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1993-2023 THIRTY YEARS OF POLICY FORMULATION AND ANALYSIS

THE ANARCHIC INTERNATIONAL ENVIRONMENT AND CYPRUS



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At the end of the Cold War several analysts put forward the view that the world had entered an era in which there would be less inter-state antagonisms and less strife. This perspective was not confirmed; instead strife, wars and antagonisms continued at various levels. One could refer to the conflicts in former Yugoslavia and its dissolution, the terrorist attack against the US on September 11, 2001, the war in Ukraine as well as the multiple and complex developments in the Middle East. In several conflicts we also observe the clash of value systems. In this regard the Huntington's theoretical perspective (Samuel Huntington, *The Clash of Civilisations and the Remaking of World Order*, London: Touchstone Books, 1998) cannot be ignored.

Recent developments have raised concerns for security and cooperation in various parts of the world. In most conflict cases the risk of further destabilization and escalation is inherent. It would have been possible to prevent the worst-case scenarios had there been political pragmatism and responsible leadership from the directly and indirectly involved parties.

The war in Ukraine which started on February 24, 2022 continues with unabated intensity. And the end of the war is not in sight. Thousands of people from both sides have lost their lives while the broader socioeconomic consequences are unbearable. This war could have been avoided. Unfortunately this did not happen. And at this stage the final outcome cannot be precisely predicted.

We have also witnessed a few weeks ago the ethnic cleansing of 120.000 Armenians from Nagorno Karabakh. For years this was considered a frozen conflict. During this specific period Azerbaijan exploited circumstances and imposed its will utilizing its military supremacy. Armenia did not react. The Russian Federation, the EU and the US tolerated what took place as well as the new state of affairs. The President of Turkey, Recep Tayyip Erdogan, stated that Nagorno Karabakh was always part of Azerbaijan. Greece and Cyprus did not comment. They could both have stated, among others, that the occupied northern part of Cyprus belongs to the Republic of Cyprus; and that Turkey is an occupying power.

What has been taking place in the Gaza Strip and in Israel in the last few weeks has attracted much attention internationally. Undoubtedly, the terrorist attack of Hamas against Israel on October 7 could not have remained without a response. Nevertheless, even countries which support Israel have expressed their concern about the heavy casualties among civilians. In addition to concerns about a humanitarian crisis, there are fears about further escalation with the involvement of other countries as well. Furthermore, Arab countries which have already established diplomatic relations with Israel have criticized what they describe as a disproportionate response.

It is important to recall the new major turning points of the Palestinian question. With the creation of the State of Israel in 1948 there was universal reaction in the entire Arab World. The narrative of Tel Aviv was that “for the resolution of the Palestinian question it is indispensable that the sacred right of Israel to exist is respected”. In this regard we should recall that the Palestinians had rejected the UN resolution for a two-state solution in 1947.

The establishment of diplomatic relations first with Egypt and then with Jordan in the absence of a resolution to the Palestinian question was a great success for Israel. During the 1990’s there was some progress in the negotiations between Israel and the Palestinians for a resolution of the conflict on the basis of two states. Unfortunately, this agreement was never finalized. Not surprisingly discontent was growing both in the West Bank and the Gaza Strip.

The unprecedented terrorist attack of Hamas against Israel on October 7 was not only the result of hatred toward the Jewish state. There were also political objectives. These included the following:

- (a) first, to undermine the Abraham Accords and the prospect of normalization of Israel’s relations with moderate Arab countries;
- (b) to prevent the establishment of diplomatic relations between Saudi Arabia and Israel, and
- (c) third, to provoke a broader crisis and to bring again the Palestinian question to the attention of the international community.

Obviously the crisis has assumed serious dimensions. Given that thousands of Moslems live in Europe the possibility of further tensions, violence and even terrorist acts cannot be ruled out.

The Palestinian issue did not start though with the terrorist attack of Hamas on October 7, 2023. Analysts in various countries stress that while Israel has the right of self defense, and consequently its objective to eliminate Hamas is legitimate, it is not possible to perpetuate the occupation and the collective punishment of Palestinians as a result of terrorist acts. The implications are clear: on the one hand there will be an intensification of efforts to contain

terrorism and on the other the creation of a road map for cease fire and the undertaking of serious international initiatives for the resolution of the conflict. Such initiatives can build on the relevant UN resolutions as well as on the tentative agreements between Israel and the PLO on the basis of a two state solution. Such an approach if effectively addressed could be to the benefit of both sides as well as to regional and international stability. Nevertheless, extreme positions from both sides are not helpful. More specifically, the objective of “Greater Israel” on the one hand and “a Free Palestine – from the River to the Sea” on the other cannot lead to any agreement.

In Cyprus the political system as well as society should realize that frozen conflicts are not static. Almost 50 years after the Turkish invasion Cyprus does not have a comprehensive narrative at the state level. What is even worse is that if the policy of President Christodoulides for the Cyprus problem is successful, he himself as well as the Greek Cypriots will find themselves in front of very serious dilemmas.

It is essential to have a comprehensive strategy as well as a convincing narrative. Dealing with the Cyprus problem requires seriousness, pragmatism and going beyond public relations expedencies and ideological positioning. Furthermore, Cyprus cannot underestimate the role of think tanks and the international market of exchange of ideas. And this at a time when the Turkish narrative for a two state solution will be intensified at various levels and foras with the objective to achieve a loose federation or even a confederal arrangement.

A DYSFUNCTIONAL UNITED STATES FACING A WORLD IN CRISIS



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The latest crisis in the Middle East came at a time of serious international tensions due to the war in Ukraine and China's challenge in the South China Sea. The recent meeting between the presidents of the US and China was a welcome step in reopening communications between the two countries. However, serious tensions remain between the two countries, including the future of Taiwan and China's growing nuclear armaments.

The United States took the lead in the western coalition supporting Ukraine, providing that country with billions of dollars in military and economic assistance. President Biden worked closely with Congress in carrying out that policy. This worked well until earlier this year when ideological divisions among Congressional Republicans paralyzed the US legislative process. Now, this dysfunction threatens US foreign policy. Israel traditionally enjoyed strong bipartisan support in the US Congress. However, since the capture of the Republican Party by a radical conservative minority, the deadlock in Congress threatens President Biden's foreign policy both in the Middle East and in Ukraine. By creating deadlock in Congressional proceedings this radical conservative Republican minority is attempting to impose their unrelated social and economic agenda on the American public.

President Biden extended open ended support to Israel in this latest crisis. He has quietly advised the Israeli government to avoid policies exacerbating Israel's domestic political crisis which now threatens Israeli democracy. Moreover, Netanyahu's recent actions are also destroying carefully negotiated agreements between Israel and key Arab states intended to normalize their relations. Biden's political dilemma is serious. Facing a difficult reelection in 2024 he needs the political and financial support of the influential American Jewish community. He also needs to show the American public that he has been able to manage multiple foreign problems. That limits his options in dealing with a recalcitrant Israeli government, a government on the brink of political collapse thanks to Netanyahu's attempt to curb Israel's judicial independence. The latest crisis in the region has postponed but has not resolved Israel's political problem. In addition, Israel lacks the political consensus required to consider a workable two state solution with the

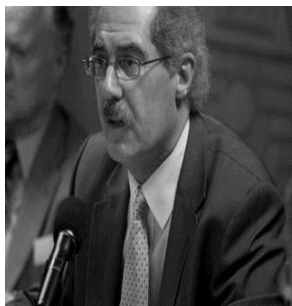
Palestinians. On the contrary, Israeli extremists in the occupied areas have been given the green light to continue their takeover of Palestinian lands. The cruelty of the recent crisis in and around Gaza is making a future Israeli-Palestinian symbiosis virtually impossible. This creates a serious policy dilemma not just in the US but also for countries like Greece and Cyprus who, in recent years, correctly expanded their economic and strategic cooperation with Israel. In contrast, Turkey continues to support Islamic extremists in its failed quest for leadership in the Islamic world.

The atrocities committed by Arab extremists against Israeli civilians required a measured Israeli response for both domestic reasons and for avoiding the expansion of hostilities with countries like Iran, the main supporter of radical groups in the region. Israel's heavy handed retaliatory tactics in Gaza may temporarily crush Hamas and other radical groups. However, they will not assure a peaceful future either for Israel or for the Palestinians. The daily loss of innocent Palestinian lives and the fate of innocent Israeli hostages amount to gross violations of humanitarian law. Ironically, the founders of modern Israel saw the new Israeli state as a beacon of democracy and human rights in the aftermath of the genocide of WWII. Sadly, this vision has not materialized. The level of violence and the number of innocent civilian victims we are witnessing today is not a good omen for this troubled region. Vengeance still dominates the discussion of the Arab-Israeli conflict. Leadership is clearly missing in action. Israel's public relations agents have seized on the tragedy of the holocaust to justify Israeli actions in Gaza and to characterize any criticism of Israel as "antisemitic". Classic example was the attack on the UN Secretary General for his measured criticism of Israel's actions. We need to move beyond such thinking. I am particularly sensitive to the fate of both the Palestinians and the Israelis. I am a child of Greek parents who survived the 1922 holocaust in Smyrna. During WWII my father was involved in the Greek underground rescuing Athenian Jews. I had the opportunity to live and to travel in the Middle East and see the reality of refugee camps and political division. The Middle East remains a classic case of the instability unresolved international problems leave behind. Even though Israel with its overwhelming force will prevail, it has no clear plan for the future. The ethnic cleansing of Gaza, or a new Israeli occupation of Gaza, will not solve Israel's problem.

Returning to the theme of this short essay, I will close on a pessimistic note. The legacy we are leaving behind for the next generation in the US is not a positive one. The US is facing an uncertain election in 2024. Reactionary political forces in the US continue to delegitimize the American political system and its core values. Discrimination is on the rise again. The traditional Republican Party leadership seems unable to comprehend or to control forces unleashed by wishful dictators like Trump and DeSantis. Unfortunately, the US political leadership has not learned from the failures of the European

political system in the 1930's. That reality is becoming clear as we enter the 2024 US electoral cycle.

INTENSE COMPETITION: THE END OF THE POST-COLD WAR ERA AND THE US-CHINA BATTLE FOR GLOBAL LEADERSHIP



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The world is adrift and we are witnessing the transition from the rules-based global order which dominated much of the 20th century and was overseen by the United States and its allies to a new emerging global order, in which China plays a highly important, if not a dominant role. I argue in this short article that this transition to a new order has been emerging for some time but that Russia's ruthless invasion of Ukraine - a neighboring, fully sovereign and independent country - has made the rapid disintegration of the post-Cold War order brutally clear. The terrible war in the Middle East has further contributed to this. Nevertheless, for the foreseeable future both the US and China may well be interested in attempting to work with each other though clearly within an overarching framework of "intense competition."

Clashing Global Orders

Russia's invasion of Ukraine on February 24, 2022, marked the end of the post-Cold War period. It led to a global paradigm shift. This shift to a world in which an embattled West plays a less dominant role in global politics and China an increasingly important one was further deepened by war in the Middle East that followed Hamas' ruthless terror attack on Israel on October 7, 2023, and Israel's furious response. The division of the world into two increasingly antagonistic blocs has accelerated significantly as a consequence of both wars. In this era of transition to an as yet unknown new global order both rising and established middle powers play a much more influential role than was the case during the Cold War years in the second half of the 20th century. Still, these middle powers, both autocratic and democratic ones, have not yet achieved a particularly decisive role in global politics. Instead the world remains bipolar.

On the one hand there are autocratic powers, such as China and Russia, who strongly oppose western "hegemony," as they call it, and the many countries in the 'Global South', who for mostly economic but sometimes also ideological and anti-colonial reasons, side with them and, by and large, follow their lead.

On the other hand, there are the US and its transatlantic allies in Europe as well as Washington's partners and allies in Asia, such as Japan, the Philippines, Thailand, Australia and other "like-minded nations", who wish to hang on to the existing global order. Created in its economic and monetary dimensions at the 1944 Bretton Woods conference, this global order evolved into a formidable rules-based (western) system of governance during the Cold War years. Despite all emerging challenges, this post-World War II order still functioned reasonably well in the years after the disintegration of the Soviet Union in 1991 – the post-Cold War world.

More than three decades after the end of the Cold War most western countries believe that this order continues to be a good basis for global governance. While reforms are necessary, such as tackling the underrepresentation of non-western countries on international institutions such as the IMF and World Bank,¹ there is no need to dramatically overturn the existing global order. Instead, gradual reforms and the attempt to continue integrating other powers, notably China but also India and perhaps eventually also a post-Putin Russia, remains the objective.

The American "empire by invitation" as it had evolved in the 1950s and the following decades, is part of this order.² This "informal" or "benign" empire remains very much accepted in both Europe and Asia – certainly in its security dimension and fortified by the US led NATO alliance. This "empire by invitation," however, is badly understood in China and other autocratic states where, for instance, French strivings for independence from American tutelage and the creation of an autonomous Europe are perceived as the much more natural behavior of a sovereign nation state.

Yet, due to the existing geopolitical and military realities, French President Emmanuel Macron's desire for European "strategic autonomy" is the exception to the rule in 21st century Europe and remains somewhat unrealistic as there is little support for it among other EU states. Instead, in view of the continuing and escalating "systemic rivalry" with China in Europe and much of Asia and for want of a good alternative, the US is still widely seen as the "indispensable nation" by most western countries. The term was coined by the Clinton administration in the 1990s.³

¹ Klaus Larres, "A Volatile World is Among the Challenges Facing the World Bank at its 2023 Annual Meeting in Morocco," in Mark Kennedy et al, "360View of Priorities for World Bank-IMF Meeting," Wilson Center: Insight & Analysis, Whaba Institute for Strategic Competition (Oct. 10, 2023): <https://www.wilsoncenter.org/article/360deg-view-priorities-world-bank-imf-meeting>

² Geir Lundestad, "Empire by Invitation? The United States and Western Europe, 1945-1952," *Journal of Peace Research*, Vol.23/3 (1986), pp.263-277. See also Klaus Larres, *Uncertain Allies: Nixon, Kissinger, and the Threat of a United Europe* (New Haven, CT: Yale University Press, 2022).

³ Robert J. Lieber, *Indispensable Nation: American Foreign Policy in a Turbulent World* (New Haven, CT: Yale University Press, 2022).

A Multipolar or a Bipolar World?

Nevertheless, the US and its allies have been struggling to maintain and continue their eighty years long political, economic and military global preponderance. Some countries, and not least those rising in global importance, such as India, Egypt and Brazil and increasingly even NATO member Turkey, believe that the wind is very much blowing into an anti-western direction and are attempting to remain neutral to advance their own economic and geopolitical positions. This, however, has contributed little to the stabilization of the rather volatile and chaotic world in which we have descended.

In view of the manifold challenges and difficulties the western world is faced with, policy makers in Beijing are deeply convinced that the West, and in particular the US, is in terminal decline. The bipolar world, they frequently argue, has been replaced, by a multipolar world more conducive to the creation of a stable, more egalitarian and peaceful international situation.⁴

In fact, however, the vast majority of policy makers in Beijing, Washington and Brussels (and in most European countries) are hardnosed realists. They know that geopolitically our age is very much still a bipolar one – and design their foreign policies accordingly. As Norwegian scholar Jo Inge Bekkevold has outlined, together the US and China make up half of the world's spending on defense and their joined GDP equals the 33 next-largest economies put together.⁵

While the rising middle powers and growing emerging economies of the 'Global South' as well as the economic, financial and normative influence of the EU are of increasing importance in global politics, they simply can't rival the huge overall might of either the US or China. Despite the fact "that significant power is concentrated in more than two states," ours is not yet a world of "unbalanced multipolarity, as is often claimed."⁶ In the last resort it is the US and China who call the shots globally, either directly or often indirectly.

At the beginning of the Biden era in January 2021 the US and China were very much still the leading proponents of global military and economic might and global order – while holding very different ideas about the nature of that

⁴ Tianyi Wu, "China's Audacious Bid for its Vision of a Multipolar World," *The Diplomat* (May 13, 2023): <https://thediplomat.com/2023/05/chinas-audacious-bid-for-its-vision-of-a-multi-polar-world/>

⁵ Jo Inge Bekkevold, "No, the World is Not Multipolar," *Foreign Policy* (September 22, 2023): <https://foreignpolicy.com/2023/09/22/multipolar-world-bipolar-power-geopolitics-business-strategy-china-united-states-india/>

⁶ Emma Ashford and Evan Cooper, "Yes, the World is Multipolar. And this isn't bad news for the United States," *Foreign Policy* (October 5, 2023): <https://foreignpolicy.com/2023/10/05/usa-china-multipolar-bipolar-unipolar/>

global order. Despite the formidable distraction by the wars in Ukraine and the Middle East and issues such as climate change and economic dislocation, this explains the great attention the Biden administration and the European Commission in Brussels pay to China. In particular, Russia's onslaught on Ukraine in February 2022 profoundly affected the policy of the entire western alliance toward China.

Intense Competition with China

China's long-standing emphasis of the "five principles of peaceful coexistence," which includes the mutual respect for sovereignty and territorial integrity and mutual non-aggression, counts for little in the world of real-politics. Beijing, it turned out, has had no problems violating its own principles. Despite Putin's invasion of a neighboring sovereign country Beijing has still not condemned Russia's onslaught. Instead China remains committed to supporting Putin's Russia in manifold political and economic ways, though not (yet) by means of direct military aid deliveries.

Most importantly, the huge energy dependency and intensive trade relations of many European countries (no more so than Germany) on Russia made western countries realize that the even higher economic and trade dependency on China needs to be reversed. The first warning signs had already been noticed during the Covid19 pandemic when significant global supply chain problems first emerged. It became obvious that the dependency on China regarding the cheap manufacturing of certain medical provisions, including face masks, was rather counterproductive.⁷

Since the Trump years (2016-21) the US has essentially pursued a policy of containment and partial de-coupling with China. The rising tension in the South China Sea and over Taiwan has made US policy makers during both the Trump and Biden presidencies decide on attempting to contain the military might and activities of China in the Indo-Pacific by encircling China with reliable US friendly countries. Washington's intensified relations with Vietnam, Thailand, Japan and South Korea, also India, to name but a few (and much improved relations between Tokyo and Seoul) as well as the establishment of the Quad (US, Japan, India, Australia) and AUKUS (Australia, UK, US) are meant to keep China's geopolitical influence and military power well contained.

The tariffs, exports controls and sanctions imposed on China by both the Trump and Biden administrations are meant to prevent (or at least postpone) China from developing the sophisticated high-tech semi-conductors and AI-

⁷ See the report by Alexander Brown et al., "Investigating state support for China's medical technology companies," *Merics* (Berlin: November 20, 2023): https://merics.org/sites/default/files/2023-11/MERICS_Report_MedTech%20State%20Support_November%202023_final.pdf

technology needed for a modern military. Trade relations and economic engagements with China in other less high-tech fields continue, however.

The Biden-Xi meeting in San Francisco in November 2023 demonstrated that both the US and China have accepted this state of intense competition while being prepared not to challenge each other too vigorously and keep communication channels open to prevent any unforeseen military escalation.

For the European Union and many export-dependent European countries, such as Germany and France, the US approach to China is still viewed with a good deal of skepticism. While the EU under EU Commission President Ursula von der Leyen has moved much more than hitherto toward the hardline China policy pursued by both presidents Trump and Biden, on the whole the EU and in particular individual European countries are keen on finding a middle way.⁸

This zone in the middle is meant to assure the US that the EU is supportive of Washington's China policy while it is also aimed at not antagonizing China too much. The fairly constructive and harmonious visits by German Chancellor Olaf Scholz to China in November 2022 and French President Macron in April 2023 are evidence of this tendency of many European governments. After all, the EU and the economies of most European countries are much more dependent on good trade and investment relations with China than the US is whose two-way trade with China is much smaller. Naturally, the US is thus much less dependent on good economic relations with China.

In view of the EU countries' economic dependency on China and Beijing's serious domestic economic problems and fear that too many western countries are leaving China or no longer investing in the country, the EU-China summit in December 2023 may well be a fairly agreeable affair.

Outlook – three expectations:

1. It is unlikely that the relatively stable and strategically fairly clear global order of the post-Cold War world can be resurrected. The transition toward the emergence of a new global constellation is continuing though the precise shape of this new global order remains rather vague and ambiguous for the time being. Putin's Russia and Ukraine as well as the Middle East will remain unstable and wrecked by war and enormous human rights violations. It is unlikely that China will stick out its neck and accept the risk of failure to attempt stabilizing the situation and contribute to the development of a new global order in either theatre.

⁸ Klaus Larres, "2023 State of the Union Address by EU Commission President Ursula von der Leyen. How will the EU Answer the Call of History?" Wilson Center, Washington DC: Insight & Analysis (September 18, 2023): <https://www.wilsoncenter.org/article/2023-state-union-address-president-ursula-von-der-leyen-how-will-eu-answer-call-history>

2. Despite the successful Biden-Xi meeting in San Francisco in mid-November 2023 the intense competition between the US and China will continue though perhaps within a somewhat more controlled and managed way. In the short term it can perhaps be expected that as long as China is facing serious economic problems at home and is fearful of the further flight of western companies and investments from the country, Beijing will contain itself and not challenge and test the US and its allies too assertively regarding Taiwan, the South China Sea and its response to the imposition of US high-tech export controls.

Likewise, the presidential election campaign in the US makes Washington interested in stable relations with China. The global upheaval in Ukraine and the Middle East is occupying US foreign policy fully. President Biden is not interested in having a third major crisis in the Indo-Pacific on his hands. How the situation will develop beyond January 2025, when the new US president will be inaugurated, is anyone's guess.

3. The EU and most European countries will continue attempting to steer a middle course between Washington and Beijing - though characterized by a strong US-leaning tendency. This middle course applies above all to economic, investment and trade relations with China. In the geopolitical and human rights realms the EU tends to side much more strongly with Washington, a fact which is often overlooked in Beijing. As long as US-Chinese relations remain relatively stable and constructive - albeit within an overarching framework of intense competition - the EU is unlikely to attempt challenging the status quo.

ENERGY SECURITY IN TURBULENT TIMES FOR THE INTERNATIONAL SYSTEM



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This paper explores the interconnection between two phenomena. The first is the risk assessment of recent conflicts that can escalate into generalized tensions that may engulf regional actors or even at the global level. The second is the energy security dimension of such conflicts and its propensity to increase rather than to ease existing tensions. A third contextual parameter of a more general nature is the climate crisis that, while presenting a global threat in itself that is not analyzed here, further exacerbates the impact of energy security concerns at a turbulent time for the international system.

With Russia's invasion of Ukraine nearing its two-year mark, the conflict is already taking protracted characteristics with no short-term endgame in sight. Yet the prospects of escalation of the conflict remain relatively low, primarily because the risks associated with escalation are prohibitively high. The conflict has taken on the character of a proxy war with direct backing of Ukraine by its Western allies but no direct action against Russia which could open the door for a variety of extremely high-risk scenarios. With Ukraine – in addition to Moldova – poised to begin formal negotiations for accession to the European Union, and Russia seeking to advance its security ties with China, the stakes of escalation are likely to be elevated.

In the case of the Middle East, the most likely threat is the engagement of non-state actors like Hezbollah rather than states like Iran directly taking action on the ground against Israel. Multiple fronts would lead to a protracted conflict and be the death knell of any prospect for an active peace process in the region. Hezbollah has already begun to attack with rocket missile launches across the Lebanese-Israeli border. While no direct threat of an all-out war has been made, Hezbollah is increasingly amping the rhetoric by presenting the deadly developments in Gaza as positive and that further escalation will disadvantage Israel in the long run. Most significantly, Hezbollah entering the conflict would mean that Lebanon will be drawn into the conflict at a very fragile state both politically and economically, and that Iran can influence – if not dictate – hostilities indirectly.

Both the Middle East and Ukraine have direct energy security implications in a variety of ways. The immediate effect of the Russian invasion was the onset of a regional and subsequently global energy crisis. Energy prices soared and energy security in terms of both price volatility and access to uninterrupted supply drove market dynamics as states adjusted to new realities. The supply of Russian gas to the European continent plummeted to less than 10% of EU member states' needs in 2023, as other exporters met the gap in European demand. At the same time, while the EU strategized its diversification of gas supply as a move away from its dependence on Russia, Russia diversified its export rerouting by replacing European outlets with Asian, especially in China and India. An additional silver lining for the European goal of a green transition under the policy framework of the European Green Deal has been the acceleration of the entire process more broadly; even more specifically, it has led to an increase in the rate of growth of renewable energy as a share in the European energy mix and especially in terms of electricity production.

The effects of the war in Gaza on energy security are of a more contained and regional nature at the moment. The narrative over the potential for natural gas exploration and exploitation in the Eastern Mediterranean has prioritized the capacity for exporting, especially to the European continent, thereby presenting an additional option for diversification and divestment of Russian dependence. This extended to prospective gas exports from all East Med states, including Cyprus and Lebanon. But the first concrete step was taken with Egypt and Israel through the signing of a Memorandum of Understanding on June 15, 2022. According to the terms of the MoU, shipments of natural gas from the two neighboring states to the EU would use Egypt as a hub through its liquefaction facilities Edku and Damietta. This collaboration would further enhance bilateral energy relations that already centered on Israeli exports to Egypt's gas-starved domestic market. The broader context of energy-related collaborations contributing to the ease of regional tensions was further served by the historic agreement on maritime boundary delimitation over the disputed border between the Exclusive Economic Zones of Lebanon and Israel on October 27, 2022. The agreement was hailed as a triumph and envisioned as paving the way for further defusing of bilateral tensions and possible resolution of land border disputes between the two states.

The Hamas incursion on October 7, 2023, and the ensuing Israeli war in Gaza have had a direct negative impact on all such positive developments and outlook for regional stabilization. Israel suspended the operation of the Tamar gas field out of security concerns; that field accounted for about 47% of Israel's natural gas output in 2022. An additional first response was the suspension of gas flows from Israel to Egypt through the EMG pipeline from Ashkelon in Israel to El-Arish in Egypt. The supply is slowly being restored by re-routing through Jordan. In addition to domestic concerns of a gas shortage in Egypt, this also raises the prospect of an inability to export gas to the EU

as per the terms of the memorandum, even though the quantities are not of any significant consequence for EU member states. Furthermore, the involvement of Hezbollah in the ongoing conflict will prevent and possibly backtrack any bilateral progress.

Both the Russia-Ukraine War and the Israeli war with Hamas have direct implications on Cyprus' prospects of energy exploitation. Cyprus was seen as a favorable prospect in Brussels in supplying natural from an EU member state within the EU economy and the regulatory framework of EU energy markets. The significance placed on the Eastern Mediterranean energy sources in diversifying supply options to the EU emerged prior to the Russian invasion in 2022 and has only risen on the EU agenda after. On the other hand, the Middle East component is essential for Cyprus' integration into the natural gas trade as a potential exporter. The small size of the national economy and the sizable amounts of discoveries suggest the prospect of export capability. But the necessary infrastructure to make Cyprus a regional hub makes little financial sense, especially with the Egyptian option already in place. Therefore, a partnership with Egypt remains the most practical option for Cyprus to start exporting gas. At the same time, Cyprus' relations with Israel – which have been steadily converging on all fronts, and not just with respect to energy – are a key component in the exploitation of energy resources. As a result, developments that necessitate bilateral cooperation between the two countries may be put on hold as Israel responds to its more pressing security priorities. Ultimately, a breakdown of relations between Egypt and Israel would greatly damage Cyprus' prospects in the energy sector.

THE ANGLO-AMERICAN BLOC: A THREAT TO GLOBAL STABILITY AND PEACE



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Historically relations between the Anglo-American Bloc and Russia have been adversarial. They resemble a swinging pendulum with a parametric oscillation between stability and tension. This is their core. And if one wishes to explore further this historical conjuncture, the war in Ukraine is a case in point.

The post - world war II period was politically shaped by three major events. Namely: the Thermonuclear revolution, the Cold War and Decolonization. The US adopted the Kennan Doctrine, a strategic policy based on the Containment of the Soviet Union in an effort to impose limitations on its influence on European and global affairs. The British were well aware of the fact that the Russians could wipe them out as a result of a balance of power to Russia's favor. The post WWII balance of terror necessitated a new bilateral regulatory framework of relations between the United States and Russia, Soviet Union at the time. It was based on the notion of a Mutual Assured Destruction (MUD) which led to Détente. Britain's security was therefore placed under American patronage. This consolidated further, mutatis mutandis, their special strategic relationship. It did not, nonetheless, prevent the Russians from issuing a 24 hour ultimatum to the British and French in 1956 to leave Suez, amidst a potentially volatile and extremely dire predicament threatening global stability.

The British unconditional compliance to the ultimatum dealt a huge blow on the UK's image as a major actor in the international scene. Britain's projection of power, from a strategic point of view was irrevocably dented and depreciated. Its credibility as a global actor was in doubt as well. However, American global hegemony and its cultural affinity with Britain still preserves the dominance of the Anglo-American imperium. It is this imperium which ipso facto has been put into question by the new emerging global stratification system. Structural changes from within the new emerging stratification system, have produced economic and political differentiations. New geostrategic dividends are not in favor of the Anglo-American Bloc. The volition of global economic forces particularly in Southeast Asia, notwithstanding the Global South, has contributed into a new fluidity in global

politics and has redirected the positioning of global centers of power and influence. A divergence of opinion on environmental policies and the so-called notion of 'climatic change', which is not backed by apolitical and non-ideological scientific evidence. This green transition, with unprecedented transaction economic cost at the expense of the non-privileged, as a new economic paradigm shift, is its new ideological battlefield. Yet if the Amazon is reforested, climatic entropy is restored. It is estimated that a forest area of 140.000 square kilometers, roughly the size of Greece has vanished in profit seeking activities by global capital.

The Western Collective through the demonization of further hydrocarbon exploration and commercial utilization targets Russian global energy dominance. This in an effort to curtail it and eventually as contemporary crusaders to loot it.

The war in Ukraine reflects this ongoing fluidity in global affairs that are counter to the Anglo-American hegemony. The legitimate president of Ukraine Victor Yanukovich in April 2010 signed a renewal of the Agreement regarding the presence of the Russian Black Sea naval fleet in Sevastopol, in Crimea, with the then Russian President Medvedev. The agreement which was due to expire in 2017, was extended until 2042. In exchange Russian natural gas and energy would have been provided at extremely favorable conditions to Ukraine's economy. It ensured Ukraine's neutrality and the enhancement of a strategic relation with Russia. It also meant the negation of NATO's plans for its eastern enlargement aiming at Russia's complete geostrategic isolation. The Anglo-American pact successfully staged a coup and violently removed Ukraine's legitimate president Yanukovich from office. The coup was assessed by Russia as an immediate geostrategic threat to its vital security interests. Russia's eight-year diplomatic efforts to persuade the Anglo-American Bloc as well as the Collective West were to no avail. It was fruitless. Russia eventually intervened militarily to safeguard its security concerns. Legitimate human rights of the Russian-speaking population in the eastern provinces of Ukraine, also warranted protection.

Professor Sachs of Columbia University, in a recent interview on 8 September 2023, described the dominant Anglo-American Narrative, (without excluding the Collective West), as one based 'on wars of choice' and 'wars all the time'. He referred to the Russian defeat in the first Crimean War in 1856, as a reminiscence of the once imperialist nostalgia of contemporary British elites.

The Anglo-American Bloc along with the current European leadership are 'naively' entrapped in political wishful thinking regarding Russian isolation and NATO's eastward expansion as well as establishing a 2.000 km frontier with Russia. This constitutes in my view a self-defeating attitude given Russian military might. One could even reasonably think the Anglo-American Bloc is contemplating to stretch global peace to its limits. These perilous and

destabilizing developments undeniably constitute an ominous threat to collective security and stability, despite American assurances to the late and last Soviet President Gorbachev, that NATO was not contemplating at all, any eastward expansion.

The British decision to play an active strategic role in the current military conflict by supplying Ukraine generously with intelligence, logistics, training, advanced weapon systems and personnel, i.e., a war against Russia by proxy, is tantamount to a dangerous and timid frivolity. One rooted in the strategy of encouragement to Ukraine for the continuation of a losing battle despite such a heavy loss of human life. This cynical decision is in direct contradiction to western liberal democracy and its core values. A system they are supposedly their keeper.

Jeffrey Sachs argues that both, the US and the UK, do not wish to normalize relations with Russia in order to preserve their hegemony. This effort is spearheaded by the UK, the junior partner. Russia's strategic determination and political resolve to confront this hostile British attitude, should not be doubted by the Anglo-Americans. In fact, the British military bases on the Republic of Cyprus are not NATO bases. They could be legitimate targets, should it be deemed necessary by the Russians.

Had it not been the case of Putin, the Anglo-American Bloc would have invented him. Putin is a better student of history than Gorbachev. Putin makes a better reading of it. That complicates things a bit for the Anglo-Saxons.

In conjunction with the above, the incessant upward escalation of interest rates marks the intention of the Collective West to keep alive the loss of life for long.

The rationale to contain cost push inflation as a result of rising energy prices due to the abrupt curtailment of supply of Russian natural gas to Europe, has severe negative ramifications on the European economy. It also serves as a monitoring mechanism to the value of gold, in an effort to obstruct any further integrative processes by BRICS.

Through the spike of interest rates, European masses subsidize the cost of war. Western oligarchies reap the benefits at the expense of the middle and lower socioeconomic strata. Aggregate demand also suffers from rising interest rates. Inevitably the containment of demand leads to austerity and pauperization of the non-privileged and the middle classes. The Anglo-American bloc bears witness without remorse to a death toll of this irrational warfare, which is unprecedented. And as Professor Sachs notes, referring particularly to the British, '[they] live the imperialist nostalgia to the essence of its political class'.

In sum, Gestalt Psychology informs us that the whole is greater than the sum of its parts. Taken as another part of the whole, the ongoing destabilizing escalation in the middle east with atrocities, (although the respective magnitude of human loss should be noted), the global stratification system is on the verge of redefining a new equilibrium.

The eastward reorientation of the global economy has been taking place for quite some time threatening the Anglo-American hegemony in particular and the Collective West in general. It encapsulates a new nascent emerging geostrategic reality that incorporates a new ensemble of powerful actors.

The urgency of this complex historical conjuncture, requires, for better or worse a wise American hegemony.

The current hegemon exhibits mental and physical limitations, to say the least. This is the single most important critical variable in preserving global peace and collective security. No serious and wise hegemon can refer to adversaries with legitimate authority in the international system as 'assassins'.

LEGAL ANALYSIS AND PROPOSALS FOR THE ADMINISTRATION OF JUSTICE CONCERNING THE FORCIBLE FLEEING OF MORE THAN 100.000 ARMENIANS FROM NAGORNO-KARABAKH



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The current paper presents a legal analysis from the perspective of International Law of the forced displacement of Armenians of Nagorno-Karabakh, which took place at the end of September and the beginning of October 2023. In particular, it analyzes whose international crimes' actus reus and mens rea can be fulfilled by the acts committed by Azerbaijan, and which violations of International Humanitarian Law have been committed. Additionally, it is attempted to connect the relevant international crimes and violations with the International Convention on the Elimination of All Forms of Racial Discrimination¹. Furthermore, it is suggested the combined invocation of the relevant international crimes with the Convention on the Rights of the Child², and the Convention on the Elimination of All Forms of Discrimination against Women³. The special importance of the recognition of the commission of international crimes for the administration of justice is highlighted, as well as the dynamic that can be offered by the combined invocation of international crimes with the above-mentioned international conventions.

Armenia and Azerbaijan are in a dispute over the territory of Nagorno-Karabakh since the collapse of the Soviet Union. The territory of Nagorno-Karabakh is internationally recognised as part of Azerbaijan. It is an occupied territory, having self-proclaimed authorities. It has an ethnic Armenian majority. More than 100.000 Armenians were forced to flee Nagorno-Karabakh, following a ten-month humanitarian crisis linked to the blockage

¹ International Convention on the Elimination of All Forms of Racial Discrimination (1965) <https://www.ohchr.org/en/instruments-mechanisms/instruments/international-convention-elimination-all-forms-racial>

² Convention on the Rights of the Child (1989) <https://www.ohchr.org/en/instruments-mechanisms/instruments/convention-rights-child>

³ Convention on the Elimination of All Forms of Discrimination against Women (1979) <https://www.ohchr.org/en/instruments-mechanisms/instruments/convention-elimination-all-forms-discrimination-against-women>

of the Lachin Corridor and the military operation launched by Azerbaijan on 19 September 2023.

As the United Nations Office of the High Commissioner for Refugees, UNHCR, states, the refugees fleeing to Armenia include vulnerable groups such as older people, women and children, pregnant women and newborns, people living with disabilities and people with chronic health conditions. More than half of the refugees are women and girls, approximately 30 percent are children and 18 percent are elderly. International organisations have expressed concern that many of those seeking refuge have been separated from their families.⁴

According to the Committee on Migration, Refugees and Displaced Persons⁵ of the Parliamentary Assembly of the Council of Europe, Azerbaijan as a State Party to the European Convention on Human Rights (ECHR)⁶ and to most of its additional protocols, must secure to everyone within its jurisdiction the rights and freedoms guaranteed by the ECHR and the ratified protocols. By virtue of its recognised territorial sovereignty over Nagorno-Karabakh and its current effective control over this region, it exercises “jurisdiction” and has negative and positive obligations under the ECHR vis-à-vis the Armenian population living in this territory or fleeing from it.

From the point of view of International Criminal Law, regarding the forced displacement of Armenians, the following should be mentioned.

According to article 7 of the Rome Statute⁷ of the International Criminal Court, the deportation or forcible transfer of population when committed as part of a widespread or systematic attack directed against any civilian population, with knowledge of the attack, constitutes a crime against humanity. As “deportation or forcible transfer of population” is defined the forced displacement of the persons concerned by expulsion or other coercive acts from the area in which they are lawfully present, without grounds permitted under International Law.

Moreover, according to article 8 of the Rome Statute, the unlawful deportation or transfer or unlawful confinement, in particular when committed as part of a plan or policy or as part of a large-scale commission of such crimes

⁴ <https://www.unrefugees.org/news/what-to-know-about-the-refugee-crisis-in-armenia/>

⁵ Council of Europe, Parliamentary Assembly, Committee on Migration, Refugees and Displaced Persons, Report | Doc. 15840 | 10 October 2023, “Humanitarian situation in Nagorno-Karabakh”

<https://pace.coe.int/en/files/33069/html>

⁶ European Convention on Human Rights (1950)

https://www.echr.coe.int/documents/d/echr/convention_ENG

⁷ Rome Statute of the International Criminal Court (1998)

<https://www.icc-cpi.int/sites/default/files/Publications/Rome-Statute.pdf>

constitutes a war crime. These acts constitute, also, grave breaches of the Geneva Conventions of 12 August 1949.⁸

Based on the facts so far, it appears that i) the crime against humanity of the deportation or forcible transfer of population, ii) the war crime of the unlawful deportation or transfer and iii) the relevant breaches of International Humanitarian Law have been committed by Azerbaijan against the Armenians fled Nagorno-Karabakh. Almost the entire Armenian population of Nagorno-Karabakh has left this territory, and there appear to be serious indications of the commission of the crime of ethnic cleansing. It should be highlighted that international crimes have been judged to offend the humanity as a whole and the “global collective consciousness”.

Furthermore, it should be mentioned that according to article 7 of the Rome Statute, persecution against any identifiable group or collectivity on political, racial, national, ethnic, cultural, religious, gender, or other grounds that are universally recognized as impermissible under International Law, in connection with any crime within the jurisdiction of the International Criminal Court, constitutes crime against humanity, when committed as part of a widespread or systematic attack directed against any civilian population, with knowledge of the attack. As “persecution” is defined the intentional and severe deprivation of fundamental rights contrary to International Law by reason of the identity of the group or collectivity.

If it is proven that acts of persecution were committed against the Armenians as a distinct national, ethnic, religious, cultural or political group, as part of a widespread or systematic practice, it would also be fulfilled the actus reus and the mens rea of the crime against humanity of persecution.

It could be argued that, in terms of human rights, the international crime of persecution is linked to the International Convention on the Elimination of All Forms of Racial Discrimination. In addition, the aforementioned convention could be linked to the international crimes of ethnic cleansing, as well as the unlawful deportation or transfer of a population. It should be mentioned that article 1§1 of this Convention defines the term “racial discrimination” as any distinction, exclusion, restriction or preference based on race, colour, descent, or national or ethnic origin which has the purpose or effect of nullifying or impairing the recognition, enjoyment or exercise, on an equal footing, of human rights and fundamental freedoms in the political, economic, social, cultural or any other field of public life.

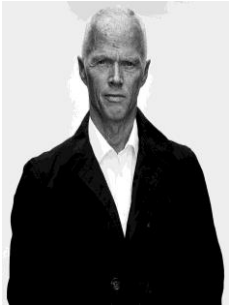
Furthermore, the international crime of persecution could be linked with the Convention on the Rights of the Child, and the Convention on the Elimination of All Forms of Discrimination against Women, given than children and women

⁸ Geneva Conventions of 12 August 1949
<https://www.icrc.org/en/war-and-law/treaties-customary-law/geneva-conventions>

are vulnerable groups in need of increased international protection. It is suggested that the two aforementioned conventions could be also linked to the international crimes of ethnic cleansing, as well as the unlawful deportation or transfer of a population. It should be emphasized that the Convention on the Rights of the Child makes special reference to children who are separated from their parents and to family reunification, as well as to children refugees.

In conclusion, in the context of the current paper, an attempt was made to present the international crimes that have been committed or may have been committed against the Armenians of Nagorno-Karabakh by Azerbaijan, as well as their connection with violations of core human rights treaties. In this way, the combined invocation of International Criminal Law and International Human Rights Law is possible for the more effective administration of justice. International Criminal Law is particularly strict, characterized by high binding force. It consists almost entirely of jus cogens, namely of international, peremptory fundamental principles, which override the national law of states, and from which no derogation is permitted. International Human Rights Law includes a broad legislative and jurisprudential framework, as well as a wide and effective system of instruments and mechanisms for its enforcement. By the combined application of the two aforementioned branches of International Law, regarding the forced displacement of Armenians of Nagorno-Karabakh, a more effective and holistic administration of justice could be claimed.

THE MIDDLE EAST AFTER THE WAR



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The international community has tried to make the problem smaller – the time has come to make it bigger.

Both the Oslo Process and the Abraham Accords were attempts to solve a seemingly unsolvable problem by making it smaller, breaking it up into individual parts and ignoring the basics.

The Middle East 125 years ago was a puzzle of ethnicities, religions and tribes. Dominated by Islam, in coexistence with Christians, Jews and other minorities. 90% of People in the region were Arabs.

During World War I (1915), Britain got the Arab leader in Mecca, Sharif Husayn, into the war on his side against the promise of an Arab state. The following year, the British entered into a secret plan to share the area with France (the Sykes-Picot plan). And then - in 1917 - they promised the Zionists a homeland for the Jews in the same area (the Balfour Declaration).

After the war, the colonial powers, as agreed, divided the area among themselves. France in the north, Great Britain in the south - with present-day Israel and the Palestinian territories. Immigration to the area increased due to the persecution of Jews in Europe. The dream of a homeland - a state with secure borders grew.

This led to conflict with both the British and existing villages. British frustration became so great that in 1939 they considered a common state in the area instead. The Zionists' impatience grew further. After World War II and the Holocaust, immigration increased considerably, and violent clashes became commonplace.

In 1947, the newly established United Nations came up with a partition plan for the area that offered Jews and Arabs separate states. Violence continued to increase, including terrorist attacks. The massacres carried out by the Jewish militias Irgun and Lehi, among other things, against the Arab village

of Deir Yassin in 1948 triggered large flows of refugees. It is estimated that 700,000 Arabs fled in 1948.

The partition plan failed, a war broke out which the Arabs lost. Then, on May 14, 1948, David Ben Gurion declared the State of Israel, based on the lines then available. After negotiations led by the United Nations, four *armistices* were signed, with Lebanon, Syria, Jordan and Egypt respectively. Later developed into *peace agreements* for Egypt (1979) and Jordan (1994).

Many wars, large and small, have been fought. The one in 1967, when Israel occupied the Golan Heights, the West Bank and the Sinai, established the current situation, with the exception of Sinai, which was returned to Egypt by the peace treaty.

The last 56 years have been the story of Israeli occupation, the systematic oppression of the Palestinians and their resistance. This has contributed to terror against Israel several times. But it is also the story of two peace agreements that show the possibilities when the great powers engage and draw up a larger canvas.

The Oslo process divided up the conflict and separated out the issue of Jerusalem to make the problem smaller. Despite initial optimism, however, the attempt collapsed after the assassination of Yitzhak Rabin in 1995. The word Oslo is today almost a slur in Israel because it evokes memories of the land for peace catastrophe, and among young Palestinians because the Palestinian Authority is perceived as a corrupt, extended arm of the occupying forces.

Norwegian and international inaction has unfortunately in reality contributed to strengthening Hamas, undermining the Palestinian authorities, and facilitating a dramatic expansion of Israeli settlements in the West Bank.

Hence, Israel as a state was established with deceit and violence, to be perpetuated with the systematic displacement and oppression of the Palestinian people, met with resistance and terror. There is no reason to be surprised that there are explosions, nor that the backlash, driven by both hubris and vengeance after 7 October, was violent.

That Netanyahu and his extremist government seized the opportunities Hamas created on 7 October, to reshape Gaza and at the same time expel as many Palestinians as possible from the West Bank, is neither surprising.

What surprises me is that international political leaders, in all their powerlessness, seek refuge behind an unrealistic two-state solution as *the only* starting point for the way forward. A lot is happening that doesn't come out in public, experienced diplomats say. I sincerely hope this doesn't mean

President Biden and other heads of state are running Netanyahu's errand, but I'm not sure.

Dwight D. Eisenhower established as a mindset, in the face of the fundamental challenges of his time, that if a problem cannot be solved, you must make it bigger. In the Middle East, the seemingly insoluble problem is *equal rights for Palestinians and Israelis in the same area*.

We must therefore start by recognizing that today's course shy away from the problem and will eventually lead to more terror, larger wars and - most likely - the end of Israel as a democratic state.

Second, we must establish *equal rights for all* as a starting point. Then, the efforts Eisenhower invited may begin. Dialogue between local leaders, facilitated by the United States, France and Britain, but also Egypt, Jordan, Saudi Arabia, even Iran must be involved and listened to.

The United States must lead the way in the region, not just follow Netanyahu's fundamentalist government. We can start by drawing up the final border between Lebanon and Israel to secure a peace agreement in the north. Saudi Arabia can lead the dominant Sunni states in taking economic and practical responsibility for Gaza's future together. When Israel dismantles illegal settlements in the West Bank, we are moving forward.

Whether the work in 5-10-20 years leads us to equal rights in a federation, no borders in an area administered by the international community, a common state, two states or other solutions, time will tell, but we will fail both Palestinians, Israelis, the region and ourselves if we do not try.

EU AND RUSSIA'S ECONOMIC TIES WITH ISRAEL



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The aim of the paper is to analyze the EU and Russia's economic relations with Israel and how they may affect the political power in the region.

Israel's economic relations with the European Union form a crucial axis of its international economic engagement. As one of Israel's principal trade partners, the interaction of politics, economics, and regional stability within the EU-Israel nexus provides valuable insights into the complex nature of their collaboration. More specifically, trade ties between the European Union (EU) and Israel are regulated by a Free Trade Area established under the 2000 EU-Israel Association Agreement. Notably, negotiations aimed at expanding agricultural trade between the two entities were successfully concluded in 2008, with the resultant agreement being operational since January 2010 (European Commission, 2023).

In addition, a significant milestone in this economic alliance occurred in 2012 when the EU and Israel finalized an Agreement on Conformity Assessment and Acceptance of Industrial Products (ACAA) specifically within the pharmaceutical sector. This agreement plays a crucial role in facilitating bilateral trade by eliminating trade barriers and establishing mutual recognition of pharmaceutical certification. Moreover, the Euro-Mediterranean Aviation Agreement, also known as 'Open Skies,' aviation agreement, has further developed trade and economic relations between the EU and Israel. This agreement, which came into full effect in 2018, has expanded air travel opportunities between the EU and Israel, increasing connectivity. Additionally, the EU Trade Policy Review of February 2021 outlined the EU's intention to propose a novel sustainable investment initiative to interested partners in Africa and the EU's Southern Neighbourhood (European Commission, 2023a).

According to the European Commission (2023), Israel stands as the European Union's 25th largest trade partner, contributing 0,8% to the EU's total trade in goods in the year 2022, therefore, it holds a significant position among the EU's key trading partners within the Mediterranean region.

On the other hand, the EU seems to be one of the most significant trade partners. In 2022, the trade in goods counted for 28,8% while the 31,9% of Israel's imports derive from the EU, and the 25,6% of the country's exports go to the EU.

The total trade in goods between the EU and Israel for the year 2022 reached €46,8 billion. EU imports from Israel amounted to €17,5 billion, consisted of machinery and transport equipment (€7,6 billion, 43,5%), chemicals (€3,5 billion, 20,1%), and other manufactured goods (€1,9 billion, 11,1%). The EU's exports to Israel amounted to €12,2 billion, with machinery and transport equipment (€12,3 billion, 41,9%), chemicals (€5,1 billion, 17,6%), and other manufactured goods (€3,5 billion, 12,1%) dominating the landscape.

Furthermore, the bilateral trade in services between the EU and Israel reached €16,7 billion in 2021. Within this dynamic, EU imports of services accounted for €6,9 billion, while exports for €9,8 billion, reflecting the substantial economic interdependence between the EU and Israel in the services sector.

As far as Russia is concerned, in a historical point of view, its relations with Israel were limited during the Cold War, however their relationship has matured over the past two decades since trade and heavy industry has significantly raised in the past two decades, reinforcing economic cooperation and offering more opportunities, stabilizing the political status-quo (Rodman, 2015; Zisserman-Brodsky, 2022).

More specifically, according to the Observatory of Economic Complexity (2023) in 2022, Russia exported 155 million USD and imported 90.4 million USD from Israel, with a positive trade balance of 64.2 million USD. From 2021 to 2022 the Russian exports increased by 51 million USD (49,2%) while imports increased by 36,2 million USD (66,7%) from 54,2 million USD to 90,4 million USD.

An interesting point is that Russia's top destination for goods is China, while for Israel is the USA. Many studies have shown that trade follows the flag in case of conflict (Keshk et al, 2004; Smith, 2018;) in contrast to others (Oneal and Russett, 1999; Hegre et al. 2010) but an interesting point which perhaps occurs here is that trade seems to follow the flag even in proxy war, where things are more complicated, but more cases need to be analyzed in order to have robust results.

Undoubtedly, in economic terms, the EU has more to lose from its relationship with Israel since the volume of trade is by far larger compared to that of Russia. Even in the war in Ukraine, despite the fact that *"the EU is Ukraine's largest trading partner, accounting for 55,2% of its trade in goods in 2022"*

(European Commission, 2023b), the EU didn't manage to be conceived as pivotal regional player (Reuters, 2023). On the political aspect, Russia's emergence as a regional stabilizer confirmed the already known political deficit of the EU to be considered as regional political power and actor. Once again, even where economic ties are high, the EU seems reluctant to develop a common foreign policy context of action.

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SUB-IMPERIALIST TURKEY AND THE GAZA CRISIS



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On 15 November 2023, in a meeting with his parliamentary party group at the Turkish Grand National Assembly, Turkey's President, Recep Tayyip Erdogan said that Israel's actions in Gaza are tantamount to genocide and that its downfall as a state is imminent. Israel, Erdogan said, is a "terror state". Erdogan went on to accuse the West for its "unlimited support" to Israel, making it complicit to Israel's war crimes. So far, these criticisms could meet the approval of radical left and socialist groups and parties across Europe and the world. But, then, in his attempt to present himself as the leader of the Arab and Islamic world, Erdogan went on to say that this crisis was a matter of "cross and crescent", meaning the Christian and Muslim worlds. The Jewish settlers in the occupied territories, he said angrily, will be only recognised by Ankara as "terrorists". The West as a whole, never mind its nuclear weapons, he said, is a goner.

Netanyahu's response did not take long to come. He accused Erdogan of supporting Hamas terrorists at the moment when Turkey itself is indiscriminately bombing Kurdish villages in the South-east of Turkey, in northern Iraq and Syria, so Israel cannot be lectured on this. One could also add that the occupied areas of the Republic of Cyprus is full of Turkish settlers outnumbering the Turkish Cypriots. Many other Israeli officials responded and respond on a daily basis to Erdogan's deliriums, but this is besides the point. Where is the relationship between Turkey and the West heading to? Is this relationship at a breaking point? I argue that Turkey's growing independence is overwhelmingly seen by the West, and especially the USA, as an asset which should not be lost. And Erdogan's Turkey knows that.

It is clear why Erdogan has become so critical of Israel's policy in Gaza: he faces domestic economic problems and an opposition which, despite its fragmentation, can re-group at anytime if a new competent leadership emerges. His skilful anti-Israel discourse cultivates and cements the Muslims constituencies in Turkey and beyond, while boosting the support he receives from the pro-Islamic business association of MUSIAD, whose conglomerates have consolidated their class interests in Central Asia, the Caucasus and the greater Middle East, including Africa. Turkey, could be said, is an imperialist

power because it exports big capital, cultural commodities *en masse* and it also exports power (it has military bases and military training personnel outside NATO's framework in the occupied area of Cyprus, Somalia, Qatar and Syria). But not quite. This is not precise or accurate.¹ Turkey has forms of independence that can exercise in terms of foreign and security policy drawn from its advanced domestic business environment which has achieved to expand in the periphery, but at the same time is a NATO state hosting nuclear weapons controlled by the USA. Economically, its businesses are mostly dependent on imports of intermediate products without which they cannot act as export platforms for Asia, Africa and Europe. In other words, Turkey is an emerging sub-imperial market and its foreign policy, as expressed by Erdogan and the AKP, should be seen and assessed as such. Thus, there are limits and severe constraints on what Turkey can achieve as a sub-imperialist power. As an English say goes, Erdogan may do "a lot of talk-talk, but no much walk-walk". At the same time, he knows that the West needs his services in an epoch marked by its long-term structural economic decline.

After the collapse of the Soviet Union, US policy-makers began abandoning the hub-and-spoke system of global neo-imperial governance built after the Second World War, moving instead to off-shore balancing whereby key pivotal states in the periphery, such as Turkey, Iran or Ukraine, can serve to balance rising powers, such as China and Russia. This system of thought found a clear formulation in Zbigniew Brzezinski's, *The Grand Chessboard*, published in 1997. Later, International Relations theorists, such as John Mearsheimer, put it in historical and theoretical perspective. Off-shore balancing, a reflection of the US economic decline, means creation of geopolitical and geo-economic spaces in the periphery for the pivotal states which can represent locally the paramount global interests of US neo-imperialism. Erdogan's Turkey does it in the best possible way. Hopes that Turkey and the West are falling apart, or thoughts that Turkey's characterisation as a state-sponsor of terrorism are imminent are not only premature. They are also extremely dangerous.

¹ See, Vassilis K. Fouskas (2022) *Turkish Imperialism and Deterrence* (in Greek), Salonica and Athens, Epikentro.

CRISES AND WARS – EU ACTION REQUIRED FOR THE REFORM OF THE INTERNATIONAL SYSTEM



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The international system is in transition; any transition bears risks and opportunities, and is inherently unstable. The international system shifted from bipolarity in the cold war to the unipolar moment with US dominance; it is now moving in uncharted waters. The new equilibrium could be an antagonistic constellation with the US and China being the protagonists of two major poles; or the new configuration crystallises as a multi-polar system, whose stability propensity is not known, but probably low. Every big and middle power tries to position itself in this open race; everything seems to be in flux, a condition which provokes temporary or structural changes in global and regional groupings in various parts of the world.

The recent moves to enlarge participation in groupings such as the BRICS and the G20 are indicative of this state of flux; it is interesting to observe, but nobody can tell how the situation will evolve. Will the admission of six new members to the BRICS as from 2024 alter its orientation and dynamics? Will China become the main driving force of this grouping, which mainly encompasses countries of the Global South? What will be the role of Russia in future? The G20, where almost half of membership are Western countries, was enlarged with the admission of the African Union. Will India try to play a major role here? What attitude will hold those states (the current five BRICS plus Argentina and Saudi Arabia) which will be members of both groupings? How will they position themselves to existing multilateral or plurilateral and to regional organisations?

Against the background of such shifts and moves, three ongoing conflicts, in particular, have provoked even more uncertainty, additional risks and potential re-alignments.

The war in Ukraine has paralysed the UN Security Council. The united front of Western countries against the Russian aggression on 24 February 2022 has imposed unprecedented sanctions on Russia; the rest of the world, while condemning the violation of Ukraine's territorial integrity, did not follow the policies of sanctions. Anti-Western sentiment and alliance-building are on the

rising; the Ukraine war brought China and Russia closer together, to a 'no limits' partnership, which challenges the Western-dominated global order. This could reinforce the move towards a new bipolar constellation, with the US and the EU forming the nucleus of the other pole. Much will depend on when and how this war comes to an end.

The terrorist attack of Hamas against Israel on 7 October 2023 reminded everyone that there can be no peace in the Middle East without a solution of the Palestinian problem. The Asian pivot of Obama, the transactional approach of Trump and the focus on China by Biden; lack of unity and ambition from the EU which continued to finance the Palestinian Authority and UN agencies while neglecting the political stalemate and the *de facto* abortion of the peace process; Arab states prioritising economic diversification and relations with Israel (Abraham accords); internal radicalisation in Israel; Iranian influence in the region; all these factors made that the crucial Palestinian question was left unaddressed or left to the radicals. When the current war broke out the US intervened massively trying to restraint Israel's reaction and to prevent a regional flaring up. But merely 'managing' the issue, without restoring dignity and justice for the Palestinian people, will not bring lasting settlement and peace. This is the lesson the international community must learn and act upon.

Recent developments in the Caucasus (dissolution of Nagorno-Karabagh as an autonomous region and massive exodus of its population to Armenia in September 2023, amounting to ethnic cleansing by Azerbaijan) have reminded world's public opinion that the international community failed to find a solution to this long-lasting conflict in accordance with international law. Apart from the human suffering, cultural destruction and eradication of a millenary presence, the dynamics behind these events (militarisation of Azerbaijan's regime and its massive support by Turkey, the two countries planning to open the Zangezur corridor through Armenia's territory aimed at contiguity between them and further to the Turkic Republics in Central Asia) point to a potentially broader conflict in the region as Iran would most likely not accept without reaction being bypassed by such moves. The proximity to the Middle East conflict, the role of Turkey and Iran there and the military and economic ties between Israel and Azerbaijan, make it imperative to avoid any further escalation.

A common element in these three, otherwise very different conflicts, is the inability and/or unwillingness of the international community, esp. the great powers, to diplomatically defuse them on time so that they do not escalate or degenerate. There is no naïve belief here in what diplomacy can achieve; but in all three cases warning signals were clearly visible for sufficiently long time for the great powers to engage with the conflict parties in order to reach a negotiated settlement. The longer a conflict remains unaddressed, the more difficult it becomes to sort out later.

Let us have a closer look at two major international players. The USA shaped the post war world order; during the cold war nuclear deterrence only left room for limited proxy wars; during the so-called unipolar moment the US were often regarded as the only power capable of preserving the international order. However, abandoning pragmatism and pursuing an ideological foreign policy after 9/11 not only had a high credibility cost, even among friends and allies; it also visibly overstretched the US. Growing economic and social inequalities and disconnect of the elites reinforced the trend towards polarisation in the American society and let populism (exemplified by Trump) even endanger American democracy. The US is now much weakened; it is uncertain how long the unconditional support to Ukraine will last; lack of credibility is a major obstacle for exercising a moderating role in the wider Middle East. This leaves more room for Russia or China to become active and allows regional powers such as Turkey, Iran or Saudi Arabia to pursue their national political ambitions with less constraints. Both wars, in Ukraine and in Gaza, have diverted the USA from focusing on their dominant position being challenged by China.

The EU alignment with the US on Ukraine is understandable seeing the major repercussions for European security. But European strategic reflection on the future security order of the old continent, not least in view of domestic developments in the US, is cruelly missing despite this being of vital importance for European security. The rise in military spending to support Ukraine has still to be translated into sustained efforts to consolidate the European defence industry which is a prerequisite for sustaining European security. Moreover, the prospect of further enlargement to Eastern Europe will confront the EU political system with major internal and external challenges. The EU initiative for a European Political Community has yet to deliver on expectations for a continent-wide forum based on shared values and norms which would prefigure a new European security architecture leading to stability, peace and prosperity.

The EU did not forcefully push for the two-state solution of the Israel-Palestina conflict and did not use its substantial funding strategically to advance a just and viable political settlement. Neither has it up to now leveraged its significant human and technological potential to create a positive dynamic for peace and prosperity in the region (reminiscent of its own origins, the coal and steel community in the early 1950s) in order to alleviate human suffering and promote human development; the areas of water, energy and sea pollution come here first to mind. Such sustainable development would be the single most important ingredient for long term stability in the Mediterranean and Middle East region and would, in turn, tend to moderate migration flows and diminish terrorist risks.

The EU had tried to defuse tensions around Nagorno-Karabagh diplomatically, bringing the leaders of Armenia and Azerbaijan to the table and dispatching an observer mission in the course of 2022; but these efforts did not stop the Turkey-backed military strike of Azerbaijan in September 2023 and the exodus of the Armenian population. Even under the current circumstances, stabilisation efforts must continue.

In times of crises, individual EU member states cannot afford to steer a deviating policy course; but they should reject a tendency to tribalism in international relations. They should denounce double standards wherever they appear; they need to speak up for moderation, avoid extreme positions, bring measure and reason back to diplomacy; they should avoid demonising others and moralising; and position themselves against ideological crusades and grand designs. Instead, they should work on projects focusing on human needs, and the natural ecosystem since otherwise life on earth cannot be preserved. There are no 'quick fixes' for complex and protracted situations; a lasting solution of long-lasting problems requires to approach adversaries or enemies with empathy and work towards addressing fears and grievances on all sides, not rhetorically but in practice, aimed at tangible improvements for the populations involved. In short, humanism must find its way into the handling of international affairs.

Power is undeniably the major factor in international politics; still, international law, despite all its shortcomings, has been increasingly influencing the behaviour of states and world's public opinion. According to the Treaties, the EU is bound by international law within a rules-based international system with the UN at its core. However, international rules must be adapted to reflect today's very different reality compared to 1945. Globalisation and growing interdependence, coupled with major geopolitical shifts - rise of China and emerging economies, make this adjustment all the more urgent; countries in the Global South are no longer prepared to accept the rules established after the second world war. If this urgent and massive need for adjustment is not satisfied, the international system could either go back to a condition of complete anarchy or bifurcate leading to various parts of the world being ruled by different, even contradictory rules. Such course of events is not serving the interests of anybody; the cost of geoeconomic fragmentation will be large since global challenges would not be addressed, global public goods not provided and the efficiency gains from economic integration reduced.

The EU must recognise its responsibility, which is at the same time its chance, to work with like-minded countries towards a reform of the international system to take in due account the legitimate interests of all actors, like-minded or not. The EU should not be naïve and definitely look after its own interests, but do so in a responsible manner, leveraging its assets and strengths while upholding its values. At the same time, for addressing

international problems the EU should continue promoting multilateral approaches and favouring partnerships with all relevant actors - states, international organisations or civil society. By balancing values and interests as well as the short and the long-term perspectives, and by systematically opting for dialogue and cooperation instead of the use of power, the EU can facilitate the transition to an international system based on rules accepted by everyone. Working towards strategic interdependence at global level appears to be the best way for the EU becoming an influential geopolitical actor in its own right, without damaging its credibility and goodwill with international partners. For gaining strategic autonomy the EU should, in parallel, invest in its security and defence capabilities. In short, pragmatism, humanism and multilateralism must guide EU foreign policy and external action; they are the best guarantee for its own security and prosperity.

FROM THE GLOBALIZATION OF ECONOMY TO THE GLOBALIZATION OF CONFLICT



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"May you live in interesting times"
A traditional Chinese curse

In February 1972 President Nixon met Chairman Mao in Beijing, laying the foundation of the process that would later be called as "the opening of China". In November 1980 Ronald Reagan was elected President of the United States. In a desperate attempt to re-start the economy after a decade of stagflation, the new Administration in coordination with the Federal Reserve launched a bold program of economic liberalization and financial de-regulation. The process that was initially conceived as the local (i.e. American) reform gradually spread beyond the borders, and has transformed in what is known today as the financial globalization of the world economy. In October 1989 the Berlin Wall fell, paving the road to the collapse of the Warsaw Pact and of the so-called socialist bloc, the culmination of which became the disintegration of the Soviet Union in December 1991. The collapse of the USSR opened the way to the historical unification of Europe, and has inaugurated the new era, which in 1990 Charles Krauthammer prophetically dubbed as the "Unipolar Moment", the era of the unchallenged global domination of the United States. The next almost twenty years that followed, would probably be remembered as the "Glorious Twenty Years". Despite of tragedies like September 11, genocide in Rwanda, invasions of Iraq and Afghanistan, and some other local wars, the overall number of conflicts fell significantly during the period. The process of economic globalization helped to lift over a billion people out of abject poverty, and almost completely defeated famine in the most impoverished regions of the planet. Dozens of developing countries across the world experienced double-digit rates of economic growth. American-driven globalization, and practically unrestricted access to the Western markets, technologies and investments helped China to become the second-largest economy in the world. In Europe the era of peace, economic growth and prosperity allowed to admit into the European Union over a dozen much poorer states in the East and the South of the continent. In Russia, the unprecedented global demand for energy and commodity products, helped not only to overcome the economic collapse of

the 1990s, but to lift the average quality of life during the first decade of this century to the highest level over the previous roughly hundred and fifty years. Overall, the two decades after 1991 were the period when most of the countries mainly tried to adhere to the international economic and political norms formulated in the wake of the Cold War. It was the period that could be called the era of the international economic and political “convergence”, a comfortable time of relative certainty and predictability with the understandable common rules of the game.

The breaking point came in 2008, both politically and economically. The collapse of the sub-prime market in the US and the Great Recession that followed marked the end of the mechanism launched in the early 1980s, i.e. the stimulation of the economic growth through the debt accumulation (the debt-refinancing mechanism). The fed funds rate that peaked at about 20% in 1980-81 dropped to 0% by 2008. The Russian invasion of Georgia the same year became the first nail in the coffin of the post-WW2 international security architecture. Emboldened by the newly-found status of the energy superpower, the never-ending financial windfall as well as the political indecisiveness and the shortsightedness of the Western leaders, Moscow has embarked on an aggressive campaign of geopolitical revisionism in an attempt to re-establish the USSR in a different form, and take back what it perceived as Russia’s “historical zone of influence”, stretching from the Far East to countries of the former communist bloc in Central and Eastern Europe. This ever-intensifying geopolitical adventurism, blindly tolerated by the collective West for one and a half decades, has finally culminated in a disastrous for Russia itself invasion of the Ukraine in February 2022.

On the economic front, the post-2008 was marked by *the three phenomena of fundamental importance* that will have the long-term repercussions for the future of the world:

- In the wake of the Great Recession there were very strong expectations (especially among the China optimists in the West) that the Middle Kingdom together with the other emerging market countries would finally become the locomotive of the world economy, pulling it forward into the bright future. None of those projections materialized. China has failed to shift its economic growth model based on exports to that driven by the consumption of its presumably vast domestic market. Instead, in a desperate attempt to maintain the GDP growth rates above 6% per year, it doubled down on the abnormal stimulation of the construction sector through the massive accumulation of the domestic debt that now exceeds 360% of GDP, and continued relying on the sales of its manufactured goods abroad, to the rich consumers in the West in the first place. The other two potential growth drivers that were equally hailed and cursed by both the China optimists and the China fear mongers respectively, haven’t paid off either: ten years after its inauguration, the Belt-and-Road

Initiative (BRI), the transcontinental signature project of Chairman Xi, has produced very mixed results at best, losing most of its allure and attractiveness. A decade later, most of the China-manufactured goods are still transported by sea and not by land, thereby keeping China dependent on the sea lanes and the choke points controlled by the US navy; the other area, where China got massively invested in an attempt to attain the strategic autonomy and to spur its sluggish economy is the research in critical fundamental sciences. Today, Beijing's annual investments in the field are practically at par with those of the US government. From the very beginning, China chose the strategy that fitted well the old Soviet slogan "overtaking without catching up", which in practical terms means betting on the perspective next generation technologies instead of competing with the West in the current generation tech, where its chances for success are slim at best. Thus so far, the decades-long investments in quantum computing, genetic engineering, biotech and the AI have not yet transformed into the tangible breakthroughs spurring gains in economic productivity and sustainable autonomous economic growth. Ironically enough, the first and the most competitive AI technologies such as ChatGPT have emerged in the United States and not in China. And finally, having exited the pandemic mode a year later than the rest of the world, China again has failed the expectations by plunging into the deflationary spiral instead of demonstrating a much-awaited dynamic growth.

- Massive investments into the development of the perspective technologies were made across the Western world for decades. "Innovations" became the magic word repeated like a mantra. *However, there is one undeniable and disappointing truth that was uncovered in the post-2008 era: despite of hundreds of billions (if not trillions) that were poured into the innovative sectors over the last two-three decades, no any visible gains in economic productivity were generated that could have been transformed into the sustainable economic growth at the time, when the world desperately needed it after the Great Recession.*
- Deflationary pressure persisted over the whole period between the 2008 crisis and the Pandemic, the interest rates floated around 0% despite of the unprecedented amounts of liquidity injected by the major central banks. The Federal Reserve System and the ECB (that were followed by other major central banks) conducted seven multi-year QE programs to keep the economies afloat, and prevent the global economy from falling into the deflationary spiral. *The post-Recession decade has taught us two main lessons: first, whatever nominal growth was achieved, it was artificially-stimulated by the gigantic coordinated action of the central banks; and second, the collective West, with the US economy at its core, remains the locomotive of the world economy – it creates the vitally-needed*

demand for the export-dependent developing world, thereby pulling everybody forward.

It is important to note that the four decades of globalization created the co-dependence of the advanced and developing economies. The idea of the so-called “de-coupling” became intellectually fashionable among the academics in the emerging market countries following the crisis of 2008 that originated in the US. The principal objective was to introduce such economic mechanisms that would make developing economies less dependent on the Western demand, and thus, less vulnerable to the crisis waves coming from the rich world. The idea remains a theoretical wishful thinking to this day. However, the pandemic crisis, unexpectedly, has revived the issue of “de-coupling” but in the opposite direction, i.e. when the Western countries began searching for solutions that could have reduced their dependence on the supplies coming from the developing countries such as China. Return of production back home or “re-shoring”, re-organization of the supply chains to the Western-friendly countries or “friend-shoring” are currently under way. Although economically viable and cost-competitive options still remain in short supply, nevertheless, the prioritization of flexibility and safety of the supply chains is now fully integrated in the strategic planning of the Western governments and corporations. This trend has only intensified following the Russian invasion of Ukraine, when the *war*, after a thirty-year break, has returned as an instrument of international politics.

The Russo-Ukrainian conflict is raging for almost two years, Israel’s war against Hamas is already under way for a month, Japan officially signaled its readiness to provide military assistance to the Philippines and Malaysia in the face of the growing tensions with China. Tokyo and New Delhi are intensifying defense cooperation amid growing concerns over Beijing’s plans in the region, situation around Niger (one of the important suppliers of uranium to the world market) continues balancing on the brink, the risk of another conflict between Serbia and Kosovo is on the rise, and the list, unfortunately, is expected to widen.

The pandemic and the war Ukraine set in motion the dangerous processes of destructive fragmentation of the global economic system that was opening up and integrating for the previous forty years. The very anticipation of emergencies and conflicts aggravates even further the fragile global economy balancing on the brink of another devastating crisis, and risks to become a self-fulfilling prophecy.

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