(S)	RESULTS
<b>Repression Mechanism</b>	Arms imports per capita & Freedom House political rights and civil liberties scores.	Countries that produce more than 10 tonnes per capita per annum and are peaceful “spend considerably more on arms imports.” These states are repressive in political terms, though no more than the countries that produce less, many of which are “equally repressive in political terms.” <sup>29</sup>
<b>Outside Protectors</b>	Permanent military presence of at least one UN Security Council Member	All states producing over 10 tonnes per capita per annum had a permanent foreign troop presence, except for Bahrain, Libya, and Equatorial Guinea. Of the states below the threshold, only Kazakhstan had a permanent foreign presence.
<b>Large Scale Distribution</b>	Current government expenditures per capita	All states producing over 10 tonnes per capita per annum pursued large-scale distributional policies “except Equatorial Guinea, while most of the non-rich countries cannot afford to pursue them.”

The downside is that rentier states tend to be autocratic (Norway is the only democracy in the sample). However, peaceful states in this sample were found to be no more repressive than the average of the data set. Another recent study, conducted over a larger time horizon, draws the even more optimistic conclusion that “increases in natural resource income are associated with increases in democracy... [particularly] among countries that had lower per capita incomes before they discovered resources.”<sup>30</sup>

Most current policy recommendations for escaping the resource curse focus on economic diversification. This is the wrong conclusion drawn from a focus on the wrong variable: primary commodity dependence in GDP terms rather than production per capita. Attaining a high level of production per capita increases political stability and economic prospects, provided that additional funds are used to increase military spending, buy loyalty from key supporters, create large-scale distribution programs, and encourage large powers to take a security interest in the preservation of the regime.

### The Angola Model: Developing a Rentier State

Every year that GDP per capita remains weak is another year with elevated risks for civil conflict. Every self-interested political leader wants to maintain power and avoid civil war, which is best accomplished by quickly increasing GDP per capita. The transition to a rentier state quickly increases revenues and requires fewer political concessions than other development models. Thus, the logical political economy that will develop in a post-conflict oil-rich state is a rentier state.

For the state, oil resources have no value until they are able to generate cash flow to the government—that is, until the fields are developed and oil is being sold to the open market. For this, the state needs three things: development capital, technical expertise, and interim cash flow to satisfy any expenditure needed to maintain political stability.

One model for rentier state development is the “Angola Model.” This model relies on attracting foreign investment through the sale of long-term oil leases in exchange for infrastructure development and immediate capital. A recent joint study by the UN Office of the Special Adviser on Africa and

the NEPAD-OECD Africa Investment Initiative described the model as follows:

Under the Angola model, the recipient country receives a loan from...[The Export-Import Bank of China]; the government then awards a contract for infrastructure projects to a Chinese firm, while also giving rights for extraction of its natural resources to a Chinese company as repayment for the loan...In 2004, China extended a US\$ 2 billion credit line to Angola for the development of its infrastructure, which had been destroyed during the civil war. As repayment for the loan, Angola agreed to supply China with 10,000 barrels of crude oil a day. The infrastructure projects in Angola included electricity generation and transmission, rehabilitation of power lines, rehabilitation of Luanda railway; construction of ring roads; telecom expansion; water; and some public works projects.<sup>31</sup>

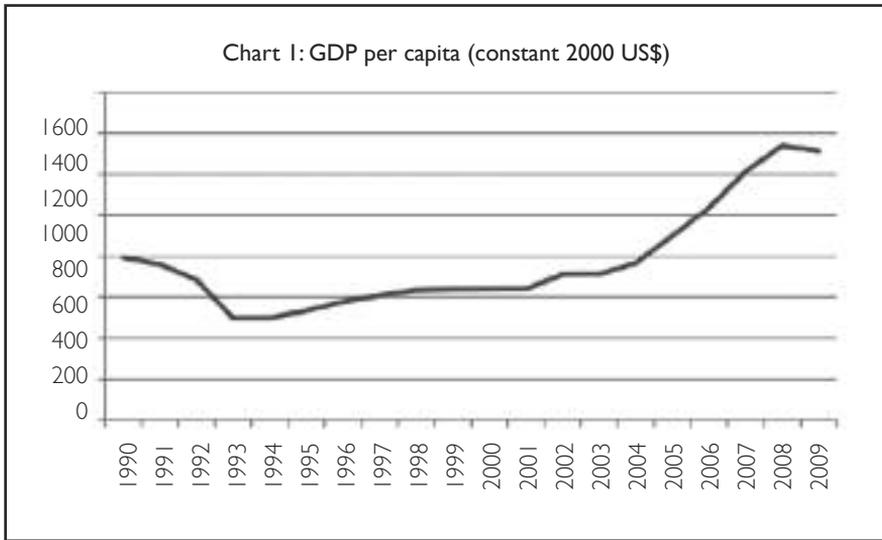
From 1975 to 2002, Angola was ravaged by civil war that was triggered by the withdrawal its former colonial power, Portugal. Cold-War logic induced developed nations to view the fate of this nation in a broader security context. A number of smaller groups participated in the conflict, though it centered on the pro-communist People's Movement for the Liberation of Angola (MPLA), backed by the USSR and Cuba, and the anti-communist National Union for the Total Independence of Angola (UNITA), backed by Western powers and South Africa.

For the duration of the conflict, the MPLA controlled the north of the country, including Cabinda province, where most developed Angolan oil sits. Production and sales continued throughout the conflict, providing stable revenue to the MPLA and even attracting some foreign investment.<sup>32</sup> The long history and scale of oil rents enabled the president to fund the military while sustaining "a clientele beyond the military apparatus" and thereby diversifying the winning coalition beyond the coercive institutions alone.<sup>33</sup> Distribution of rents was targeted at the presidential entourage, high-ranking civil servants, army officers, and politicians in the form of direct cash distributions, overseas scholarships, and "subsidies on electricity, municipal water, air transport and housing...to a privileged minority within the population."<sup>34</sup>

Meanwhile, UNITA was reliant on southern diamond mines for its capital needs. There are two types of diamonds available in Angola: alluvial and kimberlite. Alluvial diamonds require little technical expertise for extraction; production is labor intensive. Kimberlite diamonds would have required significant capital-intensive development before exploitation, which was not available, in stark contrast to the oil sector, which received foreign capital flows. Unlike in the case of oil, foreign governments did not view access to kimberlite diamonds as an important enough natural resource to encourage direct investment.

The MPLA, on the other hand, was careful to maintain foreign involvement in the oil industry at all times during the conflict, even using Cuban troops to protect the US Gulf Oil Company from nationalization.<sup>35</sup> In the mid-1990s, this strategy finally bore fruit; in the post-Cold War environment, the West saw its strategic interest better served by protecting access to Angolan oil. The shift in coalition politics played out in a series of UN Security Council resolutions that put UNITA at fault for the failure of recent peace agreements and imposed an arms embargo in 1993, followed by sanctions on diamonds in 1998. By the end of 1999, 80 percent of UNITA's military capacity was destroyed, and the group demilitarized in February 2002.<sup>36</sup>

After the civil war, the Angolan state needed to increase revenues in order to assume control over the power vacuum left by the fall of UNITA. China provided capital in the form of loans and a credit facility in exchange for infrastructure development and oil lease contracts. As evidenced by Chart 1<sup>37</sup> on the following page, the increased oil flow stemming from Chinese infrastructure development swiftly translated into economic returns; Angola has almost doubled GDP per capita since 2002, even when taking into account the global recession and the decline in global oil prices in 2008-09.



There has been no sign of a political opening. The regime is autocratic, and MPLA has dominance over Parliament, the Constitutional Commission and state media.<sup>38</sup> Presidential elections have been repeatedly delayed, and there are troubling reports of human rights abuses, especially in Cabinda province. Yet nationwide, basic development indicators have shown improvement. For instance, the UN Resident Coordinator in Angola recently stated that “poverty levels in Angola, measured in monetary income, decreased from 63 percent in 2002 to 38 percent in 2009.”<sup>39</sup> A variety of government projects, mostly focused on increasing agricultural output, have begun in recent years. They are partly funded by the Angolan Development Bank, to which 3 percent of annual revenues and 2 percent of annual diamond revenues are funneled.<sup>40</sup>

The Angola example is a “hands-off” development model: China provides the funding and expertise needed to increase GDP per capita and leaves Angola responsible for its own internal politics. Since the civil war ended with a total victory by the MPLA, it has sought to solidify control. The rentier state framework identifies the mechanisms to do so: increased coercive capability to suppress secessionist movements, implementation of a redistribution economic program to increase the size of the selectorate, and distribution of private goods to members of the winning coalition to increase the loyalty norm. All of these are present in Angola.

The international community can play a larger role in an extension of the Angola Model. Many developing states lack access to necessary infrastructure capital and the protection of foreign security umbrellas that tend to develop with resource exploitation. One potential project model from the World Bank, the Chad-Cameroon pipeline, offered Chad infrastructure funds in order to build an expensive pipeline across Cameroon to facilitate development of Chadian oil fields. In exchange, the World Bank stipulated that certain funds be set aside for development spending. It in turn suspended the project in 2006 after the Chadian government changed its oil management laws, allowing these funds to be spent on security forces “to quell increasing unrest in the country.”<sup>41</sup> This is a logical move from the political leader of a rentier state: to allocate resources to subdue uprisings before redistributing income to the broad selectorate. When the World Bank pulled out in 2008, the government paid off the remaining \$65.7 million of outstanding loans in cash. Retraction of international capital is simply not a credible threat to a rentier state after initial oil field development is complete.<sup>42</sup>

## Conclusion

Policy practitioners and development professionals lack a conceptual model for understanding political and economic transitions in countries that have now been identified as resource curse candidates. Special characteristics specific to oil-rich countries, linked to technical and capital demands in oil field development, have resulted in the empirical observation that civil conflicts have always been characterized by secessionist movement by groups living on oil-rich territories within the country. There is strong evidence that secessionist movements are mostly motivated by the potential for increased personal enrichment, although identity and organizational issues may contribute. In any case, the response of political leadership to a secessionist movement will be the same: suppression of the movement in order to preserve territorial integrity and access to capital.

The rentier state framework provides a good fit for selectorate theory's lessons on the logical moves by political leadership in post-conflict states. For a leader seeking to maintain power, autocracy is the most stable method available, and the seemingly limitless funds available from oil exploitation provide the capital necessary to appease the winning coalition, fund the military, and increase the size and loyalty of the selectorate. But in order to pay for stabilization, resource exploitation needs to progress beyond a sufficient per capita level.

Recent studies have questioned central tenants of the resource curse thesis. Corrupt practices, such as patronage and private transfers, may not be harmful to for long-term development, as they serve to maintain stability. Similarly, it is unclear whether resource dependence actually promotes autocratic behavior. The only undisputed negative consequence of the resource curse, Dutch Disease, is manageable. Given the success of rentier states in avoiding devastating civil conflicts and escaping the resource curse, the cost-benefit ratio to development policies implementing rentier states appears significantly stronger than current development models.

Angola has thus far been a success story and thus a logical fit for the post-war political economic development in an oil-rich state. The international community can use this model when structuring future developmental programs in resource-rich economies. However, due to the time-consistency problem after initial development is complete, international lenders must be aware that any attempt to extract political concessions are limited by the nature of the development process.

- 
1. "Oil-rich" refers to natural resource endowments and not production figures.
  2. Hanne Fjelde, "Buying Peace? Oil Wealth, Corruption and Civil War, 1985-99," *Journal of Peace Research* 46, no. 2 (2009): 199-218.
  3. Ian Bannon and Paul Collier, "Natural Resources and Conflict: What We Can Do," in *Natural Resources and Violent Conflicts: Options and Actions*, ed. Ian Bannon and Paul Collier, (Washington, DC: World Bank, 2003), 1-16.
  4. This is sometimes referred to as lootability, the ease with which a resource can be exploited. This is a function of price-to-weight or price-to-volume ratios, technical sophistication required for extraction, transportation requirements, and end-market availability.
  5. Matthias Basedau and Jann Lay, "Resource Curse or Rentier Peace? The Ambiguous Effects of Oil Wealth and Oil Dependence on Violent Conflict," *Journal of Peace Research* 46, no. 6 (2009): 757-776.
  6. Peter S. Goodman, "CNOOC Announces \$2.3B Nigeria Investment," *Washington Post*, January 9, 2006, accessed December 12, 2010, <http://www.washingtonpost.com/wpdyn/content/article/2006/01/09/AR2006010901524.html>.
  7. Michael Ross, "The Natural Resource Curse: How Wealth Can Make You Poor," in *Natural Resources and Violent Conflicts: Options and Actions*, ed. Ian Bannon and Paul Collier, (Washington, DC: World Bank, 2003), 17-42.
  8. Paul Collier, *Wars, Guns and Votes* (London: Vintage, 2010).
  9. Bannon and Collier, "Natural Resources and Conflict," 1-16.

10. Ibid., 1-16.
11. I. William Zartman, "Need, Creed, and Greed in Intrastate Conflict," in *Rethinking the Economics of War: The Intersection of Need, Creed, and Greed*, ed. Cynthia J. Arnson and I. William Zartman, (Washington, DC: Woodrow Wilson Center, 2005), 256-284.
12. Paul Collier and Anke Hoeffler, "The Political Economy of Secession," (Washington, DC: World Bank, June 30, 2002), <http://www.worldbank.org/ogmc/pdfs/Paul-Collier.pdf>.
13. Ibid.
14. Giacomo Luciani, "Allocation vs. Production States: A Theoretical Framework," in *The Rentier State*, ed. Hazem Beblawi and Giacomo Luciani (New York: Croom Helm, 1987), 63-82.
15. Basedau and Lay, "Resource Curse or Rentier Peace?" 757-776.
16. Luciani, "Allocation vs. Production," 63-82.
17. Ibid., 63-82.
18. Bruce Bueno de Mesquita, Alastair Smith, Randolph Siverson, and James D. Morrow, *The Logic of Political Survival* (Cambridge, MA & London: MIT Press, 2003).
19. Ibid.
20. Basedau and Lay, "Resource Curse or Rentier Peace?" 757-776.
21. Ibid., 757-776.
22. James T. Quinlivan, "The Painful Arithmetic of Stability Operations," *Rand Review*, Summer 2003.
23. Actual revenue generated from oil exports is unavailable, explaining the choice by the authors to choose volumetric rather than notional measurements. Further study is necessary to discover how much income in PPP per capita is the identifiable threshold.
24. This data, from the Uppsala Conflict Data Program (UCDP) at the Department of Peace and Conflict Research, Uppsala University and Centre for the Study of Civil War at the International Peace Research Institute, Oslo (PRIO) is available at <http://www.prio.no/CSCW/Datasets/Armed-Conflict>.
25. Basedau and Lay, "Resource Curse or Rentier Peace?" 757-776.
26. Ibid., 757-776.
27. Fjelde, "Buying Peace?," 199-218.
28. Collier, *Wars, Guns, and Votes*.
29. Basedau and Lay, "Resource Curse or Rentier Peace?" 757-776.
30. Stephen Haber and Victor Menaldo, "Do Natural Resources Fuel Authoritarianism? A Reappraisal of the Resource Curse," *American Political Science Review* (forthcoming).
31. "Economic Diversification in Africa: A Review of Selected Countries," (OECD, United Nations OSAA, 2011), [www.oecd.org/dataoecd/10/61/46148761.pdf](http://www.oecd.org/dataoecd/10/61/46148761.pdf).
32. Phillipe Le Billon, "Angola's Political Economy of War: The Role of Oil and Diamonds, 1975-2000," *African Affairs*, 100 (2001): 55-80.
33. Ibid., 55-80.
34. Ibid., 55-80.
35. Ibid., 55-80.
36. *Angola Peace Monitor* 11, no. 4 (1999).
37. "World Bank World Development Indicators," The World Bank, accessed online January 11, 2011, <http://www.data.worldbank.org/indicator>.
38. "Country Profile: Angola," Freedom House, accessed online January 11, 2011, <http://www.freedomhouse.org>.
39. "Angola poverty levels reduce from 68 to 38 percent," UNDP, accessed December 12, 2010, <http://www.ao.undp.org/news149.htm>.
40. "Economic Diversification in Africa."
41. "World Bank announces withdrawal from Chad-Cameroon Pipeline after early repayment," Bank Information Center, accessed December 14, 2010, <http://www.bicusa.org/en/Article.3892.aspx>.
42. Ibid.

# Breaking the Logjam: Obama's Cuba Policy and a Guideline for Improved Leadership

KLAAS HINDERDAEL

Cuba provides an ideal lens through which to study the Obama administration's foreign policy of engagement. For half a century, the US economic embargo, coupled with diplomatic isolation or limited engagement, has failed to force democratization on the island. As Raúl Castro has led Cuba down a path of economic reform, the Obama administration has slowly transformed its Cuba policies. This article contends that these recent shifts in US-Cuban relations will allow American policymakers to capitalize on an essential set of political, economic, and strategic gains by ending the embargo and normalizing diplomatic relations.

During his inaugural address, US president Barack Obama stated, in an attempt to ease tensions with some of America's more traditional adversaries, "we will extend a hand, if you are willing to unclench your fist."<sup>1</sup> Indeed, when countries have indicated a readiness to make domestic reforms, the Obama administration has shown an increased willingness to engage them.

Cuba, in particular, offers policymakers an ideal case study of how the administration has reacted to internal reforms. It also demonstrates how the administration, in an attempt to bolster its position as the world's leader, has relied primarily upon soft power to develop its ties with other countries.

In light of Raúl Castro<sup>2</sup> charting a new course for Cuba, recent US policy initiatives have been aimed at a limited engagement and an easing of tensions with Cuban leadership. While these efforts constitute a vital first step in the transformation of US-Cuban relations, it is in America's best interest to more firmly "extend a hand." In fact, Cuba provides President Obama an opportunity to highlight the potential benefits of America's foreign policy of engagement.

In 2002, Cuban American scholar Louis Pérez Jr. noted that the US embargo policy has been "derived from assumptions that long ago ceased to have relevance to the post-Cold War environment, designed as a response to threats that are no longer present, against adversaries that no longer exist."<sup>3</sup> To be sure, American policymakers have been unable to sufficiently adjust Cuba policy to the realities of post-Cold War relations with the island.

The economic embargo, which has been in place for half a century, coupled with either diplomatic isolation or limited engagement, has failed to force democratization on the island. If anything, it has taught that democracy cannot be imposed or coerced, but must grow from within. In this light, ending the embargo and engaging Cuba will allow the United States to better influence a process of political

---

Klaas Hinderdael is an M.A. candidate at SAIS Bologna Center, concentrating in American Foreign Policy and Energy, Resources, and Environment. He was born in Belgium and has spent much of his life in the United States, graduating from the University of Virginia in 2009 with a degree in History and Economics. He is continuing his research on Cuban-American relations, writing his Master's thesis on Kennedy's two-track policy toward Cuba in 1963.

reform on the island. Conversely, as America stalls, other countries are playing a larger role in what traditionally has been considered America's backyard.

Fortunately for American policymakers, recent and drastic shifts in the realities of US-Cuban relations show that there is much to gain, and surprisingly little to lose, from transforming US-Cuba policy. Though for too long domestic politics has trumped international security goals, pragmatic leaders will soon grasp the full extent of these new realities.

At a time when the United States runs a large trade deficit and holds a rising national debt, President Obama's foreign policy of engagement could provide essential political, economic, and strategic gains for America. In order to capitalize on these opportunities, the administration should end the embargo and open diplomatic relations with Cuba.

### Obama: Change and Hope for Cuba?

In a May 2008 campaign speech to Cuban Americans in Miami, Obama shifted away from the firm traditional election year stance toward the island. Arguing that US soft power would be a more effective tool for inducing internal reforms in Cuba, he stated, "There are no better ambassadors for freedom than Cuban Americans. That's why I will immediately allow unlimited family travel and remittances to the island."<sup>4</sup> Obama even expressed a willingness to engage in a dialogue with Raúl Castro during the Democratic primaries, concluding, "Cuban-American connections to family in Cuba are not only a basic right in humanitarian terms, but also our best tool for helping to foster the beginnings of grass-roots democracy on the island."<sup>5</sup>

President Obama won the state of Florida and made substantial inroads with Cuban Americans, gaining 16 more points than Gore in 2000 and 10 more than Kerry in 2004.<sup>6</sup> Upon assuming office in 2009, he immediately fulfilled a key campaign pledge by signing an executive order to close the prison at the Guantanamo naval base. Shortly thereafter, on April 13, 2009, at the Summit of the Americas, he implemented a second campaign promise by lifting travel and remittance restrictions for Cuban-Americans.<sup>7</sup>

Legislative momentum for engagement of Cuba, which had been stymied for years by President George W. Bush's veto threats, picked up as well. On March 30, 2009, Senator Richard Lugar (R-IN), the top-ranking Republican on the Senate Foreign Relations Committee, called for the creation of a special envoy for Cuba in order to "recognize the ineffectiveness of our current policy and deal with the Cuban regime in a way that enhances US interests."<sup>8</sup>

Perhaps the most significant shift in Cuba policy under the Obama administration has been the abandonment of a single and primary aim to remove the Castros from power. By dissolving the Commission for Assistance to a Free Cuba (CAFR), created by Bush in 2003 with a mandate to "identify ways to hasten the arrival of that day when Castro's regime is no more,"<sup>9</sup> President Obama has moved quickly to ease tensions with its neighboring island.

Nevertheless, after making several prominent reversals to the Bush administration's Cuba policies, Obama has moved cautiously, waiting perhaps for more concessions in the arena of human rights. For his part, Raúl has attempted to signal a process of internal political transformation to the world, first by signing two human rights agreements only four days after becoming president, and shortly thereafter by altering the sentences of most of Cuba's prisoners sentenced to capital punishment.<sup>10</sup>

Open discourse, however, is still severely limited, as repression has continued. In 2009, the Human Rights Watch noted, "Raúl Castro has kept firmly in place and fully active Cuba's repressive and legal institutional structures."<sup>11</sup> To expect a sudden shift toward democracy is unreasonable, as Raúl has indicated that changes will occur only within a framework of the party and the revolution. In an August 2009 address to the Cuban Parliament, Raúl insisted that he was elected to "maintain and continue

perfecting socialism, not to destroy it."<sup>12</sup> Therefore, it should come as little surprise that Obama has treaded carefully.

As a result of the administration's hesitancy to drastically shift its Cuba policy, Abraham Lowenthal, an expert on Cuban-American relations, has concluded, "Far from ushering in a new beginning, the Obama administration seemed to revert to the stance of several previous US administrations: it would wait for Cuba to change."<sup>13</sup> Despite sluggish progress in shifting policies and improving relations, this analysis seems to disregard President Obama's consistent ideological rejection of an America working only with a League of Democracies.

In fact, it appears that engagement, albeit slowly, is continuing to gain traction within the administration. In particular, this has been visible since mid-2010, when Raúl began a second round of economic reforms,<sup>14</sup> bringing many experts to claim that "a new phase in Cuban history is unfolding."<sup>15</sup> In September 2010, Raúl announced that the state was cutting a half-million jobs, simultaneously giving incentives to citizens to open new private businesses and instituting a new payroll tax on a sliding scale to increase the hiring of labor.<sup>16</sup>

It is telling that Raúl's reforms alter the founding principles of the post-1959 Cuban society. Raúl himself implied an internal shift when he noted, "Socialism means equality of rights, not of income... equality is not egalitarianism."<sup>17</sup> At the most fundamental level, these economic reforms indicate a transformation in the relationship between Cuban society and its government. In addition, Raúl has indicated an increased willingness to make political reforms, releasing nearly all of the island's political prisoners, including 52 in July 2010.<sup>18</sup> Though they leave much to be desired in the realm of human rights, the scope of Raúl's newest era of reforms is unprecedented in post-Cold War Cuba.

As Cuba has moved down a path of internal transformation, beginning to unclench control over its own society, President Obama has slowly reached out. On January 14, 2011, the administration stepped toward a more active engagement by restoring higher education exchange programs, extending travel remittance allowances to all Americans, and permitting chartered flights to Havana from any US airport.<sup>19</sup> Though this progress indicates that relations are steadily improving, a potential breakthrough in relations and America's Cuba policy is only possible by opening high-level diplomatic relations and eliminating the US embargo.

### A Guideline for Breaking through the Logjam

The strategic, economic, and political background that has helped shape America's Cuba policy has shifted tremendously since the end of the Cold War. For half a century, the United States has attempted—and failed—to force democratization on the island by combining an economic embargo with either diplomatic isolation or limited engagement. In recent years, however, Raúl has increasingly charted a new course for Cuba. Despite many of these reforms being in line with American values and interests, there has not been a drastic change in US-Cuba policy. Given the continued failure of past Cuba policies to achieve the stated goals, American leaders should understand that there is much to gain from ending the embargo and opening diplomatic relations with Cuba—and surprisingly little to lose.

### Strategic Implications

The fall of the Soviet Union in 1991 had severe economic repercussions for Cuba, causing its economy to contract by 34 percent between 1990 and 1993 alone.<sup>20</sup> It also meant that, almost overnight, the strategic threat the island presented to the United States had drastically diminished. With Fidel Castro subsequently abandoning a policy of internationalism by announcing that he would no longer support armed struggle in the third world, Cuba became even less of a strategic threat.<sup>21</sup> As a result, with regard to America's

Cuba policy, domestic politics has trumped international security concerns for over 20 years.

Raúl's recent economic reforms, in an attempt to spur job creation, have allowed an increase of foreign investment in what has traditionally been seen as America's backyard. Countries quickly exploited such opportunities—with Venezuela and Cuba signing the Integral Cooperation Accord in 2000, according to which Cuba sends thousands of doctors and teachers to Venezuela in return for 90,000 barrels of oil daily.<sup>22</sup> China has also strengthened its ties with Cuba since President Hu Jintao's 2004 visit, and it will soon overtake Canada to become the island's largest trade partner, purchasing 18 percent of its exports.<sup>23</sup>

In light of such inroads by friends and foes alike, several concerns might arise for American policymakers. First, the leverage that America's embargo holds is severely diminished. Second, China, with nearly half of its 2004 foreign direct investment going to Latin America, might slowly impede upon American hegemony in the Western hemisphere.<sup>24</sup> Third, increased ties with Hugo Chávez's Venezuela may cause Cuba and Venezuela to attempt to "drive a wedge between the U[nited] S[tates] and its Caribbean partners" in regional relations.<sup>25</sup> In other words, the economic embargo in place could potentially lead to geopolitical instability and have enormous repercussions for American security.

Perhaps just as consequential, the embargo undermines the living conditions and exacerbates the struggle of the Cuban people. As the Human Rights Watch correctly notes, the embargo "continues to impose indiscriminate hardship on the Cuban people, and has done nothing to improve the situation of human rights." This allows the Cuban government to use the United States as its scapegoat for any economic hardships, legitimizing and heightening anti-Americanism.

As countries like China, Venezuela, Canada, Spain, and Brazil continue to invest in Cuban oil, minerals, and tourism, they will also have increased influence on Cuban domestic policies. This is already evident, as Raúl's 2008 signing of two United Nations (UN) human rights agreements, as well as the mid-2010 release of nearly all its political prisoners, was a direct response to European Union (EU) human rights condemnations. Unsurprisingly, after gaining concessions from Raúl, the EU signed an EU-Cuba cooperation agreement.<sup>26</sup> In the aforementioned case, the outcome of the EU's influence in Cuba was in line with American interests, but this may not always be the case.

The United States does hold a strategic card that could transform relations with Cuba, while improving its own credibility and goodwill across the globe. Over a century ago, the forced inclusion of the Platt Amendment in the 1901 Cuban Constitution allowed the United States to occupy the Guantanamo naval base on the island. It has stood as a symbol of American imperialism and an infringement on Cuba's sovereignty ever since. Used by Fidel Castro over 50 years ago to legitimize and radicalize the revolution, the naval base is still used by Raúl today to show that there remains a "symbol of solidarity with the rest of the world against the U[nited] S[tates]."<sup>27</sup>

Ending the occupation of Guantanamo, not simply closing the detainment center, would send a signal to Cubans, while showcasing a new and more engaging foreign policy to the world. It would also severely undercut one of the main sources of Cuban anti-Americanism, simultaneously increasing American legitimacy and weakening the viability of harsh Cuban rhetoric.

By January 2011, President Obama had failed to successfully implement the closing of the detention center on Guantanamo, as public opinion increasingly opposed moving detainees to the United States for trials and detentions. With Congress barring the transfer of such suspects to the United States in its 2011 Defense Authorization Act, Obama has been forced to delay his campaign promise for at least another nine months.<sup>28</sup> Nonetheless, the Guantanamo occupation is a promising issue for future US-Cuban relations, particularly as a change in policy could garner goodwill, weaken anti-Americanism, and put pressure on Raúl to respond in kind.

Another symbolic unilateral action that would have no impact on national security would be to remove Cuba from the State Department's list of state sponsors of terrorism. Although a 1997 intelli-

gence review indicated that the island no longer posed a threat to US national security, the Bush administration's "Patterns of Globalism" report in 2001 indicated that Cuba was a state sponsor of terrorism because Fidel Castro "vacillated over the war on terrorism," and provided a safe haven for the Colombian Ejército de Liberación Nacional (ELN) and the Basque Euskadi Ta Askatasuna (ETA) members.<sup>29</sup> In fact, Fidel Castro allowed ETA members to retire in Cuba due to an agreement reached with Spain, and the island has served as a location for peace-talks between Colombia and its rebel groups.<sup>30</sup>

Ultimately, Cuba no longer presents a strategic threat to America's national security. Its leaders have denounced internationalism, and it has begun a marked shift toward market reform. The only potential for strategic threats arises, in fact, from *continuing* current policies. Therefore, the United States should unilaterally end the occupation of Guantanamo, remove Cuba from the State Sponsors of Terrorism list, and eliminate the embargo. For the United States, this will enhance its bargaining power on human rights policies, engender international goodwill, improve geopolitical positioning, and move forward relations with the Cuban government and its people.

### Economic Implications

In 2008, the UN General Assembly, voting 185 to 3, rejected the US economic embargo on Cuba; it has done so every year since 1992.<sup>31</sup> The United States is isolated in its approach to Cuba policy. As the island rapidly expands its economic and diplomatic ties with other countries, America increasingly sacrifices the potential economic benefits of trading with Cuba. Worse yet, its economic policies with regard to Cuba appear impractical in light of its policies toward other Communist governments.

By signing bilateral trade agreements with China and Vietnam, in 1999 and 2001 respectively, the United States has indicated a willingness to actively build economic ties with countries that, while Communist, have enacted economic reforms and largely reintegrated themselves into the international community. In the wake of Raúl's reform agenda, the island has diplomatic relations with over 160 nations and has significantly increased foreign investment.<sup>32</sup> As such, it is generally speculated that Raúl Castro favors continued adoption of Chinese political and economic models, which would allow Cuba to maintain elements of its socialist system.<sup>33</sup>

The economic benefits stemming from even limited trade with Cuba are unmistakable. After Bill Clinton signed into law the Trade Sanctions Reform Act (TSRA) in early 2000, exports to Cuba jumped from \$4 million in 2001 to \$392 million in 2004, and \$710 million in 2008.<sup>34</sup> Despite importing only food and medical products, Cuba has ranked as high as twenty-fifth among importers of American products.<sup>35</sup> These economic benefits have further diversified the political debate, amplifying the influence of Midwestern congressmen, many of whose constituencies profit significantly from the sale of corn, poultry, wheat, and soybeans to Cuba.<sup>36</sup>

Business groups, politicians, and economists are also illuminating the benefits of ending the embargo. Kenneth Lippner, a University of Miami economist, estimates that the embargo costs the Florida economy between \$750 million and \$1 billion per year.<sup>37</sup> Far short of ending the Cuban embargo, the Department of Transportation found that simply ending unrestricted travel to Cuba for all Americans would generate up to \$1.6 billion annually, and somewhere between 17,000 and 23,000 jobs.<sup>38</sup> With such economic and political gains to be made, it is no surprise that the legislatures of California, Texas, and many others have already passed resolutions for improving and opening economic relations with Cuba.

Early in the nineteenth century, Cuba and the United States became inseparable as trade relations and the slave trade grew; big American businesses continued to prosper in the country until Fidel Castro's 1959 revolution. Despite having blocked itself off from trade with Cuba ever since, geographic

proximity, as well as Cuba's need for cheap agricultural goods, provide a strong basis for future trade. At the moment, Cuba is already buying more food from the United States than any other country, and Raúl has indicated that it would purchase much more with eased restrictions.<sup>39</sup>

Ending the embargo would also help Cubans, lowering the cost of consumer goods and raising the standards of living, while simultaneously challenging Raúl's assertions of American imperialism. In realizing that the embargo is too insignificant to have a fatal impact on the Cuban government, and that the usage of sanctions and practice of isolation are no way to be seen as a credible advocate of democratic reform, American policymakers should realize that the economic embargo only diminishes the United States's ability to influence change in Cuba. Furthermore, over time, increased economic ties can provide the leverage needed to push for political reforms.

As a result, with regard to economic and political return, there is little reason to keep the economic embargo in place. Its repeal should be easy to sell to the American people given popular domestic support, recent Cuban internal reforms, and the precedent set with Vietnam and China. It would also provide the United States with a more united front when confronting key Cuban issues by not drawing the ire of the UN for its policies toward the island. Most importantly, repealing the embargo could guide the two countries toward improved relations by employing economic policies that are mutually beneficial.

### Political Implications

In the wake of a markedly diminished strategic threat from the Cuban island after the end of the Cold War, domestic political goals trumped other goals in terms of setting Cuba policy, particularly during election years. Nonetheless, legislative momentum for engaging Cuba has picked up decidedly, even as some presidents have lagged behind. This momentum has coincided with a slow shift in public opinion and demographics that make ending the embargo and engaging Cuba popular amongst both the majority of American voters, as well as the majority of the Cuban-American constituency.

Two events in the late 1990s have often been pointed to as significant turning points in the political views and weight of Cuban-American voters. First, many traveled to Cuba for the 1998 papal visit, and embraced Pope John Paul II's call for "Cuba to open to the world, and the world to open to Cuba."<sup>40</sup> Then, two years later, the Elián González episode of 2000 allowed for a shift dubbed by Daniel Erikson the "Elián meets the China syndrome."<sup>41</sup> With the majority of Americans calling for Elián to be reunited with his father in Cuba, a position that anti-Castro Cuban-Americans opposed vehemently, the Cuban-American community, by taking such a hard-line stance, lost some of its legitimacy in the American political system. Furthermore, a harsh Cuba policy stood in stark contrast to a simultaneous broadening of America's economic and diplomatic ties with China.

Polls over the last decade have revealed the dramatic shift in the views of Cuban-Americans. They indicate that, while in 1997, only 22 percent of Miami-Dade County Cuban-Americans favored ending the embargo, by 2004, that percentage had risen to 34 percent, and by December 2008 to 55 percent (in 2008, 65 percent also supported ending restrictions on travel and remittances).<sup>42</sup> These statistics indicate that Obama's positions in the run-up to the 2008 presidential election may not have been such a bad political strategy after all. Furthermore, we should expect to see politicians increasingly catering to these beliefs as they continue to gain political expediency.

Perhaps more significantly, Americans on both sides of the political spectrum support significant changes in Cuba policy, from relaxing travel and remittance restrictions to opening up diplomatic relations. They also believe that the island provides little threat to the United States, and that engagement is the most likely policy to lead Cuba towards democratic reform. An April 2009 World Public Opinion poll drew the following conclusions from Republican (R) and Democrat (D) pollsters:<sup>43</sup>

The Obama administration's relaxation of Cuban-American travel restrictions are supported	(R: 71%, D: 90%)
Americans in general should be able to visit Cuba	(R: 62%, D: 77%)
Diplomatic relations with Cuba should be re-established	(R: 57%, D: 82%)
Increased travel and trade will lead Cuba in a democratic direction	(R: 59%, D: 80%)
Cuba is "just a slight threat" or "no threat at all" to the United States	(R: 51%, D: 70%)
A majority (59%) of the American public endorses the view that it is "time to try a new approach to Cuba, because Cuba may be ready for a change"	

In terms of the US embargo policy, just days before the World Public Opinion poll was released, separate Gallup and ABC polls showed that approximately 55 percent of Americans believe the embargo should be ended, with 35 percent believing it should be continued, and the rest unsure.<sup>44</sup> Due to such strong public support for a shift in Cuba policy, the risks of making a drastic shift in the country's Cuba policies are decreasing rapidly. Leaders willing to promote such a transformation stand to reap significant political gains.

A steady demographical shift in the Cuban-American population also makes such a stance politically pragmatic. As experts have noted, first generation Cuban-Americans, traditionally more linked to Cuba policy hardliners, "are retreating from the political stage, if for no reason other than age."<sup>45</sup> In contrast, later-generation immigrants are no longer single-issue voters, made particularly evident during the 2008 election, as the majority of Cuban-American voters agreed with Obama's Cuba policy, but still voted for Senator John McCain.

In fact, Florida International University (FIU) polls show that on a variety of issues, including ending restrictions on remittances and travel, ending the embargo, and reestablishing diplomatic relations, there is a 15 to 20 percent hike in support for these policies among those who immigrated between 1980 and 1998, as opposed to earlier immigrants. There is an additional increase of 5 percent for those who came to America after 1998.<sup>46</sup> Clearly, as these demographics continue to provide rising support for engagement and ending the embargo, politicians should and will attempt to shift Cuba policy accordingly.

Nonetheless, while the above views do provide increasing political clout, one cannot discard the historical significance of election year Florida politics. During his campaign, President Bush repeatedly condemned the June 2000 seizure of Elián González and made it clear that "he intended to confront [Fidel] Castro."<sup>47</sup> Harsh anti-Castro rhetoric ultimately helped Bush win the election, as he won 80 percent of the Cuban-American vote and the state of Florida by only 537 votes.<sup>48</sup>

In the aftermath of the 2000 presidential election, it is inevitable that candidates continue to fear alienating a strong voting bloc in a key swing state. Similarly, Republican campaign finance money going into Democratic coffers bolsters the status quo and prevents policy modifications.<sup>49</sup> Florida can still determine an election, but candidates should note the weakening correlation between the voting patterns of Cuban-Americans and the Cuba policies touted by politicians, as well as the demographical changes that have taken place since 2000.

Ultimately, public support amongst Americans as a whole, as well as Cuban-Americans in particular, shows that pragmatism is winning, and that the majority prefers engagement over isolation. More recently, Raúl's reforms are also providing domestic momentum for a transformation of US-Cuba policy. Forward-looking American leaders will see these shifts and take advantage of the political gains that they provide by ending the embargo and normalizing relations with Cuba.

## Conclusion

The two countries' histories have long been intertwined, particularly after the Monroe Doctrine of 1823 gave rise to the American belief that it would become the hemisphere's protector. Until the immediate aftermath of Fidel Castro's revolution, Cuba provided a testing ground for the promotion of American ideals, social beliefs, and foreign policies.

In the context of Raúl shifting course in Cuba, the Obama administration has the opportunity to highlight the benefits of both the use of soft power and a foreign policy of engagement. As evidence mounts that the United States is ready to engage countries that enact domestic reforms, its legitimacy and influence will grow. Perhaps future political leaders, in Iran or North Korea for example, will be more willing to make concessions knowing that the United States will return in kind.

The United States should not wait for extensive democratization before further engaging Cuba, however. One legacy of the Cold War is that Communism has succeeded only where it grew out of its own, often nationalistic, revolutions. As it has with China and Vietnam, the United States should look closely at the high payoffs stemming from engagement. By improving relations, America can enhance its own influence on the island's political structure and human rights policies.

At home, with the trade deficit and national debt rising, the economic costs of the embargo are amplified. Recent studies estimate that the US economy foregoes up to \$4.84 billion a year and the Cuban economy up to \$685 million a year.<sup>50</sup> While US-Cuban economic interests align, political considerations inside America have shifted, as "commerce seems to be trumping anti-Communism and Florida ideologues."<sup>51</sup> Clearly, public opinion also favors a new Cuba policy, with 65 percent of Americans now ready for a shift in the country's approach to its neighboring island.<sup>52</sup>

At this particular moment in the history of US-Cuban relations, there is tremendous promise for a breakthrough in relations. In a post-Cold War world, Cuba no longer presents a security threat to the United States, but instead provides it with economic potential. American leaders cannot forget the fact that an economic embargo, combined with diplomatic isolation, has failed to bring democracy to Cuba for over 50 years.

American policymakers should see Cuba as an opportunity to reap the political, economic, and strategic rewards of shifting its own policies toward engagement. By ending the economic embargo and normalizing diplomatic relations with the island, President Obama would indicate that he is truly willing to extend his hand once America's traditional adversaries unclench their fists.

- 
1. The White House, "President Obama's Inaugural Address," Office of the Press Secretary, January 21, 2009.
  2. From here on, Raúl Castro will be referred to as Raúl to distinguish him from his brother Fidel Castro.
  3. Louis Pérez Jr., "Fear and Loathing of Fidel Castro: Sources of U.S. Policy Toward Cuba," *Journal of Latin American Studies* 34, no. 2. (May 2002): 227-254.
  4. Mike Dorning, "Obama Defends Engagement with Cuba," *The Swamp*, May 23, 2008.
  5. Barack Obama, "Our main goal: Freedom in Cuba," *Miami Herald*, August 21, 2007.
  6. Abraham Lowenthal, Theodore Piccone, and Laurence Whitehead, *The Obama Administration and the Americas: Agenda for Change* (Washington, DC: Brookings Institute, 2009), 128.
  7. The White House, "Reaching out to the Cuban People," Office of the Press Secretary, April 13, 2003.
  8. Senator Richard Lugar, "Lugar: Cuba sanctions have failed the purpose of bringing democracy to the Cuban people," March 30, 2009, <http://lugar.senate.gov/issues/foreign/lac/cuba/pdf/Cuba2.pdf>
  9. The White House, "President Bush Discusses Cuba policy in Rose Garden Speech," Office of the Press Secretary, October 10, 2003.

10. Lowenthal, Piccone, and Whitehead, *The Obama Administration and the Americas*, 127.
11. "Human Rights Watch World Report 2010: Events of 2009," (New York: Human Rights Watch, January 2010), 218.
12. Shasta Darlington, "Cuban president vows to defend socialism," *CNN*, August 2, 2009, [http://articles.cnn.com/2009-08-02/world/cuba.us.castro\\_1\\_cuban-president-raul-castro-cuba-s-economy-communist-party-congress?\\_s=PM:WORLD](http://articles.cnn.com/2009-08-02/world/cuba.us.castro_1_cuban-president-raul-castro-cuba-s-economy-communist-party-congress?_s=PM:WORLD).
13. Abraham Lowenthal, "Obama and the Americas," *Foreign Affairs* 89, no. 4 (July/August 2010): 116.
14. The first set of economic reforms were enacted upon Raúl's assumption of the Cuban Presidency in February 2008, when he outlined a set of market transformations intended to improve productivity and decrease centralized control of the economy by boosting the agricultural sector, liberalizing the sale of technology, distributing property, and eliminating wage ceilings for state-run enterprises.
15. Julia E. Sweig, "Absent at the Creation," *The New York Times*, October 1, 2010.
16. Marc Frank, "Cuba Unveils a Capitalist Revolution," *The Financial Times*, November 1, 2010.
17. Raúl Castro, "Socialismo significa justicia social e igualdad, pero igualdad no es igualitarismo," *Granma*, April 29, 2008.
18. Julia E. Sweig, "A Reform Moment in Cuba?" *Council on Foreign Relations*, July 8, 2010, accessed January 14, 2011, <http://www.cfr.org/cuba/reform-moment-cuba/p22617>.
19. The White House, "Reaching out to the Cuban People," Office of the Press Secretary, January 14, 2011, <http://www.whitehouse.gov/the-press-office/2011/01/14/reaching-out-cuban-people>.
20. Julia Sweig, *Cuba: What Everyone Needs to Know* (Oxford: Oxford Press, 2009), 128.
21. Ernesto F. Betancourt, "Changing U.S. Cuba Policy," *Society Abroad* 43, no. 5 (July/August 2006): 64-71.
22. Stephanie Hanson, "U.S.-Cuba Relations," *Council on Foreign Relations*, January 11, 2010, accessed January 6, 2011, <http://www.cfr.org/cuba/us-cuba-relations/p11113>.
23. United States Department of State, "Background Note: Cuba," March 25, 2010, <http://www.state.gov/r/pa/ei/bgn/2886.htm>.
24. Philip Brenner and Marguerite Jimenez, "U.S. Policy on Cuba Beyond the Last Gasp," *North American Congress on Latin America* 39, no. 4 (January/February 2006): 20.
25. Daniel Fisk, "Statement Before the Subcommittee on the Western Hemisphere, House Committee on International Relations," October 19, 2005.
26. Lowenthal, *The Obama Administration and the Americas*, 143.
27. Hanson, "U.S.-Cuba Relations."
28. Alister Bull, "Obama, in blow to closing Guantanamo, signs law," *Reuters*, January 7, 2011.
29. "Patterns of Global Terrorism 2001," United States Department of State, May 2002, 63, <http://www.state.gov/documents/organization/10319.pdf>.
30. Sweig, *Cuba*, 183.
31. Vicki Huddleston, *Learning to Salsa: New Steps in U.S.-Cuba Relations* (Washington DC: Brookings, 2010), 17.
32. "Background Note," Department of State.
33. Tim Padgett and Dolly Mascarenas, "Why Raúl Castro Could End Up a Reformer," *Time*, August 2, 2006, accessed January 7, 2011, <http://www.time.com/time/world/article/0,8599,1222009,00.html>.
34. "Economic Eye on Cuba," U.S.-Cuba Trade and Economic Council, Inc., July 2010, <http://www.cubatrade.org/>.
35. *Ibid.*
36. When the TSRA passed in 2000, the bill managed to garner bipartisan support; many Republicans broke rank, noting the potential that eliminating food sanctions provided Midwest farm states. Their voice has only grown since. By the time Clinton left office he had successfully built a bipartisan consensus in Congress that supported engagement of Cuba.
37. Lissa Weinmann, "Washington's Irrational Cuba Policy," *World Policy Journal* (Spring 2004): 26.
38. Weinmann, "Washington's Irrational Policy," 29.
39. "U.S. Agricultural Sales to Cuba: Certain Economic Effects of U.S. Restrictions," United States International Trade Commission, 2007, <http://www.usitc.gov/publications/pub3932.pdf>.
40. Eugene Wittkop and James McCormick, *The Domestic Sources of American Foreign Policy* (Oxford: Rowman & Littlefield, 2004), 78.
41. Daniel Erikson, "The New Cuba Divide," *The National Interest* 2, no. 67 (Spring 2002): 1-7.

42. Huddleston, *Learning to Salsa*, 229.
43. "Americans Favor New Approach to Cuba: Lift the Travel Ban, Establish Diplomatic Relations," *World Public Opinion.org*, April 14, 2009, <http://www.worldpublicopinion.org/pipa/articles/brunitedstatescanadara/600.php>.
44. "ABC News and Washington Post Poll," April 21-24, 2009, as well as "Gallup Poll," April 20-21, 2009, <http://www.pollingreport.com/cuba.htm>.
45. Sweig, *Cuba*, 237.
46. Huddleston, *Learning to Salsa*, 229.
47. John Maggs, "New President, Same Old Cuba policy," *Foreign Affairs*, June 6, 2001.
48. Sweig, *Cuba*, 179.
49. Julia E Sweig, "Media Conference Call: Fidel Castro and Cuba," *The Council on Foreign Relations*, September 13, 2010, <http://www.cfr.org/cuba/media-conference-call-fidel-castro-cuba/p22942>.
50. Margot Pepper, "The Costs of the Embargo," *Dollars and Sense: Real World Economics* (March/April 2009), <http://www.dollarsandsense.org/archives/2009/0309pepper.html>.
51. William M. LeoGrande, "The United States and Cuba: Strained Engagement," in *Cuba, The United States, and the Post-Cold War World: The International Dimensions of the Washington-Havana Relationship*, eds. Morris Morley and Chris McGillion (Gainesville, Florida: University Press of Florida, 2005), 12-58.
52. Sweig, *Cuba*, 230.

# Populism or Democratic Consolidation: The Divide in Latin American Leadership

RIORDAN ROETT

As a result of different experiences of the processes of political liberalization and market-oriented reforms over the past few decades, there is a clear divide in styles of political leadership in Latin America today. Consolidated democratic regimes have been generally successful, addressing social concerns while maintaining responsible fiscal policies. On the other hand, economic and political instability have plagued those countries where populist regimes have mobilized marginal groups through the use of anti-elitist rhetoric. For these populist states, the example of their successful Latin American neighbors may offer guidance for a future transition to a different style of political leadership based on responsible fiscal management and social progress.

Some decades ago, the issue of leadership in Latin America fell into two categories: weak civilian regimes or military dictatorships. The latter began to disappear in the 1980s, the process ending with the peaceful transfer of power from the armed forces in Chile to a civilian coalition in 1990. Since that time, the leadership challenge has been between left-of-center, fiscally responsible governments—such as those in Brazil, Uruguay, Chile, and Peru—or populist regimes that are generally fiscally irresponsible—as have been seen in Venezuela, Ecuador, and Argentina. In a few cases—such as Chile, Mexico, and Colombia—governments have been centrist or right-of-center but with a commitment to fiscal responsibility.

## Background

Post-World War II Latin America found itself challenged by the existing international economic order. Raúl Prebisch, a prominent Argentine economist who was to become director of the Economic Commission for Latin America and the Caribbean (ECLAC), argued that the region was peripheral to the industrial centers of the world economic system. Moreover, it was highly dependent on commodity and mineral exports, with the prices and demand for those products determined by these centers. He

---

Professor Riordan Roett is the Director of Western Hemisphere Studies and the Latin American Studies program at the SAIS Washington campus, where he has twice received the Excellence in Teaching Award. He also is a member of the Board of Directors of a series of mutual funds at Legg Mason, Inc. in New York. From 1983 to 1995, he served as a consultant to the Chase Manhattan Bank in various capacities, and from 1989 to 1997, he was a Faculty Fellow of the World Economic Forum at the annual meeting in Davos, Switzerland. Dr. Roett is a member of the Council on Foreign Relations and The Bretton Woods Committee.

lobbied successfully for Latin America to pursue policies of *import substitution industrialization* (ISI). Programmed for a limited but unspecified period of time, ISI would allow the countries of the region to substitute for expensive imports from the center by producing products of comparable quality at home. The difficulty was the word “quality;” the goods produced were inferior to those previously imported. Furthermore, ISI quickly became a bewildering pattern of large public bureaucracies, corruption, multiple exchange rates, and frequent currency crises. And a critical component of ISI was the growth of powerful urban labor movements that looked to the State for constant wage increases, social security benefits, and other prerequisites, which became increasingly burdensome on economic systems that saved too little and taxed only a small portion of the population.

After a short period of apparent success, most of the countries encountered bouts of hyperinflation, labor unrest in the cities, and in some countries, new and escalating violence in the countryside, as politicians sought new popular bases of electoral support. Public order became a growing concern for the established elites, both urban and rural. The natural ally of these groups was the armed forces, whose constitutional responsibility was the maintenance of internal law and order as well as the defense from external challenges. But the latter was irrelevant in the twentieth century. The military therefore assumed a role of internal vigilance against political polarization and populist movements that might upset the existing institutional order.

The first country to succumb to a military *coup d'état* was Brazil in 1964. There, ISI had produced all of the symptoms mentioned above. To return to the *status quo ante*, the army removed a weak, populist, but democratically elected government and replaced it with the first *bureaucratic-authoritarian* (BA) state. Supported by the traditional elites, the military argued that the country needed an efficient State that would modernize the country at any cost and the modernization project would be supported by a flexible, but authoritarian, government in the hands of the armed forces. Military interventions quickly followed in Argentina, Uruguay, Peru, Bolivia, and other countries. Ultimately, all the BA regimes imploded—some through violence, but the majority, luckily, through negotiation and face-saving exits for the armed forces. The process began in Argentina in 1983, following the disastrous defeat of the military regime by Great Britain in the conflict over Las Malvinas (Falkland Islands) in the South Atlantic. Brazil followed in 1985, and the process was complete by 1990, when President Augusto Pinochet in Chile ceded power.

### The Transitions and the Washington Consensus

With one or two exceptions—Chile being the most successful—the transition governments that emerged were weak and feckless. It did not help the transition to democracy that the region had entered a deep recession in 1982 with the onset of a decade-long debt crisis. Revenues that should have been spent on social programs to ease the transition were transferred overseas to meet the debt payments due to US and European banks and financial institutions. Yet the democratic regimes survived—though barely. As it became apparent that the old economic models were no longer valid, a group of Latin American and US economists began to explore a new model. They termed it the “Washington Consensus,” (hereafter referred to as “the Consensus”), and it was launched in 1989. It called for, first and foremost, fiscal discipline, along with tax reform, competitive exchange rates, privatization of state-owned enterprises, encouragement of foreign direct investment, and economic deregulation in the region. Most of these reforms were implemented over the next several years. Unfortunately, a few important components of the Consensus were overlooked, including the idea that government spending, once fiscal balance was achieved, should be directed to education, health, housing, and physical infrastructure. Also ignored was the concept that property rights must be reinforced, since weak laws and poor judicial systems reduce incentives to save and accumulate wealth.

After a few years of positive results, it became apparent that these overlooked issues were more important to the majority of the population than the more technical aspects of the program that had been implemented. Polls indicated that support for democracy was increasingly precarious, given that the governments were not producing more jobs or providing better education and health care but rather appeared to be more interested in working with foreign investors, wealthy elites, and the multi-national institutions in Washington, DC. In a few countries, there were rumors of a return to military rule and a new version of the BA regime.

It slowly became apparent that the region was dividing between committed reform leaders, who understood the need for social progress as well as economic reform, and leaders who did not. Chile, with its transition to democracy in 1990, was the first country to demonstrate that sound fiscal policies were compatible with social progress. It also showed that after repressive dictatorship, different political parties could govern in a grand coalition and reduce the role of the armed forces in the economy and society. But Chile was a small country with a “boutique” economy. After a negotiated return to democratic rule in 1985 followed by nine years of political drift, Brazil was in 1994 the first major country in the region to undertake a meaningful economic and financial reform agenda. It faltered in 1999, when the financial crises that arose in Asia in 1997 and Russia in 1998 forced the devaluation of Brazil’s currency. But good management by intelligent public officials resulted in the necessary adjustments, and Brazil has since then become a regional powerhouse and an increasingly important player on the global stage.

Both Chile and Brazil demonstrated that political leadership was capable not only of good government but also of a peaceful transfer from one political party to another. In 2002, the Social Democratic government of President Fernando Henrique Cardoso in Brazil gave way to the Workers Party (PT) of President Luiz Inácio “Lula” da Silva (2002–2011). The PT had been a far-left organization, but Lula and his advisors understood that the hard work of the Cardoso government was in their—and in the country’s—best interests. Continuity was the best policy option. In Chile, the year 2010 saw the 20-year-old coalition of the Christian Democrats and the Socialists defeated democratically by the right-of-center movement of President Sebastián Piñera, who has promised continuity.

Uruguay followed a similar course, as did Colombia (the only major state not to have suffered under a military dictatorship). Peru followed a more tortured path to democracy. After the withdrawal of the military in 1980, weak civilian governments survived but with growing disorder driven by the Maoist-oriented *Sendero Luminoso* (Shining Path) guerrilla movement. Only with the election of President Alberto Fujimori in 1990 did the government successfully defeat the *Sendero* and introduce market reforms and related policies. But Fujimori became a civilian authoritarian leader for a decade, with the strong support of the state security forces. After his resignation in 2000, Peru finally experienced a true transition to a democratic system with strong civilian leadership.

Argentina remains the odd man out. Democratic elections are held with regularity. But after a period of apparent success with the Consensus under Peronist Party leader President Carlos Menem (1989–1999), the country collapsed economically and politically in 2000–2001 under a failed opposition government. The Peronist Party, a classic urban populist regime, returned to power in 2003 when Néstor Kirchner was elected through a classic appeal to the urban workers and the poor. He was succeeded by his wife, Cristina Fernández de Kirchner, in 2007. Since then, Argentina has confronted swelling inflation, a lack of access to international capital markets, and an affinity with populist leaders in the region.

### The Populist Left Emerges

But the story does not finish there with a happy ending. Venezuela, a petro-state, had also avoided a BA regime. But its two traditional parties atrophied: old leaders precluded new ones from emerging.

The state's oil wealth "disappeared" into the hands of a few while jobs were not created and social welfare programs were nonexistent. Having pacified the armed forces in 1958 after an impressive transition to civilian rule, the political elites failed to understand that the junior officer corps was increasingly critical of the lack of government reform. In 1992, Colonel Hugo Chávez led a *coup d'état* that almost succeeded in overthrowing the government of President Carlos Andrés Pérez. Ironically, Pérez had attempted to implement the Consensus after his election in 1989 but did not prepare the country for the shock program he attempted to implement. Following Pérez's impeachment, weak administrations tried to sustain the democratic process, but Chávez, now widely popular, used his populist rhetoric and leadership style to win the presidency in open and fair elections in 1998.

Chávez immediately condemned the market-oriented policies of the Consensus and created a one-man regime that has maintained a façade of democracy but has become increasingly autocratic and repressive. His "Bolivarian Revolution" has used the impressive oil revenues of the state for programs of social distribution that retain the support of at least fifty percent of the population in poll after poll.

A similar model has been adopted in Ecuador. After a transition from military government in 1979, weak civilian governments attempted to use oil revenues for social investment projects, but warring factions in Congress stymied well-meaning efforts. Throughout the 1980s and into the mid-1990s, the political pendulum swung violently from left to right and back again. Presidents came and went with frequency. An increasingly mobilized indigenous movement began to play an important role in making and breaking governments. Finally, in 2006, Rafael Correa, a young US-trained economist and former finance minister, won a run-off election. He was expected to establish a stable civilian regime, but he chose to follow the Chávez model of governance. He quickly denounced US policies in the region and neutralized political opposition and dissent, and he currently rules by decree and constant referenda designed to expand his power. Young and charismatic, he uses the Chávez style of appealing to the marginal groups in Ecuadorean society for political support and uses the rhetoric of anti-elitism so familiar to the political discourse in Venezuela.

Bolivia, a poor and isolated landlocked country in the Andes, has seen every model of government—military, civilian, and mixed—fail. During two terms of President Gonzalo Sánchez de Lozada (1993–1997 and 2002–2003), the Consensus was applied with varying degrees of success. But the social group that carried the burden of reform was the majority, indigenous population. In his second term, Sánchez de Lozada encountered an economy in sharp decline and a growing fiscal deficit. His opponent in the 2002 election was Evo Morales, a leader of the coca growers' union and the leader of the Movement Toward Socialism (MAS). In late 2003, the People's High Command, led by MAS, challenged the government; the president quickly resigned and left the country. Morales won with an overwhelming majority in the 2005 elections. He has adopted the rhetoric of Chávez and Correa but with a more nuanced set of economic and financial policies. Yet the anti-Consensus bias is obvious in the populist discourse of the Morales regime. It is highly critical of US foreign policy, supports the power of the people, and calls for a reduction in both the economic and political power of the non-indigenous minorities in the country's lowlands.

## Conclusion

Latin America has seen a deep division in styles of leadership over the last fifteen years. After failed, weak civilian governments, some countries opted for reasonable market reforms with a "socialist face." Brazil under Lula demonstrated that it is possible to maintain responsible fiscal policies and invest in people—the best example is the highly successful *Bolsa Família* (Family Basket) conditional cash transfer program that has helped lift tens of millions of Brazilians from poverty. Chile under regimes of the Center-Left and the Center-Right has addressed the "social deficit" that remained from the military

regime in a strong democratic framework. In Peru, the democratic regimes succeeding Alberto Fujimori's 2000 departure have governed responsibly but still face the demands of an isolated but increasingly mobilized indigenous population in the Amazon Valley. Uruguay and Colombia have demonstrated that transitions can be both peaceful and successful. Leadership in both countries has proven to be popular and predictable.

The success of the leadership in the consolidated democratic regimes contrasts sharply with the ongoing political distress in countries like Venezuela, Ecuador, and Bolivia, where populist rhetoric, anti-elitist policies, and opposition to US influence continue to flourish. But the economies remain weak, and investment is low or nonexistent. And in spite of efforts to provide hand-outs to the poor, poverty and inequality remain high. The hope is that future transitions in the populist states will provide opportunities for responsible democratic leaders to come forward and implement people-friendly policies in a responsible fiscal framework.



# Antagonism in Wonderland: Argentina's Original Public Sector Sins

An Analysis of Export Taxes, Pension Reform and Why Argentina Never Gets the Equation Right

JAMES STRANKO

Argentina's public sector spending has consistently outpaced tax revenues—opening up a gap that could only be filled by massive deficits, official currency manipulations, inflation underreporting and other fiscal and monetary hocus pocus. But even that hasn't worked for current president Cristina Fernández—forcing her to smear opponents and silence critics at the expense of creating sustainable policies.

This paper looks at increased export taxes on soy and the privatization of national pensions as examples of fundamental Argentine fiscal policy. Through first person interviews with a politician, government worker, businessman and academic, it also aims to imbue the issues with the local politics that shape Argentina's political realities and that typically fail to make it to the international press.

## Introduction

Argentina's social balance rests on a few polarizing debates: city vs. countryside; center vs. periphery; landowning class vs. working class, Peronist vs. everyone else. In the perpetual balancing act that government and society must perform, spending commitments that aim to smooth these conflicts outweigh the insufficient tax collection and state-enterprise profits that pay for them. Even after the country's historic default, subsequent debt renegotiation, and subsequent export-led bonanza of growth, Argentina's government revenue consistently fails to match its spending commitments. This dynamic has contributed to the overall instability of the Argentine Republic during the twentieth century, yet it seems like an inevitable feature of Argentina's political structure. It also causes the government to take drastic and punitive measures when times are tight.

A number of factors contribute to this harmful dynamic of Argentina's political economy. To give structure, this paper will use two of Argentina's most recent eruptions—the nationalization of private pensions in 2008 and the agricultural export tax debacle of the same year—as examples of the irresponsibility and political expediency that undermine sustainable government revenue and

---

James Stranko is an M.A. candidate at the Washington, DC campus of SAIS. He graduated from Columbia University with a degree in Political Science and Latin American Studies. Before coming to SAIS, Stranko worked in London and New York in management consulting and public relations before being awarded a Fulbright Binational Business Fellowship in 2009 to work with a leading social entrepreneurship NGO in Mexico City.

spending. It will also examine the antecedents that influence the problems and the ways in which unpredictable government behavior has provoked a broad feeling of uncertainty in the Argentine economy. Finally it will examine the role of Argentina's polarizing politics, insidious elite control, and weak conception of national solidarity as key actors in this dynamic.

### First World Public Sector Expectations and Third World Realities

Richer societies demand more public sector spending. In these societies the state has guaranteed certain services to all of its citizens due to the more stable nature of tax revenue and the relative size of the state budget. Many of these commitments, particularly in Western Europe, were born from a desire to provide a broad welfare state mechanism in the ruins of the Second World War. In the United States, one of the largest expansions of public goods was the New Deal at the wake of the Great Depression. The general success of public goods over time (despite the strain on funding currently being seen on both sides of the Atlantic) is apparent in the public's satisfaction with the good being provided and the state's ability to unite political support for the continued provision of such goods.

Argentina, unfortunately, neither had a defining national moment to establish broad support for these goods nor the economic wellbeing over time to support their provision. The *Ministerio de Salud* (Ministry of Health) is one good example of the destructive politics associated with providing public goods in Argentina. Established in 1949 under Juan Perón's direction (and with the spiritual leadership of his wife Evita), this ministry was dissolved under the subsequent military coup. The ministry was reinstated under Arturo Frondizi's administration (1958–1962), and then dissolved again during the 1976 military junta's brutal "National Reorganization Plan." It was reinstated by Raúl Alfonsín in 1983 and later fused and defused several times into and out of other ministries, the most recent move occurring during the current Fernández de Kirchner administration. As in the case of the Ministry of Health, many of the social spending commitments made in the realm of public goods, pensions being a prime example, have been purely political decisions. They lack the institutional and solidarity necessary to maintain coherent programs both in their founding and in their current operation.

Contributing to this instability are the nefarious effects of populism and clientelism. This, of course, is nothing new in Argentina's history, nor is it exclusive to Argentina in the realm of social spending (other Latin American countries provide particularly egregious examples of both). At the same time, the Argentine public sector collects a smaller proportion of national income than countries with similar social spending programs. This phenomenon has a simple explanation: Argentines that can evade taxes often do, and the state up until recently was ineffective in addressing fraud and evasion. The tendency to ignore fiscal realities or manipulate numbers to suit contemporary policies (from Perón's time to the present) complicates the issue. Argentina's government has only been willing to reform the economy in key sectors when such manipulation is not enough to sustain spending.

Cristina Fernández de Kirchner's government has shown a flimsy commitment to budget control and an aversion to the tough political decisions required to match public expectations with financial reality. While fiscal austerity, particularly in the current environment, is a challenge many governments face, Argentina's past demonstrates a clear inability to match economic reality with self-assessment. Increased export taxes on soy and the privatization of national pensions are good examples of fundamental national questions that continuously constrain fiscal policy. The next section will address some of the dilemmas both incidents posed to Argentina's fiscal situation.

---

**The Taxing Side: Resolución 125—Export Taxes on Soy**

Following the 2001 crisis, the country's economy had grown very rapidly, at an annual rate of more than 8 percent since 2003. Part of this was the natural recovery from the devastating economic meltdown of late 2001, but another important part was the reestablishment of a strong agricultural and resources sector. Despite criticism that this resulted largely from rising global prices for raw materials, the agricultural sector had become a serious motor for economic growth in Argentina. Alongside the rising prices came rising demand; by taking advantage of the considerable rise in demand from traditional buyers and new actors in Asia, exporters developed a strong production capacity capable of satisfying large markets.

However, attempts to tax this success led to one of the most serious threats to the Kirchner-led dominance of post-2001 Argentine politics. The months-long incident began on March 11, 2008 when Martín Lousteau, then the Minister of Economy and Production, proposed a new tax regime that raised the fixed agricultural export tax to a variable rate between 35 percent to 44 percent. In addition, this rate was meant to change alongside shifts in the price of commodities such as soybeans, wheat, etc. The tax was estimated to have the potential to generate about \$2.3 billion (USD) per year for the government.<sup>1</sup> Adding insult to injury, Fernández introduced the increased tax rates without consulting Congress. What followed was months of protests and fierce lobbying from the agricultural sector alongside a general feeling of miscalculation and unfairness on the part of the Fernández government.

Several observers noted that the Fernández government viewed the taxes as an opportunity to redistribute the wealth that was created during the agricultural bonanza years.<sup>2</sup> The easiest target was the farming sector, and the revenue potential to fund activities to entrench Fernández's party positions was clear. Argentine farmers were unified in their opposition, launching crippling strikes that blocked foodstuffs from arriving to the nation's principal cities and mounting roadblocks around the most important trade routes in Argentina.

Indeed, these were not just protests reacting to marginally higher taxation. Under the Fernández government, income tax is levied on top of the export taxes, meaning that nearly 44 percent of the soy revenue would have been siphoned off by the state. The farming sector claimed that the cultivation, harvesting and transportation processes take about half of their revenues; only six cents on the peso are returned in profits to farmers. This tax would drastically change the economics of opening new fields in Argentina's vast empty plains to farming and would put constraints on the resilience of farmers against changes in world prices and the specter of a bad crop.

In a stunning turn of events Fernández's vice president Juan Cobos cast an emotional deciding vote and the Senate voted 37 to 36 to reject the system of floating-rate taxes. When asked why he voted the way he did, Cobos said "I agree with the distribution of wealth," but "I also know that one has to see a reasonable profit. To redistribute wealth, one has to create it."<sup>3</sup>

Carlos Malamud, chief Argentine researcher at the *Real Instituto Elcano* in Spain, believes that the farm levies represent "the only recent political crisis in Argentina that is not the direct result of a serious economic situation. It is a political crisis that has led to a deterioration of the economic situation."<sup>4</sup>

In addition, the crisis has started to dent Argentina's reemerging image as a credible actor for international investors and financial markets. Martín Simonetta, executive director of the nonprofit civil-society promoting Atlas Foundation, argued that "Argentina does not really exist abroad...and has no 'capacity to damage' other economies. It is merely a country that is losing a great opportunity to jump on the train of growth fueled by global commodity prices. The government's voraciousness since 2001 has led to abusively high taxes that have paid for the tripling of public spending."<sup>5</sup>

But those close to the government find this an overly simplistic explanation. According to Sebastián Welisiejko, who works directly with the Fernández government as an economist, taxing the agrarian sector was not solely for political reasons to upend a powerful sector. The 35 percent tax on soy exports represented an effective and cheap way of capturing lots of revenue for the Peronists. In a society where it is difficult to collect taxes, this tax is very efficient while being cognizant of international demand and prices. Welisiejko continues, “It is necessary to abut the level of spending the government had budgeted.”<sup>6</sup> Nevertheless, even if the motivation was principally economic, the move is also a power play—taxing a sector that is politically powerful and confrontational.

Representative Facundo Di Filippo, a legislator in the Buenos Aires City Legislature for ARI (*Afirmación para una República Igualitaria*) of the *Coalición Cívica* sees this as a positive sign of political pluralism in Argentina’s troubled democratic process. He maintains that despite a large presence of *agrodiputados* (representatives that are heavily swayed by agrobusinesses) in Congress, the industry was not successful in reducing the export taxes. To Representative Di Filippo, the failure of the Fernández administration to push through increased *retenciones* (export taxes) and the failure of the *agrodiputados* to negotiate further reductions showed that there is not one unified rural sector.<sup>7</sup> It proved that there are strong divergent interests—between multinational distributors, large national producers, small and medium-sized farms, and the rural working class—and a multiplicity of social actors involved in Argentinean agriculture.

Unexpectedly, Fernández paid a huge political price for pushing the policy, and the powerful agricultural sector found support in unanticipated places. This was exceptional given the political environment created under the Kirchners. Instead of cheering on the increased revenue for the state, many people who were discontent with the government for other reasons were drawn into the dispute. A strange marriage developed between left-wing protest movements and the entrenched right-wing agricultural sector of society (admittedly with some of the urban activity paid for handsomely by the wealthy rural courtiers), and the economic rationale behind the taxes quickly lost credibility. What became important was the unification behind an anti-Kirchner agenda, even if neither side had equal outcomes in mind. Although retaining the all-too-common features of character assassination and a divorce of pragmatism from collective action, the episode provoked a twist in the traditional city-country urban-agricultural antagonism that has persisted in Argentine society since the nineteenth century.

### The Spending Side: *The Nationalization of Private Pensions*

Argentina’s first public pension system came into being relatively early on—having been created out of the 1967 merger of other independent funds. Given the different interest groups that fought for their share of state funding, the system was widely considered to encourage rent seeking and favor certain sectors. So in 1994, under the neoliberal Peronist President Carlos Menem, the state reformed the pension system and gave the public the option of: A) a public system with wage contributions and fixed benefits; B) a private system with ten managed funds (AFJPs) to choose from; or C) a straight deposit to a savings account—all at a flat rate of 11% of gross wages.

The early results were encouraging. Between the privatization and the re-nationalization, the AFJP accounts grew by an average annual 7.7 percent,<sup>8</sup> with fees trending downwards and the portfolios (aside from government bonds) diversifying into multiple asset classes. In addition, the private system meant there was no arbitrary “pension formula,” thereby eliminating a large source of the rent seeking that plagued the erstwhile public option. According to Kristian Niemetz, a researcher at the Institute of Economic Affairs in London, the AFJP system “particularly benefited low-income earners, because in the old system, the implicit rate of return was regressive.”<sup>9</sup>

In addition, Argentines in the formal sector, particularly employers, initially viewed this move as positive because the former system had been a reliable political target for extra cash.<sup>10</sup> Old tactics included filling budget holes by fixing pensions in nominal terms during high inflationary environments. Furthermore, the private system addressed the major fundamental flaw of the previous system: government interference. Indeed skeptical Argentines, now with the ability to choose, chose not to rely on another government body, and private membership grew while the public system shrank.<sup>11</sup>

However, the transition proved imperfect. According to David Thompson, the English-Argentine director of the International House-Buenos Aires, while “it may work in fiscally stable countries, [the private system] took far too much money out of circulation for the government to stomach.”<sup>12</sup> Plus, actors across the political spectrum began to claim that the Menem government got the deal wrong with the companies, and that the involved financial institutions made unreasonable profits on transaction charges.

It stands to reason that, in the months and years leading up to the announcement by the Fernández government to expropriate the pension system, there were rumblings of official dissatisfaction with the program. The charges against it included the lack of coverage; with a large part of the Argentine public working in the informal sector, many of the poorest Argentines were shut out of the system. Another less substantiated claim included accusations of usury and mismanagement against the financial firms—a claim belied by the funds’ performance over their lifespan.<sup>13</sup> Nonetheless, the government’s decision to announce the reform on October 21, 2008 came as a surprise to investors and pensioners who believed, perhaps naively, that the relatively positive performance of the private system put pension funds off-limits to government meddling.

Even more surprising to the private sector was the reaction in Congress. The law earned the votes of nearly 70 percent of both houses, including many prominent members of the opposition parties. The vote reflected, according to Camila Arza, a researcher at FLACSO, the “general unpopularity” of the privatized system in the political class. Some opposition politicians maintained dissent throughout. Sen. Ernesto Sanz of Mendoza, leader of the center-right UCR block in the Senate, said, “We don’t have any doubt that this is violating the right to private property. Not just for us, but for all society and the world. This is clearly confiscation.”<sup>14</sup>

The Economist agreed, writing, “Many economists see the measure as a naked government grab for pensioners’ assets.”<sup>15</sup> Financial markets reflected this sentiment. In the month following the approval of the bill, the Merval Index (Argentina’s main stock exchange) fell by 27 percent, and \$4 billion left the country. Even Argentines were worried by the resolution’s impact on their financial security, with 5 percent of all deposits nationwide being pulled out of banks. Also, there was serious concern that the financial muscle of the state pension scheme, which at the time of approval owned shares worth 13 percent of the Merval—would meddle in the day-to-day management of companies via board-level interference.<sup>16</sup> Other experts agree with this assessment. Claudio Loser from the Inter-American Dialogue called the resolution “one of the most blatant acts of financial piracy in the country’s recent history” and warned that it “would eliminate [the individual savings model], and convert them into a pay-as-you-go system, with large funds that could be spent almost freely by the Argentine government.”<sup>17</sup>

But overall political and popular reactions were very different, invoking the longer national memory of the history of the pension system and making the cognitive distinction between rationale and procedure.<sup>18</sup> According to Representative Di Filippo, the private pension system was an “unsustainable alternative.” Nevertheless, his party leader and an important national figure, Elisa Carrió, led the opposition to the pension reform as presented. Carrió felt the reform failed to incorporate amendments that restricted ANSES (the acronym of the nationalized system) from functioning as a “government pot of money:” buying sovereign bonds, funding politically-driven megaprojects and supporting crony capitalism.

Certainly, a structural reform of the current system would be a good start to making a public pension scheme equitable and sustainable, but the private system is one that most Argentines and their politicians do not want to return to. When asked to justify the stock market drop and international condemnation of the nationalization, Representative Di Filippo responded, "International markets only tend to digest the political actions that benefit them even if they ignore the needs of the people. From our center-left point of view, it is in our interest to always defend popular interests."<sup>19</sup>

In brief, there is consensus around the idea that the nationalization was the politically correct thing to do given the lack of public control of the private system and the perceived rewarding of financial engineers more than individual contributors. Nonetheless, given a politically pressured majority portfolio of domestic government debt, the profitability of the private funds was always being challenged by Argentina's bond performance and the fact that the system coincided with Argentina's worst economic moments. With these political stipulations, it may be possible to say that even the private funds were not far from being a publicly controlled asset.

Is it possible that the government successfully nationalized a pension system under the excuse of low performance and high fees after it created those same conditions? Indeed it is, but few people in Fernández's own party question the political motives behind the move. Going into an election year, this discretionary power over spending could be a key actor in Fernández's reelection campaign. Although there is widespread political support for the pension program, it is necessary to return to an earlier theme in this essay around fiscal realities versus perceptions. Among those who know the current government, there is little doubt that the nationalization will come back to haunt public finances when the administration leaves the scene.

### Looking Ahead

What kind of Argentina is Cristina leaving for her successor (or herself) after the elections in 2011? Since Néstor Kirchner came into power, the government has created an economic model dependent on a bumper fiscal surplus (taking advantage of high commodity prices, high demand from Asia, and the general growth tendency of Argentina after the 2001 collapse). The situation was particularly convenient because Kirchner needed to get on better terms to renegotiate debt with the Paris club of creditors and save the necessary resources to begin making payments on the "haircut" settlement.

In the budget, however, the government has underestimated income consistently every year by manipulating the consumer price index and official inflation rates in order to later exercise discretionary power over the 'extra' funds for which the budget did not account. We have seen after 2008, when the fiscal surplus began to dry up and renegotiated debt payments began to come due, how the government had to come up with new ways to collect taxes and new taxes to collect while dipping into national reserves. It is becoming clear how Fernandez's government fudges numbers in order to put more money in the coffers, boost discretionary spending, and quite possibly shrink the inflation-linked debt payments that will be due from Nestor Kirchner's renegotiation.

According to Kirchner supporter Welisiejko, Kirchner opposition Di Filippo, and businessman Thompson, this has had important negative consequences, particularly in the level of corruption concentrated in the highest levels of government. Very few Argentines doubt that the majority of public works suffer from some corrupt diversion of funds. The Kirchners' personal wealth gains during their presidencies (158 percent in Cristina's first year in office alone) do not help their case.<sup>20</sup> Even with the record fiscal surpluses, the government has not made any progress on combating the strong levels of inequality throughout the country and has failed to make the necessary economic reforms to entice fiscal cooperation amongst capital holders.

With so much turmoil, so much political back-and-forth, and so little progress, one could fear that

the confrontations that accompanied the soy export taxes and pension reform are not actually linked to promoting equality and combating social exclusion. The politicians and businessmen promoting the conflicts may instead be using voters (and the most marginalized ones at that) as fuel for the conflict. If this is true, the poorest individuals in a very rich society are not only excluded by the system, they are used to prop it up.

Thompson has noted in his business experience that the central government has become more efficient at collecting taxes and has modernized practices to gain more power of enforcement. For instance, they now make overflights to count livestock on land and for zoning and property tax verification. They have also become more efficient at connecting the various government agencies to share information in order to cross check on discrepancies. But, given the drastic measures the Fernández government has taken to boost government revenue, even a more efficient tax collection program may be seen as a bad thing.

Meanwhile, there is a generalized perception amongst business and entrepreneurs that there is little effective use of their money in the public sector, reflecting a deep distrust of government—at the same time government mistrusts business. Welisiejko muses about Brazil with jealousy and when pressed on this topic he said, “Brazilians are committed to their nation, and Brazilian banks are committed to reinvesting profits for national growth. In Argentina, if they make profits, they open accounts in Switzerland and Uruguay—happy to have made enough money to squirrel it away from the government’s reach.”<sup>21</sup>

### Summing it Up, or Can It Sum Up?

Class antagonism, regionalist antagonism, fiscal irresponsibility, dramatic politics, and an obsession with the past: these are the characteristics of the country that fuel headlines around the world. And many of them are honest portrayals; Argentina suffers from a counterproductive and widespread antagonism that breeds mistrust and legitimizes the lack of clear choices for voters. Given steady and long-term economic woes, shrinking wages, and constant pressures for and against redistributionist politics, conflicts and antagonism are inevitable. These phenomena, however damaging, may be a natural reaction to decline.

Both Kirchner administrations have been metaphors for the conflicted state of Argentine politics. Rhetoric has replaced reason; a jealous opposition tars and feathers any substantive progress, and endogenous problems are blamed as exogenous shocks. The problem is always of someone else’s doing, but the solution is always completely Argentine. Journalists and editorialists often attack the current government for the style of governance and the hostile nature of Cristina Fernández’s rule, but they miss the point on the real negatives of her style of governing. While the Kirchner style is antagonistic, it reflects the tone and nature of Argentine politics rather than a characteristic specific to her rule. Argentina’s democracy remains a vibrant one nearly 30 years after its transition. It is stymied, however, by a Peronism that is unsure what it stands for and the lack of a credible political alternative that can take up desperately needed political, institutional, economic and social reforms. In order to battle antagonism it is necessary to satisfy politically the large number of actors that resist these types of reforms, and these interests are entrenched in every level of Argentine government.

In the case of public spending, this antagonism means that when someone benefits, someone else has to lose. It creates a natural barrier between segments of society, and a high bar for less-powerful actors. Public spending is a good manifestation of this dynamic, and the lack of balanced budgets combined with the lack of real economic progress from expanded social spending shows that its distribution is fundamentally flawed. This is why there is a clear contradiction between the progressive rhetoric Peronists use for its own political promotion and the statistical realities of what its public policies produce in society.

---

## What does Argentina really need (aside from fewer foreigners telling them what to do)?

Argentina needs, more than anything, a level of political certainty and continuity that can outlast presidents, congressional officials, and entire blocs of voters. The rules of the game ought not to be so easy to amend, even though the new rules may be productive and appropriate for the moment. These problems are often addressed in political science with a push for stronger institutions. Argentine institutions are amongst the weakest in Latin America, despite the country's high relative levels of GDP per capita and human development. Stronger and more reliable institutions would be the first step on a very long road. But this also can be addressed by a more constructive application of Argentina's long memory and obsession with its past. Namely, the problem could be ameliorated if Argentines gave more thought to whether specific politicians, parties and programs have fought for the long-term wellbeing of the country rather than voters' immediate economic caprices. In the case of Peronists, perhaps they would be wise to pause and think whether his values are represented in modern politics or whether it is even appropriate to pursue his model anymore.

Perón institutionalized the class antagonism, personalism and populism that have existed since independence into twentieth century Argentine politics, and the results of this during his administration are clear. His influence was so reviled by his political opposition (the elite vis-à-vis the military) that after he was deposed his *Partido Justicialista* was banned from practice and discussion. Showing the lasting influence of the movement, the prohibitions radicalized a new generation of the same forces that brought Perón to power in the first instance. The *Montoneros* (a group of armed youth active in the military period after the Frondizi presidency, in the early years of Perón's return to government, and Isabel Perón's brief presidency), are the height of this antagonism, antagonizing and frequently murdering members of the right-wing political elite. It is no surprise, then, that the first people to be targeted for "disappearance" under the 1976–1983 military regime were these same young organizers and militants. It shows that each opposition not only finds no common grounds with their counterparts, but also resorts to extreme measures to dispose of them via prohibition, humiliation, or death. It stands to reason that both Presidents Kirchner and Fernández were children of the ideological clashes of this era.

The hard truth is that some issues may be intractable and systemic. Argentines remain skeptical of orthodox fiscal stability and political harmony. When asked about the comparative successes the Chilean economy has experienced over the past decade, Welisiejko put it this way, "Yes, but they've paid a large social cost in the process, and have promoted a rigid way to deal with relative stable problems. Argentina is not and cannot be like that. Honestly, I prefer this mess to that order."<sup>22</sup>

Maybe that's the problem.

- 
1. Wharton Universia, "Cristina Kirchner Confronts the Goose That Lays the Golden Eggs," *Universia Knowledge@Wharton*, June 25, 2008, accessed December 10, 2010, <http://www.wharton.universia.net/index.cfm?fa=viewfeature&id=1541&language=english>.
  2. Eduardo Fracchia, "Soja, y distribución de ingresos," *Perfil*, March 29, 2008, <http://www.diarioperfil.com.ar/edimp/0246/articulo.php?art=6436&ed=0246>.
  3. Alexei Barrionuevo, "Rebuffing President, Argentina's Senate Votes Against Farm Export Tax Increases," *The New York Times*, July 18, 2008.
  4. Universia, "Cristina Kirchner Confronts the Goose."
  5. *Ibid.*
  6. Sebastian Welisiejko, interview with author, January 30, 2011.
  7. Facundo Di Filippo, interview with author, January 26, 2011.

8. Kristian Niemetz, *La Nacionalización De Los Fondos De Jubilación Privados En Argentina* (Washington, DC: The Cato Institute, April 15, 2009), accessed January 10, 2011, [http://www.elcato.org/pdf\\_files/ens-2009-04-15.pdf](http://www.elcato.org/pdf_files/ens-2009-04-15.pdf), 1.
9. *Ibid.*, 3.
10. Di Filippo, interview.
11. Niemetz, *La Nacionalización*.
12. David Thompson, interview with author, January 30, 2011.
13. Welisiejko, interview.
14. "Argentina Moves to Nationalise Pension Funds," *Financial Times*, November 21, 2008, accessed December 1, 2010, <http://www.ft.com/cms/s/0/d428857e-b77c-11dd-8e01-0000779fd18c.html>.
15. "Harvesting pensions: A pre-election boost for Cristina," *The Economist*, November 27, 2008, accessed December 1, 2010, [http://www.economist.com/node/12685478?story\\_id=12685478](http://www.economist.com/node/12685478?story_id=12685478).
16. *Ibid.*
17. Joshua Partlow and Brian Byrnes, "Argentina to Nationalize Pension Funds Senate Approves Plan Aimed at Protecting Savings From Global Crisis," *The Washington Post*, November 21, 2008, accessed December 1, 2010, <http://www.washingtonpost.com/wp-dyn/content/article/2008/11/20/AR2008112003812.html>.
18. Camila Arza, e-mail correspondence with author, January 17, 2011.
19. Di Filippo, interview.
20. Huga Alconada Mon, "Avanza la causa por la fortuna de los Kirchner," *La Nacion*, November 9, 2009, accessed December 1, 2010, [http://www.lanacion.com.ar/nota.asp?nota\\_id=1197064](http://www.lanacion.com.ar/nota.asp?nota_id=1197064).
21. Welisiejko, interview.
22. *Ibid.*



# Conflict Resolution and the United Nations: A Leadership Crisis?

PHILIPP PANIZZA

Most United Nations (UN) peacekeeping missions during the last two decades were perceived by the general public to have failed. This article draws upon lessons learned from the 1990 UN mission in Namibia and identifies necessary geopolitical and institutional conditions to ensure a sustainable and successful peacebuilding process for the conflicts of today. Domestic political capacity and support from key international stakeholders are shown to be necessary for a peaceful democratic transition. However, smart timing during the preparation and implementation phases, as well as the structural design of a mission, are crucial prerequisites for support of any political effort for peace.

During the last twenty years, the world has been a witness to an increased number of international peacekeeping operations designed to ensure politically sustainable transformations. Although the number of multinational and state actors such as the North Atlantic Treaty Organization (NATO), the United States, European Union (EU), the African Union, and others leading peacekeeping and peacebuilding missions has increased significantly, the United Nations (UN) still plays the most critical role in dealing with international conflict resolution. Today there are 15 different peacekeeping missions directed by the UN Department for Peacekeeping Operations (DPKO), and many have come under immense criticism for falling short of expectations. This criticism is twofold: On the one hand, UN missions were unable to meet targets laid out by their own mandate, as observed in the missions in Cote d'Ivoire (UNOCI), Haiti (MINUSTAH) and Somalia (UNOSOM). On the other hand—and more importantly—some missions could not meet the expectations of the general public, as has been observed in the tragic cases of the Srebrenica massacre (UNPROFOR) and the Rwandan genocide (UNAMIR).

This paper argues that the United Nations should maintain a leadership role in international conflict resolution despite recent political and academic criticism regarding outcomes of its operations. In order to do so effectively, the United Nations, along with UN Security Council member states, should incorporate some important lessons learned from its own success stories. The case of Namibian independence and the success of the UN Transition Assistance Group (UNTAG) to carry out constitutional elections and ensure a democratic transition there from 1989 to 1990 offer some valuable insights for the analysis of present and future UN peacekeeping missions. This paper aims to identify

---

Philipp Panizza is an M.A. candidate in the International Development program at SAIS Bologna Center, where he also works as a Research Assistant for the Steven Muller Professor Winrich Kühne. Prior to studying at SAIS, he worked for the German Technical Cooperation (GTZ) in India and Berlin, the Boell Foundation, and the German embassy to the United Nations and World Trade Organization in Geneva.

structural factors that made UNTAG one of the most successful peacekeeping operations and how these factors could be translated into the context of today's peacekeeping missions.

### Historical Overview and the Development of UNTAG

Before analyzing key factors that influenced the success of UNTAG, it is important to provide a brief overview on the historical framework in which Namibia became independent and the UNTAG mission was deployed. The issue of Namibia was on the political agenda of the international community even before the founding of the United Nations. The long developing dialogue and preparation for the peace process greatly assisted later success.

The international status of Namibia has been disputed since British-led forces of the South African Union defeated German colonial forces at the onset of World War I. Though Namibia was placed under an international mandate of the League of Nations, the British-controlled Union of South Africa enjoyed *de facto* political administration of the territory. While the International Court of Justice confirmed the illegality of South African administration in several non-legally binding rulings from 1950 to 1966, South Africa continued to treat Namibia as a province of its own territory. As a consequence, the South Africa People's Organization (SWAPO) was formed in Namibia with the aim of achieving independence from South African occupation by armed struggle.

From 1966 to 1968, the UN General Assembly adopted several resolutions<sup>1</sup> that clarified the international status of Namibia. It was laid under direct UN responsibility and was administered by a newly established UN Council on South West Africa<sup>2</sup> under the leadership of Martti Ahtisaari, who would later become the UN Special Representative of UNTAG. In 1970, the UN Security Council<sup>3</sup> confirmed the illegality of South African presence on Namibian territory and consequently called for free constitutional elections under UN supervision in 1975.<sup>4</sup> While three members of the Security Council, plus Germany and Canada—the so-called “Contact Group”<sup>5</sup>—debated how to ensure a transition to independence, South Africa sought to keep Namibia as part of its own territory under the apartheid system.<sup>6</sup> In 1976, SWAPO was officially recognized by the United Nations as a relevant stakeholder and negotiating partner in the peacekeeping process.

In 1978, the mandate for the UNTAG peacekeeping mission was finalized<sup>7</sup> to ensure a democratic transition for Namibia to independence. Nonetheless, UNTAG would not be deployed until eleven years later, when a cease-fire between SWAPO and South African forces came into existence on April 1, 1989. The time lag between the adoption of the UNTAG mission by the UN Security Council and its implementation was due to wider geopolitical bargaining within a Cold War framework which has become known as the “linkage” and which will be subsequently analyzed. The UNTAG mission lasted for twelve months and ended with certification of the elections of the constitutional assembly by UNTAG Special Representative Ahtisaari on March 21, 1990.

### Key Factors for Success

#### *The Mandate*

In order to draw comparisons between UNTAG and other UN peacekeeping missions, one must first understand the different types of mandates that can be granted. Not only does the nature of the mandate imply important consequences for the use of force by UN personnel but it also defines the point at which a mission can be termed a success.

One of the most important distinctions to be made when negotiating the mandate of a UN peacekeeping mission is whether it will be based on Chapter VI or VII of the UN Charter. Whereas Chapter

VI provides a UN mission with the use of force only in the case of self-defense and requires the *consent* of all sovereign parties, Chapter VII provides a robust mandate to use military force *without* the consent of all sovereign parties. It is often argued that a mission's capacity for success increases with a robust Chapter VII mandate, since the mission does not require consent and allows for more direct military involvement and political pressure to stop violence and enforce peace. The cases of the genocide in Rwanda and the Srebrenica massacre support this argument, since both UN missions were only given a Chapter VI mandate and could not interfere directly in the conflict. In both cases, the mandate did not fit the mission's requirement.

Depending on the conflict conditions and the level of consent between parties, a Chapter VI mission may still provide a suitable, and in the case of Namibia, successful framework for a UN peacekeeping mission to achieve a sustainable peacebuilding process without the direct use of force. Moreover, the process of finding and securing consent arguably does increase the level of ownership of the conflicted parties towards the peace process, as could be observed in the long lasting diplomatic negotiations between SWAPO and South African Forces in Namibia.

Ultimately, there does not seem to be a clear preference for either a Chapter VI or Chapter VII mission to ensure a mission's success. However, a successful outcome may rely on whether the mandate reflects the mission's unique requirements on the ground. This responsibility clearly lies with the UN Security Council and its member states.

### *International Capacity*

In academic literature,<sup>8</sup> the success of UNTAG is frequently attributed to the effective collaboration of the member states within the UN Security Council. This was especially true for the role of the United States and the Soviet Union due to the changing dynamics of Cold War politics. In this respect, it is not surprising that the adoption of the 1978 UN Security Council Resolution 435—the legal basis of the UNTAG mission—and the actual deployment of UNTAG occurred towards the end of the Cold War in 1989. Chester Crocker, who at that time led consultations for UNTAG's implementation of the Contact Group on behalf of the United States, points out that “during the final phase of the Cold War, the Southern African conflict's structure was directly affected by the age of bipolarity.”<sup>9</sup>

The so-called “linkage” of Namibian independence and the withdrawal of Cuban troops from Angola were in effect the primary reason for the late implementation of UNTAG eleven years after the ratification of Resolution 435. While during the 1970s, South Africa still followed its own plans for Namibian “independence” under a system of representation based on apartheid,<sup>10</sup> it soon followed a strategic partnership with the United States under the Reagan administration: South Africa traded its acceptance for an independence process under UN leadership with a US-South African alliance against the spread of communism from Angola and Mozambique towards South Africa.<sup>11</sup> Moreover, South Africa used its support within the United Nations for Namibian independence as political leverage in its relationship with the United States concerning its involvement in South African domestic politics.<sup>12</sup>

The United States, on the other hand, would only be able solve the question of Namibia's independence under free and fair democratic elections, given South Africa's acceptance of a Chapter VI peacekeeping mission (and hence based on mutual consent of the warring parties). The United States did not have an interest in a direct military intervention in Angola or Namibia, as this region of Africa was not of much geopolitical importance from its perspective.<sup>13</sup> Moreover, it wanted to avoid a costly proxy war with economic, political, and public relations costs in the wake of the Vietnam War.<sup>14</sup> Given US and South Africa interest in Namibian independence, the United States consequently managed to draw the rest of the Contact Group towards accepting the conditionality of the linkage.<sup>15</sup> Although

the linkage was never a conditional part of Resolution 435,<sup>16</sup> it remained persistent until the deployment of UNTAG in 1989.

From the perspective of the Communist bloc, represented by Cuba and Angola with political support from the Soviet Union, the strategy of maintaining Cuban presence in Angola soon came to an end. The dynamics of Cold War politics changed with the onset of *glasnost* and *perestroika*. Additionally, South African forces, along with troops from the Frente Nacional da Libertação de Angola (FNLA) and the National Union for Total Independence of Angola (UNITA), with financial support from the United States, increased their attacks on Angolan and Cuban troops on Angolan territory. This led to rising costs of waging war for both political blocs.<sup>17</sup> Consequently, by 1984, Angolan president Jose Eduardo Dos Santos indicated that Cuban troops would be withdrawn under the following three conditions: First, South Africa would have to remove all of their troops from Angolan territory. Secondly, Resolution 435 calling for Namibian independence under UN leadership would have to be implemented. And thirdly, the US and South African support in Angolan domestic issues would have to be ceased.<sup>18</sup>

The political indication from the Soviet-led bloc created a basis of an international, multi-party support for the UNTAG mission. In other words, the international community confirmed a vital interest and hence capacity to develop ownership for the implementation of Resolution 435—a crucial prerequisite for success for any UN peacekeeping mission. The Brazzaville Protocol, which was signed and observed by all relevant international actors (including the United States and the Soviet Union as observers) on December 13, 1988, confirmed the withdrawal of Cuban troops and hence gave way for the implementation of Resolution 435 and the deployment of UNTAG on April 1, 1989.

It has been shown that the post-Cold War geopolitical framework brought an end to the stalemate of the UN Security Council and enabled it to deal with global conflicts effectively. Moreover, the case of Namibia demonstrates that a strong backing of UNTAG's mission by the international community and all relevant stakeholders—which I term here as *international capacity*—greatly enhanced the positive outcome of the mission. Any UN peacekeeping mission that lacks the full support of the UN Security Council, its member states, and also the wider international community (such as the general public or multilateral partner organizations) will fail to provide the political and financial support necessary for success.

### *Domestic Capacity*

Whereas the support of the international community greatly influenced the outcome of UNTAG, it might seem obvious that an effective domestic capacity would be needed to support any electoral peacebuilding process. The latter requirement has been less debated in academic literature, but in the case of Namibia, it proves equally vital to the success. From a structural point of analysis, three points have to be noted. Some seem unique to the situation in Namibia, while others serve well as lessons learned to be applied to recent and future UN peacekeeping missions.

First, the nature of the Namibian conflict and structure of the involved parties both supported a successful peace process from the beginning. There was a relatively clear line between the conflicted parties, and the conflict was between only two rivals.<sup>19</sup> This simplified the ability of UN military observers (MILOPS) to monitor the cease-fire agreement. Furthermore, bilateral consultations between the conflicted parties with the support of an international mediator, such as the United Nations, were easier to achieve and more prone to success. Second, the nature of conflict was more or less one-dimensional on the issue of political representation as border disputes, ethnic tensions, and access to resources did not pose a great threat to peace. Recent UN peacekeeping missions in Cote d'Ivoire and Sudan represent a greater challenge for a sustainable peacebuilding process, as the nature of conflict is more complex. Third, the capacity of Namibian institutions and infrastructure before the deploy-

ment of UNTAG allowed for a greater level of effectiveness, as Namibian infrastructure was not heavily damaged by the civil war between SWAPO and South African forces. Access to remote locations across the country and existing government structures helped UNTAG execute its mandate and prepare the constitutional elections. The experience of the UN peacekeeping mission in Congo (MONUC) and its supervision of the 2006 elections underscore the crucial role of institutions and infrastructure in this context.

When looking into the socio-psychological characteristics of Namibian society and their influential role on the success of the mission, it becomes clear that domestic actors' level of ownership of the peace process was also crucial for success. These domestic actors included political parties, the media, and religious institutions. It became apparent within the general Namibian population that the level of ownership towards the elections proved higher than anticipated by the international community. In fact, the number of voting registrants exceeded UN official predictions by 2.4 percent, and 97 percent of registered voters cast their vote.<sup>20</sup> More importantly, both SWAPO and its domestic opposition, the Democratic Turnhalle Alliance,<sup>21</sup> accepted their shares of government participation after the final polling of the constitutional assembly.

### *The Mission's Capacity*

Along with international and domestic capacity to support the mission, the general structure of UNTAG and efforts by personnel ensured the positive outcome of the electoral process. The mission's mandate fit the requirements to monitor and implement elections in Namibia and hence matched the situation on the ground. The mission must also meet operational benchmarks and, perhaps more importantly, public expectations. It is noteworthy that no previous UN peacekeeping mission held a political mandate to conduct democratic elections: UNTAG sailed unknown waters. The United Nations as an institution for conflict resolution and all involved international actors risked a significant decrease in their political legitimacy if the election process failed. Consequently, all actors—except for South Africa to some extent—had their own distinctive incentives to support UNTAG.

Given this political pressure for success, a highly effective collaboration between the different military, civilian, and police components of UNTAG became crucial. Not only did the mission have to maintain and observe the cease-fire but it also had to promote and ensure a fair election process through the civilian and police sector. This integrated, multidimensional approach required a high level of flexibility and communication in all vertical and horizontal UNTAG structures of command. This was a complex task, especially when taking into account the multinational background of personnel<sup>22</sup> and different external institutions<sup>23</sup> involved.

Regarding communication, the “post-April 1 incidents,” in which the cease-fire was temporarily breached, demonstrated the success of the mission's supervisors, in collaboration with UN headquarters in New York, in dealing with a sudden and serious threat posed to the peace process. Immediately after Ahtisaari arrived in Namibia and the cease-fire came into effect, South Africa accused SWAPO of carrying out attacks on South African forces after having moved into Northern Namibian territory from their original bases in Southern Angola. SWAPO countered that its forces intended to commence with the Disarmament, Demobilization and Reintegration (DDR) process as laid out in the peace agreement. Consequently, it claimed, it was moving towards UN weapon collection sites in Namibia.

The cease-fire was breached frequently in the following days, and fighting intensified between both parties. Since UNTAG was not yet fully deployed, and Ahtisaari was still awaiting most of his military observers, he was unable to assess the situation using his own personnel or verify any of the accusations laid out by SWAPO or South African forces. Only through top-level diplomatic efforts by the UN Secretary General in New York was it possible to motivate all relevant national and international ac-

tors<sup>24</sup> and convene at Mount Etjo in Namibia to reconfirm UNTAG's mandate and thus proceed with the election process. Consequently, SWAPO withdrew from Namibian territory and started to participate in the DDR process only after UNTAG was fully deployed.<sup>25</sup> From these incidents, it is clear that the UNTAG command was able to quickly react to the mission's threats and that a highly effective network of communication across all UN hierarchies enabled quick conflict resolution. The contrasting experience of communication failures within the UN ground forces and headquarters during the UN-AMIR peacekeeping mission in Rwanda underscores the crucial role of communication.<sup>26</sup>

The role of the police was also crucial to the development of local ownership of the election process. The UN police component, CIVPOL, was assigned by the mandate *not* to take any direct punitive action but rather was responsible for monitoring the existing police force, SWAPOL, under South African administrative authority, until Namibian independence could be officially declared. CIVPOL's tasks included the promotion of rule of law and to ensure unbiased public security during the election period. This was more easily said than done. The Namibian population had yet to develop an understanding of the duality of the police structure. Also, CIVPOL had to undertake substantial efforts to build trust with the local population. Moreover, South Africa frequently undermined CIVPOL's efforts. This was especially visible in South Africa's use of ex-Koevoet counter-insurgency forces within SWAPOL, which engaged in military-like fighting with SWAPO troops. Again, thanks primarily to effective communication and collaboration within UNTAG, the counter-insurgency forces were quickly withdrawn following a diplomatic initiative of the UN Secretary General with the South African foreign minister.<sup>27</sup>

Of even greater importance to the mission's success was the civilian component and its coordination with UNTAG. As mentioned before, UNTAG's mandate was principally political; to ensure free and fair democratic elections of a constitutional assembly. As Kühne points out,<sup>28</sup> elections in post-conflict countries are complicated and prone to risk. Elections can lead to an improvement—or they may undermine a country's stability. The provision of public security during elections, development of a suitable electoral timetable, inclusion of traditional structures, process of voter registration, the choice of electoral system, and availability of a complaint system are all of great importance.<sup>29</sup> Even given a free, democratic election, long-term political stability and legitimacy remains susceptible if the former non-democratic political elite is able to remain in power in the new, democratic system.<sup>30</sup>

In the case of Namibia, almost all of these critical factors were addressed with great success. As the Namibian population did not have any prior experience in democratic voting, electoral education was of specific importance. UNTAG managed to publish and distribute 590,000 information items within only a few months. It worked closely with local opinion leaders and religious institutions to raise awareness of the upcoming election as well as the nature and aim of the UN mission. UNTAG accomplished these tasks despite a 40 percent reduction in its financial budget. The mission absorbed these cuts without compromising on a single issue area of the mandate.<sup>31</sup> UNTAG's reaction to the decrease in financial support—often cited as a cause of failure in other, less-successful UN missions—shows how the *quality* of a mission's structure and capacity may be more important than its *quantity* in financial assets. Indeed it was UNTAG's capacity in terms of professionalism, flexibility, and—most importantly—effective coordination that accounted for the successful outcome.

### *The Issue of Time*

Along with the international, domestic, and internal capacity to implement the mandate, *timing* also played into the hands of UNTAG's success. Timing was important in two aspects: First, UNTAG managed to keep up with its own schedule with respect to the election process once the mission was deployed. Consequently, UNTAG's legitimacy as a supervisor of the electoral process was affirmed.

Second—and perhaps more importantly—the “time gap” between the approval of Resolution 435 in 1978 and its implementation in 1989 allowed for intensive preparation on all levels in anticipation of the mission.

It is important to note that the blueprint for UNTAG barely changed before its implementation in 1989.<sup>32</sup> Hence, on the international and domestic levels, all involved parties could develop an increased *ownership* of the election process and the mandate. The legitimacy of the United Nations as the supervising authority was solidified as it continuously pushed forward with the implementation of Resolution 435 and convened high-level talks between all parties of interest from 1978 to 1989.<sup>33</sup>

Furthermore, most of the UN and international personnel dealing with the process of peacebuilding worked on the Namibian question throughout the time lag. This provided a high level of continuity, efficiency and capacity building between the involved actors. For example Ahtisaari, who certified the elections in 1990 as the Special Representative for Namibia, had worked on the peacebuilding process since 1977 as the UN Commissioner for Namibia. In the case of Namibia, the lengthy preparations for both the mission’s *structural* and *personnel* requirements greatly supported UNTAG’s successful outcome.

### Lessons Learned

UN Peacekeeping missions across the world face a legitimacy crisis. Not only do academics question the purpose and success of the liberal peace agenda, but the recent UN peacekeeping missions in Afghanistan, Cote d’Ivoire, Haiti, and Sudan are either openly criticized by the public or lack any reliable future perspective for sustainable stabilization or democratic transformation.

Academics and politicians alike struggle to measure the success of peacekeeping missions. Each mission is different in its requirements, its complexity, and ultimately, in its prospect for conflict resolution.<sup>34</sup> However one might define success in a specific case, structural factors do exist which at least increase the *effectiveness*. Although UNTAG seems to have dealt with a less complex conflict at a favorable time in history compared to other UN peacekeeping missions, the Namibian experience provides a set of crucial lessons learned applicable to all missions.

I conclude with three key points. First, it is absolutely crucial for the UN Security Council to develop a mission’s mandate in terms of the mission’s specific circumstances. Second, developing ownership for the mission, on both domestic and international levels, is crucial for any successful mission and should be supported by raising public awareness about the mission’s goals and by a transparent approach. Finally, timing and early preparation matters. The ability to meet a self-determined schedule increases legitimacy. Thorough preparation, where possible, allows for improved capacity to quickly react to unforeseen circumstances, which are certainly to be expected in all of the UN peacekeeping missions.

- 
1. UN General Assembly, Resolution 2145, “Question of South West Africa,” October 27, 1966, and Resolution 2248 (SV), “Question of South West Africa,” May 19, 1967.
  2. The UN named the Namibian territory “Namibia” only after 1970.
  3. UN Security Council, Resolution 276, “The Situation in Namibia,” January 30, 1970.
  4. UN Security Council, Resolution 385, “Namibia,” January 30, 1976.
  5. Members were Canada, France, the Federal Republic of Germany, United Kingdom, United States.
  6. See South Africa’s initiative of its own constitutional conference with the “Turnhalle group” and see Laurent C. W. Kaela, *The Question of Namibia* (London: MacMillan Press, 1996), chapter 5.
  7. See the Settlement Proposal S/12636, the report of the Secretary General S/12827 and the Security Council Resolution 435.
  8. Chester A. Crocker, “Peacemaking in Southern Africa: The Namibia-Angola Settlement of 1988,” in *Herdling*

- cats: Multiparty Mediation in a Complex World*, ed. Chester A. Crocker, Fen Osler Hampson, and Pamela R. Aall (Washington, DC: United States Institute of Peace Press, 1999), 207-244, and Lise M. Howard, "UN Peace Implementation in Namibia: The Causes of Success," *International Peacekeeping*, 9 No. 1 (2002), 99-132.
9. Crocker, "Peacemaking in Southern Africa," 89.
  10. As expressed by the Turnhalle Group and their Constitutional Committee draft constitution of 1977, which included a three-tier government to be "central," "ethnic," and "municipal" in Kaela, *The Question of Namibia*, 89.
  11. Kaela, *The Question of Namibia*.
  12. *Ibid.*
  13. Crocker, "Peacemaking in Southern Africa."
  14. Kaela, *The Question of Namibia*.
  15. *Ibid.*, 106.
  16. *Ibid.*, 106.
  17. *Ibid.*
  18. *Ibid.*, 107.
  19. This refers to SWAPO and South African forces; for a comparison to more complex peacekeeping missions with multiple warring parties, refer to Somalia or Afghanistan.
  20. United Nations, "UNTAG," in *The Blue Helmets: A Review of United Nations Peacekeeping* (New York: United Nations Department of Public Information, 1996), 201-230.
  21. This was supported by South Africa before the implementation of UNTAG.
  22. Personnel came from Australia, Austria, Bangladesh, Barbados, Belgium, Canada, China, Congo, Costa Rica, Czechoslovakia, Denmark, Egypt, Federal Republic of Germany, Fiji, Finland, France, German Democratic Republic, Ghana, Greece, Guyana, Hungary, India, Indonesia, Ireland, Italy, Jamaica, Japan, Kenya, Malaysia, Netherlands, New Zealand, Nigeria, Norway, Pakistan, Panama, Peru, Poland, Portugal, Singapore, Spain, Sudan, Sweden, Switzerland, Thailand, Togo, Trinidad and Tobago, Tunisia, Soviet Union, United Kingdom, and Yugoslavia.
  23. Examples include the Jurist commission, UN High Commissioner for Refugees (UNHCR), UN Children's Fund (UNICEF), and local NGOs.
  24. These include the Contact Group, Joint Commission of Brazzaville Protocol, SWAPO, and others.
  25. United Nations, "UNTAG."
  26. Compare to the DPKO's treatment of UNAMIR Force Commander Roméo Dallaire's "cable" warning of an outbreak of ethnic violence Rwanda.
  27. United Nations, "UNTAG."
  28. Winrich Kühne, "The Role of Elections in Emerging Democracies and Post-Conflict Countries," *International Policy Analysis* (Berlin: Friedrich Ebert Stiftung, 2010).
  29. *Ibid.*
  30. See the experiences of the election of Charles Taylor in Liberia during the UNMIL mission.
  31. United Nations, "UNTAG."
  32. Howard, "UN Peace Implementation."
  33. United Nations, "UNTAG."
  34. Winrich Kühne, "Friedenseinsätze der Vereinten Nationen," in *Einsatz für Frieden. Stabilität und Entwicklung in Räumen prekärer Staatlichkeit*, ed. Josef Braml, Thomas Risse, and Eberhard Sandschneider, *Jahrbuch Internationale Politik* 28 (2010), 279-287.

# Leadership in Counterinsurgency: A Critical Review of Mark Moyar's *A Question of Command*

DANIEL JUSTIN CLARK

US-led combat operations in Iraq and Afghanistan have spurred an unprecedented resurgence of study on counterinsurgency strategy. Former US Marine Corps Command and General Staff College professor Mark Moyar proposes an unflinching new theory on the topic in his latest book, *A Question of Command: Counterinsurgency from the Civil War to Iraq*.<sup>1</sup> Moyar, best known for authoring a revisionist history of the Vietnam War, studies counterinsurgency theory through the same revisionist lens. Moyar argues that the current theory of population-centric counterinsurgency is misguided. Rather, his own theory suggests, the combatant commander with the strongest leadership will prevail in any conflict.

This review will argue that Moyar's approach to counterinsurgency, which he calls "leader-centric,"<sup>2</sup> lacks the causal logic necessary to reach the comprehensive conclusions posited by the author. It will show that although Moyar highlights qualities that are indeed important to any counterinsurgent, his argument would be stronger if he considered military leadership as a key *complement* to doctrine, resources, and other considerations rather than as a sole deciding factor. The work, then, has potential to be a helpful tool to new counterinsurgents but, disappointingly, falls flat. This review will first provide reasons for this conclusion as well as a discussion of the population-centric approach to counterinsurgency that the author disputes in order to provide a frame of reference. It will then analyze two specific instances where the author's research or logic proves insufficient. Finally, the prescriptive portion of the author's analysis will be assessed, and corrective recommendations for the argument will be offered.

## Author's Intent and the Book's Strengths

Ostensibly, the purpose of Moyar's work is to assist the counterinsurgent where the official field manual falls short. The author's aim was to bring more emphasis to the leadership aspect of counterinsurgency. Yet he mistakenly believes that the military views leadership as one of many equally important aspects of the strategy. "Counterinsurgency experts who acknowledge the importance of leadership in counterinsurgency often treat it as a factor that is fixed and thus not worthy of much attention," he writes.<sup>3</sup> Moyar's objective is thus to define the characteristics of successful counterinsurgents and prescribe the method for identifying them.<sup>4</sup>

Moyar's work does make some limited positive contributions to the burgeoning field of literature on counterinsurgency. The book's case studies are clearly written and would be helpful to an inexperienced counterinsurgent leader by providing a broad historical frame of reference for the field. These studies also clearly frame the stylistic differences between effective and non-effective counterinsurgent

---

Daniel Justin Clark is an M.A. candidate at SAIS Bologna Center, concentrating in Strategic Studies with a focus on Latin America. He is a former United States Army infantry officer and served multiple tours in Iraq and Afghanistan.

leaders. Furthermore, Moyar's analysis of host nation viability for effective leadership as a determining factor for success has merit. This effort to develop counterinsurgency leaders within the US military certainly has intrinsic value.

### Leader-Centric vs. Population-Centric Counterinsurgency

Yet Moyar's leader-centric approach is a by-product of his flawed understanding of insurgent warfare. He defines counterinsurgency as "a contest between elites in which the elite with superiority in certain leadership attributes usually wins."<sup>5</sup> He reaches this conclusion by reviewing nine counterinsurgencies, from which he derives ten essential leadership traits: initiative, flexibility, creativity, judgment, empathy, charisma, sociability, dedication, integrity, and organization.<sup>6</sup> It is disappointing that Moyar does not enumerate his method for arriving at these supposed all-encompassing leadership qualities but instead simply contends that these attributes constitute the real decisive factor in winning conflict. "Major social, economic or political changes, to which population-centric theorists attach much weight," he argues, "have historically had much less impact."<sup>7</sup>

Moyar even maintains, without further explanation, that "[t]he most valuable attributes did not vary from case to case despite wide variations in the nature of the insurgents and counterinsurgents."<sup>8</sup> He fails to explain why other leadership qualities, such as perseverance, aggression, cultural awareness, self-awareness, and discipline, are not included in his list of leadership qualities. Without specifying his methods or explaining his omission of other seemingly important leadership qualities, the research and prescriptive recommendations come across as rushed and incomplete. Furthermore, the end product of a list of leadership qualities, some of which are simply inherent and cannot be learned, does not empower a counterinsurgent leader with any concrete tools or guidelines to implement in the field, despite this being the book's ultimate purpose.

The population-centric approach to counterinsurgency that Moyar attempts to refute has been studied widely and used successfully in conflicts from Columbia to Malaya to Oman. This strategy has been adopted and implemented by the US military and is the framework within which *FM 3-24 Counterinsurgency*,<sup>9</sup> the US Army and Marine Corps Field Manual, was written. This approach centers on separating insurgents from the populace, instilling legitimacy in the contested government, and providing remedies to economic and governance grievances that motivate the insurgency. Establishing security is the key determinant in the early phases of the insurgency, so that other tasks have the space and time to be implemented.

### Flawed Understanding of the Established Strategy

To the informed military reader, the author's credibility can be called into question in the book's opening remarks. In the preface, the author reveals his incomplete knowledge of, or perhaps disregard for, the substance of FM 3-24. Here, Moyar claims that the manual "makes no mention of empowering quality American or host-nation commanders."<sup>10</sup> However, FM 3-24 makes direct reference to empowering commanders—at all leadership levels—in several clear and concise instances:

1-145. Successful mission command results from subordinate leaders at all echelons exercising disciplined initiative....Higher commanders empower subordinates to make decisions within the commander's intent.

1-146. Local commanders have the best grasp of their situations...[H]igher commanders owe it to their subordinates to push as many capabilities as possible down to their level. Mission command encourages the initiative of subordinates.<sup>11</sup>

This inaccuracy and lack of knowledge of FM 3-24 strongly damages the author's argument. When faced with such a significant inaccuracy, the reader begins to question the veracity of the work from the outset. Throughout his work, Moyar continues to look at leadership methods and tactics as two independent variables, when in fact they are strongly interdependent.

### Selected Case Studies and Flawed Causal Logic

In his case study on Malaya, Moyar praises British general Sir Gerald Templer<sup>12</sup> for winning the Malayan conflict through sheer dynamism of character. Yet for Templer and most counterinsurgency scholars, the Malayan conflict is considered one of the defining conflicts of a population-centric approach to counterinsurgency. Although I concede that Templer was a transformational leader, he also had a keen intellect and devised effective strategies. It was these strategies, coupled with his leadership, that constituted Templer's recipe for success.

Great Britain also made significant investments coinciding with Templer's acceptance of the helm, which Moyar mentions: "Churchill asked...[Templer] to take the job, telling him he could have whatever he wanted, including fine civilians and soldiers for the most important leadership positions in Malaya."<sup>13</sup> Securing the best and brightest for the conflict was a reversal of the prior British approach of treating Malaya as a backwater. Templer was given complete authority over the entire operation, which was vital because unity of command is a tenet of the population-centric approach. Yet, Moyar attaches no weight to the importance of these investments in the campaign's ultimate success and continues to focus solely on leadership.

Furthermore, Templer wrote a common tactical doctrine, *The Conduct of Anti-Terrorist Operations in Malaya*,<sup>14</sup> which had decisive strategic results,<sup>15</sup> but Moyar simply claims that "the importance of this manual has been exaggerated."<sup>16</sup> He ignores its use in militaries across the world. I argue that Templer was indeed a great leader but also that his vision in developing and successfully implementing population-centric strategies is a testament to his leadership.

Moyar's habit of ignoring new leaders' successful implementation of population-centric strategies continues throughout the book. Time and again, the case studies give examples of weak leaders replaced by more capable ones who turn the counterinsurgencies around. Moyar is correct in pointing out that leadership is vital to success, and that these leaders were transformational. In the end, however, the author fails to recognize the significance of these new leaders' creation of better command teams and implementation of sound population-centric strategies in order to generate more successful outcomes.

In a second case study on the Vietnam War, Moyar's version of events is quite controversial. Following the same line of reasoning he put forward in his revisionist history of the war, *Triumph Forsaken*,<sup>17</sup> Moyar extols Ngo Dinh Diem's leadership qualities and argues that the war was going well until the military coup that led to his execution in 1963.<sup>18</sup> The facts simply do not support this view. As a Catholic in a Buddhist country, Diem was increasingly disconnected from the populace; a government-sponsored intimidation campaign against the religious leadership further undermined him. Diem's own brother ran death squads and had several ranking military commanders murdered.

Further, Moyar argues that a Buddhist monk conspiracy directed through the media had undue influence on officials in the US State Department and Central Intelligence Agency (CIA) and that this conspiracy ultimately led to US support of the coup. It is true that Diem was a strong leader who had more control of the country than his successors, and there is no question that the coup was lethal to the US mission. Nevertheless, the larger point that Moyar misses is that the coup was inevitable due to Diem's untenable position. Realizing that a coup was inevitable leads to the conclusion that the war was lost before it began. The Vietnam War provides many productive lessons on counterinsurgency; the idea that Diem's leadership was the key to victory is not one of them.

## Misinterpretations and Potential Repairs to the Theory

In six of the nine case studies analyzed by Moyar, success is determined not only by a change of leadership, as Moyar suggests, but also by the counterinsurgent government's simultaneous increase in investment of both personnel and financial commitments in the fight. This can be seen in the recent examples of the coalition surges in both Iraq in 2007 and Afghanistan in 2010. In these cases, the counterinsurgent government realized that it was losing, replaced leadership, and increased investments to correct failing strategies. Moyar never makes this fundamental connection between the additional resources dedicated to the conflict and the positive outcome that follows.

Moyar is, however, on to a promising line of inquiry in his quest to define the ultimate attributes of counterinsurgent leaders. Future wars will likely take the form of insurgencies, and the military would benefit greatly from a thorough study in this vein. Where Moyar fails to succeed centers on the scope of his argument. Successful counterinsurgencies take bright, flexible leaders that inspire outside-the-box solutions. There are several historical examples of strong leaders succeeding where weaker leaders had previously failed. The more capable leader did not win in a vacuum, however. New tactics, techniques and procedures were implemented in every example, often corresponding to significantly larger investments. Military re-organization was necessary to harmonize efforts and direct energies in the right direction.

Moyar could strengthen his argument by using it to complement and augment rather than refute the current population-centric strategy. Counterinsurgencies are a multidimensional, highly dynamic type of warfare, and there is no exact solution set. If Moyar had used his efforts to reinforce this existing approach and add depth to the current strategy, his ideas would have been more constructive and well received. The two strategies are not mutually exclusive; in fact, they are quite complementary.

Researching host-nation suitability for successful operations is another instance in which Moyar's work could be used to make concrete contributions to the field of counterinsurgency. Host-nation leadership and leadership potential should be a heavily weighted variable in the calculus of whether to become engaged in a counterinsurgency. Historical case studies point vividly to the issues created when a host nation has no institutional knowledge or history of competent leadership. Comparing host nation political elites who are associated with successful counterinsurgencies with those who are not would reveal vital predictive qualities and significantly aid counterinsurgent practitioners.

## Implications

The final section of the book contains the prescriptive elements of Moyar's thesis. Here, his work takes on added relevance and is more measured than in the case studies. Moyar recommends that the Army and Marine Corps use the Myers-Briggs Type Indicator (MBTI) personality test to screen officer candidates for the necessary traits of an effective counterinsurgent.<sup>19</sup> He contends that one important pair of personality traits stands out: *sensing* personalities focus solely on concrete facts gained through their given senses, whereas *intuitive* personalities focus on abstract, big-picture issues. The latter, Moyar posits, are better suited for combat leadership.

Yet there are limits to this proposed policy on the fielded force. The military is currently under such strain by a two-front war that precious resources such as volunteer officers cannot be dismissed simply for not matching a personality profile. Here, a structured population-centric approach is the most feasible strategy, as it provides direction to leaders who may not come by counterinsurgency naturally.

## Conclusions

Ultimately, *A Question of Command* does not achieve the goals set out by its author. Moyar tries to replace doctrine with abstract, intangible leadership qualities as the prescription for success. He continually ignores the population-centric tactics used by the leaders examined in the book. Success is ascribed to the genius of the leader at the expense of all other factors. But in practice, just as the best doctrine with a weak leadership does not ensure victory, the best leaders with the wrong approach cannot expect success.

Moyar should have used his talents to augment the current population-centric strategy with research and policy prescriptions related to leadership development. His significant skills as a historian would have been better utilized researching successful leadership styles and the doctrine followed by leaders as a complementary set of factors. Further efforts to identify characteristics of host nations that lend themselves successful counterinsurgencies would have concrete results. If Moyar had followed this line of investigation, the US military would have a serious work on counterinsurgency leadership to lean on for insight into the enormous challenges that it faces. Instead, readers are left with a near-sighted and flawed attempt to supersede the combined experience and knowledge of history's most esteemed counterinsurgency strategists.

- 
1. Mark Moyar, *A Question of Command: Counterinsurgency from the Civil War to Iraq* (New Haven, CT: Yale University Press, 2009), Kindle edition. References appear as Kindle locations rather than page numbers.
  2. Ibid., 121-125.
  3. Ibid., 167-172.
  4. Ibid., 176-180.
  5. Ibid., 121-125.
  6. Ibid., 188-230.
  7. Ibid., 138-143.
  8. Ibid., 180-185.
  9. US Army and US Marine Corps, *Counterinsurgency*, Field Manual (FM) 3-24/Marine Corps Warfighting Publication 3-33.5 (Washington, DC: Headquarters Department of the Army: December 2006).
  10. Moyar, *Question of Command*, 55-57.
  11. US Department of the Army, *Counterinsurgency*.
  12. This name is spelled "Gerald Templar" in Moyar's work.
  13. Moyar, *Question of Command*, 1688-1692.
  14. *The Conduct of Anti-Terrorist Operations in Malaya, Third Edition* (British Army, 1958).
  15. Moyar, *Question of Command*, 1793-1798.
  16. Ibid., 1779-1784.
  17. Mark Moyar, *Triumph Forsaken: The Vietnam War, 1954-1965* (Cambridge, UK: Cambridge University Press, 2006).
  18. Moyar, *Question of Command*, 2342-2345.
  19. Ibid., 3579-3583.



# Stalemate in Sarajevo

JOVAN DIVJAK

The *Bologna Center Journal of International Affairs* had an opportunity to interview Mr. Divjak in his office in Sarajevo, and subsequently over the telephone from Italy. Translation provided by Jadranka Poljak (SAIS BC, 2011).



General Divjak retraces the position his forces held in the mountains around Sarajevo. (Photo: Samuel George)

## Can you brief us on your military history?

I joined the academy for Army Cadets in 1959, and I was in the army until 1984. In 1984 I joined the territorial branch of Bosnia Herzegovina. At that point there was the Yugoslavian army, and each republic had its own territorial army. When Bosnia Herzegovina was attacked, I was not part of the Yugoslav army. I was part of the force charged with defending Bosnia.

---

Jovan Divjak was a Bosnian general and deputy commander charged with defending Sarajevo during the Serbian siege that lasted from April 5, 1992 to February 29, 1996. A self-identified Bosnian, Divjak was perhaps the highest ranked ethnic Serb to fight on the Bosnian side. His legacy remains controversial. In Sarajevo, many see him as a national hero, while in the Serb-dominated Republika Srpska, he is seen as a villain. He currently directs an NGO that assists orphans of the war. On March 3, 2011, Divjak was arrested in Vienna on a Serbian warrant for alleged war crimes.

**Under former Yugoslav President Josip Tito, did you feel an allegiance to Yugoslavia or to Bosnia- Herzegovina?**

I thought of myself as Yugoslavian. Tito was an eminent leader, and was recognized as such by the entire military, including the territorial armies. He was a great national leader. Other countries, for example, China and India, looked at him as a great leader. I felt the same way.

**What did Yugoslavia mean to you?**

All the states of the Warsaw Pact were envious of Yugoslavia. As a socialist country, the workers were at the top. The constitution guaranteed equal rights, there was access to free education, unemployment was below 10 percent, and there were limited travel restrictions. The Yugoslav passport was recognized throughout the world. Tito led us from a small agrarian economy to a middle income state.

Of course there was a negative side. Certain economic reforms should have been passed in the 1970s, but these reforms were considered anti-constitutional, and those that supported them—often innocent people—were persecuted and thrown in jail.

**After Tito died, could anyone have held Yugoslavia together?**

Under Tito, there was always a concern that Yugoslavia could come undone due to ethnic divisions. There was a presidential committee with members from each republic, and Tito thought that that committee had a chance to hold Yugoslavia together. I don't believe he realized the boiling nationalist sentiments. After Tito's death, this nationalism exploded in every republic. The strongest strain of this nationalism was Serbian, and the Serbs looked to dominate the region. So yes, the war could have been avoided, but there was not enough political will to establish equal rights between Serbs, Croats, and Bosnians.

Slovenia and Croatia offered Serbian President Slobodan Milošević and the Serbs cooperation without domination, but Milošević's rhetoric guaranteed that if all Serbs did not live in one republic, there would be war. Meanwhile, the European Parliament hardly reacted when Serbia attacked Croatia in June 1991.

As for Bosnia-Herzegovina, remember that we are comprised of three peoples: Bosniaks, Serbs and Croats. We did not share a vision with either Serbia or Croatia. Bosnian Serbs wanted Bosnia to remain part of Yugoslavia, which meant siding with Milošević. Bosniak Muslims did not want to remain in Yugoslavia, and Bosnian Croats felt stuck in the middle, unsure of what they wanted. On February 29 and March 1, 1992, a referendum was held on this matter, which further polarized the division in Bosnia. Even at this point I believe conflict could have been avoided if the European Union had made it clear to both Croatia and Serbia that troops in Bosnia would not be tolerated.

**You are Serbian by descent, and you believed strongly in Yugoslavia. You had Milošević, a strong Serbian leader working to maintain the Yugoslavian union. It would have been easy for you to support Milošević, yet you did not. Why?**

I identified myself as a Bosnian, not as a Serb. I lived in Sarajevo 27 years before the aggression started. I was a general in the Territorial Defense Force of Bosnia-Herzegovina. I knew that Serb units were armed by the Yugoslav National Army, and I did not accept that. It was natural for me to support the weaker side. I did not agree with the politics of the Yugoslav National Army, nor with the politics of Milošević. I was in no type of dilemma whatsoever. As a professional, I had to support the weaker side in the struggle.

Did other ranking members in your position join Milošević?

There were very few high ranking Serbs in the Bosnian forces, and they remained loyal to the Bosnian army. But the majority of the generals of the Yugoslav national army were Serbian, and they joined Milošević. But my professional duty was to remain with the side that was attacked.

It must have been difficult to fight for Bosnia, and give up on the idea of Yugoslavia.

Of course, I was sad when the idea of Yugoslavia died. But it was killed by the Serbs; it was killed by Slovenia and Croatia. It was never killed by Bosnia. By the time of war, I was simply defending my family and my city. I would have done the same thing if I were an Eskimo. It was about humanity, not nationality.

Were you surprised that Sarajevo was attacked?

Even when the war hit Croatia, we never thought there would be a war in Bosnia, and for sure, never in Sarajevo. In the beginning of the war, I still believed it would deescalate before it reached Sarajevo. But, by July 1992, [with the siege under way], I began to realize the seriousness of the situation. I told my soldiers to be prepared; that this would last another three or four years.

Were you confident in the position of your defense of Sarajevo?

Fear existed. We knew the artillery the Serbs had. They had between 80 and 100 tanks. We had three, and they were immediately destroyed. The Serbian army had more than three times the heavy artillery we had. We prevented them from entering the city shorthanded. People wonder why the Serb army could not enter Sarajevo. The Serbs did not have enough man power. In order to enter a city, you need to have two to three times the soldiers of the defending army. In Bosnia, we had 45,000 soldiers, even if only a third of them were armed. Serbian forces never exceeded 25,000. I think they would have needed about 80,000 soldiers. And our morale grew. Our morale was stronger than that of the attackers. We tried many times to break the stranglehold on the city, but we never had the heavy artillery or the ammunition. It was a stalemate, and that is why the city of Sarajevo remained in blockade for 44 months, or 1,350 days.

Given that this year's journal focuses on leadership, can you discuss the pressure associated with commanding an army charged with defending an entire city?

I was always with the soldiers. I was not in an office; I was in the mountains leading the troops. For me, the people of the city were the heroes: the women who sent their husbands to the front line, who worked in the hospital, and who cooked for the men. For me, these are the heroes.

But in your darkest hour, did you ever fear what would happen if you could not defend the city? Did you ever feel that you were on the verge of being routed?

May 2 and 3, 1992.<sup>1</sup> July 1993.<sup>2</sup> The Massacre of May 27, 1992.<sup>3</sup> The Massacre of February 5, 1994.<sup>4</sup> August 28, 1995.<sup>5</sup> Those dates remain in my memory and I will never forget them. All I could do was try to help the survivors. Some people deserted from the front line, but overall, we held strong.

**Was the Dayton Accord a celebratory moment for you?**

Stopping the war was a good idea. Dividing the country was not. In the end, the international community concluded that the Serbs were the aggressors, yet they were given half of the country. Still now, there are tendencies within Republika Srpska, (the Serb region of Bosnia-Herzegovina), to hold referendums demanding independence, or to unite with Serbia.

**Can there be peace in a divided Bosnia?**

The verbal conflict creates insecurity. Our future is in Europe, but Europe has to help us overcome our ethnic divisions. Europe needs to help us establish a new constitution replacing entities with regions. Just like America and Europe forced us to accept the Dayton Accords, Europe needs to force us to accept a new, functioning, long term constitution.

**Can Bosnia fix the Constitution internally, without Europe?**

No.

- 
1. The blockade by Serbian forces began on May 2, 1992 during the four year siege of Sarajevo, the longest siege of a city in the history of modern warfare.
  2. More than 3000 Serbian shells hit Sarajevo on July 22, 1993.
  3. Sixteen people were killed by a mortar attack while waiting in line for bread.
  4. Serbian forces bombed Markale, an open-air marketplace in Sarajevo, killing 68 people and injuring 144.
  5. On this date, the Markale was hit again, killing 37 people and injuring 90.

*Dels maiors mou tota la malvestaz,  
E pois apres de gra en gra dissen  
Tro als menors, per que torna a nien  
Jois e pretz...*

Sordello





JOHNS HOPKINS  
UNIVERSITY  
**BOLOGNA CENTER**

[www.bcjournal.org](http://www.bcjournal.org)