

PERCEPTIONS

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Corrective Parties and Conveyor Coalitions: Explaining the Rise of Third Parties in European Politics

Hamid Akın ÜNVER*

Abstract

Third parties have grown increasingly relevant in European politics in recent years, with the rise of status-quo changing parties such as Podemos in Spain, Syriza in Greece, UKIP in Britain and the Front National in France. This article aims to bridge the gap in the comparative politics literature by introducing two new types of third parties in European politics through their bargaining and mediation, crisis behavior and electoral appeal. In doing so, this study proposes that leadership cult, localization of support and rigidity of ideology varies across third parties, due to the existence of two types of third parties; conveyor coalitions and corrective parties. The article uses the case studies of Syriza and Podemos as 'conveyor coalitions' and of the Front National and UKIP as 'corrective parties'. By introducing these two new concepts, the article attempts to bestow future scholarly studies with better tools for predicting and studying rapidly rising populist parties.

Key Words

Party Politics, Third Parties, European Politics, Electoral Behavior, Corrective Parties, Conveyor Coalitions.

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Introduction

Since the onset of the Syrian Civil War and the subsequent emergence of the refugee crisis, many European countries have been witnessing electoral gains for far-right and/or populist parties. These parties have either been newcomers to politics (or their leaders- such as Syriza in Greece, or Podemos in Spain), or have been stagnant parties that were unable to increase their votes despite existing within their respective political spectrums for a long time (such as the Front National in France). In Austria for example, the far-right Freedom Party had to wait for more than half a century to break the political consensus away from far- right parties, which had prevailed in the country since

Since the onset of the Syrian Civil War and the subsequent emergence of the refugee crisis, many European countries have been witnessing electoral gains for far-right and/or populist parties.

the end of World War II. This owed largely to growing anti-immigration sentiments after the Syrian civil war and their subsequent appeal for the far-right – a momentum that has been brewing since the EU Enlargement in 2004 and 2007, and intensifying since 2011 with the refugees arriving in Europe from the Syrian civil war. In the Greek Cypriot Administration, Denmark, Finland, France, Germany, Greece, Hungary, Italy, Netherlands, Sweden, Slovakia and Switzerland too, anti-immigration parties have made substantial electoral gains, much to the dismay of the proponents of the post-World War II European order.

Essentially a backlash against neoliberalism and a growing aloofness of the European elites towards the Greek and Spanish financial crises, both parties built rapid support through their Eurosceptic agendas.

However, not all rising parties in Europe are far-right, or assert an anti-immigration agenda. Spanish Podemos and Greek Syriza for example, are left-wing populist parties that address inequality, unemployment and economic stagnation from a perspective of renegotiating austerity measures with the EU. Essentially a

backlash against neoliberalism and a growing aloofness of the European elites towards the Greek and Spanish financial crises, both parties built rapid support through their Eurosceptic agendas.

This article aims to conduct an inquiry into the nature of the newly emerging and/or rising parties in Europe. These parties either assume the third position in their political systems for an extended period of time, or rise into prominence after serving brief periods as third parties. While mainstream political science is mostly concerned with party systems or governmental coalitions, patterns, changes and shifts of the first two parties in political systems, a literature gap exists in terms of how these processes work outside of the first two parties. This has been an analytical oversight, as lack of interest in third parties has obscured our ability to forecast the emergence of the rising populist and revisionist parties in Europe and detect political grievances they best respond to. Within the limited attention they have received in the literature, third parties have been conceptualized based on how their rise can be explained theoretically; through increasing voter independence,¹ spatial voting theory,² within strong majoritarian systems³ and within median-voter theorem.⁴ In addition, more practical case studies have been applied with regard to third

parties (or lack thereof) in the United States,⁵ appeal and mobilization in Britain,⁶ competition and resilience in Germany⁷ and regional versus national voter patterns in France.⁸ However, a conceptualization of third parties as a theoretical and cross-country phenomenon has been unforthcoming. This is what this article intends to do.

This study is based on the assumption that there is a gap in the literature on comparative politics, which has largely shied away from focusing on party patterns outside of the first two parties. In turn, the study is also structured upon the view that it is this disregard that has prevented a proper agenda and ideological counter-discourse to emerge in Europe to mitigate the effects of anti-immigration politics, as well as the appeal towards far-right parties. Therefore, the article aims to address this gap and focuses exclusively on third parties in European politics. Here, the article proposes two ways of defining a 'third party'. The first definition is that of the party that gets the third largest share of the votes in an election, significant enough to render it as a balancer in coalition talks or parliamentary bargaining sessions. In that, a politically significant third party ought to be ready to form a coalition with the second party so as to sideline, or balance against the first party. To that end, third parties become important

when the sum of second and third party votes are equal to, or greater than the first party (numerical significance). Alternatively, third parties can also be significant in parliamentary voting sessions that require consensus larger than the seats won by the first party, such as constitutional changes, declaration of war, or ratification of international treaties. In such cases, third parties become disproportionately significant, mainly for first parties that need to bypass the main opposition party, or muster a bigger parliamentary majority to pass key policies. Still however, third parties must have enough seats in the parliament to make contextual alliances work. If the first two parties have an overwhelming dominance in a parliament, then third parties that have a politically or contextually insignificant number of seats will not be useful in either context. Furthermore, if the first and second parties agree to form a majority coalition government, third parties grow even more important as the main opposition party, provided-again- that they have enough seats in the parliament to make minority opposition work. Third parties that have a tiny fraction of seats are not significant in any context.

The second type of third party, as per the focus of this article, is a parliamentary group, which is composed of two or more parties that can form frequent and standing alliances that manifest

into a unified voting bloc in the parliament. Although such parties may have competing interests, agendas and ideologies, the need to balance the First Party or exert political weight in key policy issues may force smaller parties into a third party voting bloc. However, this is not the only way smaller parties (whether Third or Fourth) make an impact in legislatures; they may engage in issue alliances with the first two parties as well (such as first and fourth party block versus second and third party block). In that sense, if the vote difference between third, fourth (or even fifth) parties is marginal and their competition is tight, then any of such competing parties may be studied as a 'third party'. The best example is Germany, where the dominance of the Free Democratic Party (FDP) has been challenged by the Greens since 1983, and the Greens replaced the FDP as the third party from 1994-2005. In this context, both the FDP and the Greens can be evaluated as third parties as their competition remained strong over an extended period of time and each party managed to replace the other more than once. While our first-type conceptualization of third parties is an arithmetic measurement, where the third party is numerically a third party, our second-type conceptualization denotes a political influence, where numerical third, fourth or even fifth parties – if they have tight competition

– may be characterized as third parties.

Characteristics of Third Parties in Europe

A historical survey of third parties in Europe yields several patterns that can be observed through multiple political systems. First, the strength and weakness (including the rise and demise) of third parties reflect confidence in the existing political system. When either the hegemonic party, or the competition between the first two parties has a high level of legitimacy and large popular support, third parties tend to be less relevant and lose support. In Britain for example, there has long been a two-party competition between the Conservatives and Labour. Up until the early 1900s, when the Liberal Party (originally founded in 1859) began to rise, the two-party dominance continued. The emergence of the Liberal Party is owed to a fundamentally structural question in British politics: how to manage the powers of the Crown and expand the political significance of the Parliament.⁹ The Liberal Democrats have slowly, but consistently gained ground since 1955, reaching their highest vote percentage in 1983 when they won 25.4 % of the vote. Seyd¹⁰ argues that it was the Liberals' reform oriented agenda that led to their increasing public support, whereas Gauja argues

that it was charismatic leadership and resultant voter engagement that brought the Liberals success.¹¹ Barnes on the other hand, points to candidate selection methods as a way of gaining popularity in British third party politics.¹² However, as of late 2012, UK Independence Party (UKIP) began to emerge as the third party, largely at the expense of Labour. Furthermore, in 2014, the Scottish National Party (SNP) made a rapid rise, becoming the third party in the May 2015 general elections, increasing its parliamentary seats from 6 to 56. The rise of any third party can be interpreted as the failure of the first two parties. The Scottish National Party as well, is a product of the Labour and Conservative failures in Scotland, which rendered the SNP a very viable alternative.¹³ With austerity policies, healthcare funding, and serious military budget cuts on the line, the failure of the first two parties to address such systemic crises have led to the emergence of the SNP as the third party. In Germany too, the structural nature of the competition between the Christian Democratic Union (CDU)/Christian Social Union (CSU) and the Social Democratic Party (SPD) rendered the prospects of the SPD as a third party relatively obscure.¹⁴ It was only after 2005 that the SPD's inability to balance against the CDU/CSU briefly led to the rise of the FDP as a third party, though it was soon replaced

by the rise of the Alternative for Germany party (AfD) after 2013.¹⁵ In that regard, the rise and demise of third parties are closely connected either to the popularity of the hegemonic party, or to hegemonic competition between the two dominant parties. The AfD has indeed formulated its rhetoric within anti-immigration, rising in relevance mainly due to the inability of the first two parties to address what the nation's dissidents felt as a failure to 'protect Germany against outsiders'.¹⁶ A similar trend can be observed in Hungary (Jobbik), France (Front National), Greece (Golden Dawn) and Slovakia (People's Party), as their respective systems grew unable to cope with a serious, common challenge.

The emergence of the Liberal Party is owed to a fundamentally structural question in British politics: how to manage the powers of the Crown and expand the political significance of the Parliament.

Second, certain third parties might be regional parties, with localized support. This localization can be ethnic, religious, or connected to a particular political agenda. In the UK, localization of the Liberal Democrats (and the Scottish National Party in 2015) in the

north is a case in point. According to Walt (et. al.)¹⁷ this trend owes largely to the Conservatives' inability to reach a political settlement with Scotland and their subsequent fall from grace regionally. German politics have long had a strong two-party competition between Christian Democratic Union of Germany (CDU) and the Social Democratic Party of Germany (SPD) in the north and a persistent Christian Social Union in Bavaria (CSU), whereby the third party, the Free Democratic Party (FDP), did not have significant weight up until the 2009 federal elections. Even then, the FDP's credential as a third party was already challenged by The Greens and the Left, before the FDP took a big fall in 2013.¹⁸ The far-right AfD made a rapid entry into German politics after its foundation in 2013, becoming the third party in November 2015 elections, and securing 10.5% of the votes. The AfD's vote dominance is also regionalized, with the majority of its support coming from Saxony, Thuringia and Baden-Württemberg.¹⁹ In France on the other hand, there is not a structured two-party political system, although voter behavior has clustered around either the Socialist Party on the left, or *Les Républicains* on the right. In the 1960s and 1970s, *L'Union Centriste* was a dominant third party, largely dominating the agenda on education, healthcare and social services.²⁰ However,

in recent cantonal elections, the Front National (FN) has risen rapidly, from 4.5% in 2008 to 15% in 2011, and in the 2012 presidential elections, they scored their highest ever (17.9%) vote share. In the 2014 municipal elections, the FN won in 12 cities, which was a historic triumph. The rise of Front National in France, which has a strong leftist tradition, was explained in Hollifield, Martin and Orrenius²¹ as revealing resistance against refugee and immigration policy, whereas Hainsworth and Mitchell²² forecast the Front National's rise based on the popularity of anti-egalitarian policies in immigrant-dominated provinces of France. To that end, the FN is indeed a regional party, with Lille and Amiens in the north and Marseille and Nice dominating in the south. Similar examples can be mentioned in Belgium (New Flemish Alliance – Regional), Finland (Finns Party- Ethnic), Sweden (Sweden Democrats - Ethnic) and Italy (Lega Nord – Padanian separatist). The degree to which such regional parties become more or less relevant depends on how disenfranchised their main ideology becomes within the larger national political system. If the degree of disenfranchisement is high, then regional parties become more popular; if accommodation within the political system is achieved, then regional party voters choose more mainstream parties.

If the degree of disenfranchisement is high, then regional parties become more popular; if accommodation within the political system is achieved, then regional party voters choose more mainstream parties.

Third, certain third parties revolve around a leadership cult; either alive or dead. Membership to and support of such parties then become closely linked to leadership personality and ideology, whereby candidacy and promotions are often linked to personal or professional connections to the leader in question. Gaullism in France is one example, although exact party affiliation usually transcends existing ideological entrenchments. From 1947- 1958, Gaullism was shouldered by the RPF- *Rassemblement du Peuple Français*, and from 1958-1976, it was the UNR - *Union pour la nouvelle république* and the *Union pour la défense de la République* or UDR. After 1976, Gaullism was entrenched within the *Rassemblement pour la République* or RPR.²³ In Poland, the Polish Socialist Party (*Polska Partia Socjalistyczna*) became heavily influenced by the personality cult of Józef Piłsudski, which continued to affect party politics after his death in 1935.²⁴ Another case

would be Thatcherism, which defines a broad range of political, economic and social priorities introduced by Margaret Thatcher between 1975 and 1990, which left a mark in British politics transcending beyond the John Major, Tony Blair and David Cameron governments. It is important to underline that Thatcherism is not a third party ideology; rather its influence became systemic and became a first-party ideology.²⁵ In today's European politics, a return to leadership cult (or at least symbolism) can be observed. While Angela Merkel has been the longest lasting of such leaders, it is hard to talk about a 'cult' in her case, given the political culture in Germany.²⁶ Also, mere length of office is not a sufficient mark of cult on its own, given how long Tarja Halonen in Finland, Bertie Ahern in Ireland, Gören Persson in Sweden and Franz Vranitzky in Austria have ruled, but have failed (or have been unwilling) to establish personality cults. It is also hard to argue for a leadership cult in the Scottish National Party as a regional third party, but the Front National's Marine Le Pen is a candidate as a case point, largely owing to her relationship to longtime FN leader Jean-Marie Le Pen.²⁷ Hereditary continuity of legitimacy and leadership cult in third parties renders membership and promotions to be closely connected to the relationship to the founding family. Whether similar leadership cults exist,

or will take shape in Podemos or Syriza is still up for debate. While Pablo Iglesias Turrion of Podemos cannot be characterized as a cult-based leader,²⁸ Alexis Tsipras of Syriza demonstrates a more up-front leadership as the face of the party – in what may be defined as a member of a long tradition of ‘rock star party leaders’.²⁹

Mere length of office is not a sufficient mark of cult on its own, given how long Tarja Halonen in Finland, Bertie Aherne in Ireland, Gören Persson in Sweden and Franz Vranitzky in Austria have ruled, but have failed (or have been unwilling) to establish personality cults.

Fourth, certain third parties or third party ideologies are chronic, in the sense that they remain third for extended periods. The Liberals in Britain or the FDP in Germany have been structural third parties, retaining their third-ranking popularity status across a long streak of elections. This chronic status renders similar third parties comfortable in the sense that they both know that it is unlikely for them to be the first party, and also for them to lose substantial votes and lose their third party status. This comfort allows third

parties to voice concerns and objections about the mainstream political system that have not been, or cannot be (due to populist reasons) presented by the two dominant parties. This in turn, renders third parties disproportionately significant in times of breaking two-party deadlocks, both in political discourse and in parliamentary voting sessions. Two dominant parties in turn, may rely on the vote support of the third parties to pass a certain legislation or reach the required number of majority for a particular parliamentary decision. In major political deadlocks, the disagreement between first and second parties therefore, are often resolved by third parties, according, or close to the ideological stance of the third party. This is perhaps the most significant role of third parties. Inelastic demand for most of the third parties render them immune to vote loss as a result of politically incorrect, or unfavored statements. Depending on their ideology, third parties may either use this unique position in politics to steer a political system away from crisis, or generate such crises. In Britain for example, the current deadlock between the Labor and the Conservatives over Brexit – whether Britain should leave the EU or not – is being corrected by the Scottish National Party.³⁰ In the words of SNP member Alyn Smith, ‘A Brexit would reopen the question of Scottish independence’,³¹ which effectively

means that the party would correct the deadlock between the first two parties over Brexit, in favor of staying within the union. Similarly in Germany, the deadlock over refugee policy between the CDU/CSU, SPD, *Die Linke* and *Bündis 90/Die Grünen* has persisted, with the AfD growing increasingly and disproportionately more influential in bringing about an anti-immigration resolution to the deadlock.³² Angela Merkel's attempts to bridge this gap by spearheading a refugee return and repatriation deal with Turkey is a direct result of the growing AfD influence. In France, it is the Front National's third party pressure that has also corrected the deadlock over immigration and forced the French government to back the refugee deal with Turkey.³³

Third parties become more relevant in times of crises – be it security, financial or social – and depending on the extent to which they can successfully voice popular discontent over these crises, may substantially increase their popularity.

Finally, third parties become more relevant in times of crises – be it security, financial or social – and depending on the extent to which they can

successfully voice popular discontent over these crises, may substantially increase their popularity. If the existing political status quo is risk averse and free of such crises, then third parties retain their existing popularity, without significant impact on their popularity. This has specifically been the case with the AfD, the Front National, Syriza and Podemos, as mentioned earlier. The Greek and Spanish third parties; Syriza and Podemos, can be analyzed in close relevance, due to similar contexts that brought about their rise. Both Greece and Spain have been two-party dominant systems. The Panhellenic Socialist Movement (PASOK) and New Democracy (ND) competition dominated in Greece, whereas the Social-Democratic, Social Liberals (PSOE) and Liberal – Christian-democratic – Conservatives (PP) rivalry dominated in Spain. In Greece, following sustained disenfranchisement within the systemic two-party rule and the two dominant parties' inability to tackle the growing economic crisis, voters tried a new formula: supporting a formerly obscure party – Syriza.³⁴ Although Syriza has been active in Greek politics since 2004, it was not until the 2012 elections that it made its mark by increasing its vote share substantially to 27%, which laid the ground for its emergence as a first party in the January 2015 elections. The feeling of abandonment and neglect,

along with an insurmountable crisis, forced the Greeks to leave the traditional two-party entrenchment and try the obscure third party. In Spain, an almost identical rise of a third party took place, as Podemos, channeling the Spaniards' disdain with the main two parties, became the first party. Although the United Left (IU) has been the integral third party in Spanish politics in recent years, the rapid rise of Podemos after February 2014 owed largely to the electorate's view that the existing main parties, just like in Greece, were too close to big business interests and thus, could not move in favor of choices that would alleviate the Spanish financial crisis.³⁵ In other words, both Greek and Spanish third parties have emerged as a reaction to the financial crisis, and the inability of the existing status quo to address the looming economic and social problems.

The emergence of third parties as serious contenders and rising into first party status indeed has a transnational dimension, as such parties share certain similarities. First, financial disillusionment and debt restructuring unite Syriza and Podemos. With Greek government debt at 180% of its GDP and Spain's 100% debt-to-GDP ratio, both parties aim to restructure debt and distance their respective countries from international creditors.³⁶ Second, both parties reflect a growing disdain towards the European Union – not

by pulling their countries out of the EU, but by reconfiguring their relationship with the Union. In Syriza's case, distancing from the EU took on the form of threatening to ally with Russia, although this did not happen.³⁷ In Podemos' case on the other hand, the party suggested that it might leave the monetary union if austerity measures become too burdensome on the Spanish people.³⁸ This new push for other alliances also take in the form of distancing both countries from Germany (for financial reasons), as well as the United States (for Common Foreign and Security Policy considerations) citing growing dependence on and steering by external actors.

Conceptualizing Corrective Parties and Conveyor Coalitions

One of the central aims of this article is to introduce two new conceptualizations for the study of third parties: 'corrective parties' and 'conveyor coalitions'. These two new conceptualizations are aimed at better studying parties that are outside the first two slots in popularity rankings and also predicting which types of third parties benefit from crises and which ones thrive during stable periods.

Third parties that fit into the ‘corrective party’ conceptualization of this study have to fulfill five main criteria. First, a corrective party has to have a rigid ideology. This ideology can be ethno-nationalist, religious, sectarian or regional, but the main currency of the party is its unbendable commitment to its ideology. Concessions or backtracking politically for populist or parliamentary alliance purposes, that are easier carried out by first and second parties, are considered threats to party identity and *raison d’être*. To that end, it is much harder for corrective parties to enter into coalition arrangements with first or second parties and quite often, such parties may choose to protect their rigid ideological purity, instead of becoming a part of the governing coalition. The term ‘corrective’ however, comes directly from these parties’ behavior in dealing with competition and disagreement between hegemonic parties. When the first and second parties need to form a coalition, either for government or legislation purposes, then they turn to smaller parties for extra numbers. Corrective parties aim to resolve such deadlocks through offering their numbers in exchange for ideological ‘correction’ of the disagreement based on their red lines. This is currently one of the biggest structural problems in Europe (and perhaps beyond) that ideologically rigid third parties are using their corrective

status to steer the debate on the refugee and immigration policy. Certainly the FN, AfD and Golden Dawn are strong cases to this point.

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Second, corrective parties tend to have localized support and have a traditional political hinterland; either ethno-nationalist, or sectarian. When corrective parties are localized, they reflect regional disenfranchisement (geographical concentration of discontent – such as in the AfD’s case) that is *outside* the mainstream political identity of that nation. Identity-based parties that pursue the agenda of an identity not shared by the political mainstream, tend to be geographically confined. On the other hand, if corrective party support is well-distributed across the nation, it reflects disenfranchisement *within* the hegemonic identity and usually reflects the degree and intensity of how that identity is practiced within the political system. A better case to this is how the

FN in France has expanded beyond its northern and southern strongholds and became a nation-wide party.

If corrective party support is well-distributed across the nation, it reflects disenfranchisement within the hegemonic identity and usually reflects the degree and intensity of how that identity is practiced within the political system.

Third, corrective parties tend to have a strong leadership cult. Corrective parties that have such a strong leadership cult choose their members, appointments and promotions based on candidates' proximity or relationship to the leader in question. Relatives, friends and personal connections of the leader play significant importance in building the party's organization and regional structure, as well as in how these parties 'correct' dominant parties. In contrast, those corrective parties that have no or weak leadership cults tend to negotiate their organization and structure based on candidates' demonstrated loyalty to the ideology or cause. Some corrective parties are also hybrids, where moderate levels of leadership / cause loyalty have similar effects on how the party structures and organizes itself. The introverted nature of such

party organization inevitably leads to existential crises between the party core and its grassroots organizations after the death or political demise of the leader in question. If the party cannot craft a new post-leader contract between its core and base, it will either splinter or dissolve.

Fourth, corrective parties are usually comfortable with their chronic third party status; that is as long as corrective parties retain their 'third most popular' or 'close fourth' status, not coming first or second does not cause a drop in morale, force resignations or cause an ideological reformulation. As mentioned in the first condition, corrective parties rather cling to their rigid ideological positions, rather than taking populist risks to dilute their ideology to become first or second parties. Corrective parties that retain their chronic third party status prefer to bet on the first party's inability to muster enough votes to gain single-party majority and plan ways in which they can steer coalition talks into an outcome that best fits into the corrective party's ideological stance. Such ideological corrections of deadlocks, according to corrective party rationality, are more important than being the first party, since first parties have to pursue a more comprehensive pragmatism that prevents them from asserting their ideological priorities into the system. Such ideological

correction reaches its maximum effect in times of crises, which is our *fifth* condition, such as wars, conflicts or ratification of key international treaties. Especially if corrective parties are already in a coalition government, or are negotiating with hegemonic parties to form a coalition, their power to amend, steer or influence crisis policies become optimal and significantly disproportionate to their electoral support.

It refers to a third party type that unifies most or a substantial portion of disenfranchised ideologies and agendas within its political stance, stretching its initial ideological position to reach out to unrepresented portions of the electorate.

The second new conceptualization this study offers, through an analysis of third party patterns in Europe, is that of the ‘conveyor coalition’. Conveyor coalitions differ from a corrective party in almost every criterion. It refers to a third party type that unifies most or a substantial portion of disenfranchised ideologies and agendas within its political stance, stretching its initial ideological position to reach out to unrepresented portions of

the electorate. Successful conveyor coalitions substantially increase their votes and become first parties over time. Such parties have all self-defined as being a political outlet of all unrepresented groups in their initial formation, successfully carrying these groups into hegemony. In doing so, they have usually evolved from a former third party.

As a third party, conveyor coalitions do not have a rigid ideology; rather, they aim to unite a wide array of disenfranchised social and political groups that do not have a coherent political outlet. Conveyor coalitions are either ‘new’ parties, or emerge out of older parties that substantially revamp their organization, ideology and structure, aiming to make a greater impact on politics. This is the case with Syriza and Podemos. Their novelty usually follows an existing systemic problem, or the inability of the hegemonic parties to represent a significant portion of a fragmented electorate, providing conveyor coalitions with an opportunity to make substantial gains. However, conveyor coalitions do not aim to ‘correct’ the system, nor do they seek to resolve political deadlocks through the exercise of a particular ideology. Instead, conveyor coalitions seek to maximize their popular support by appealing to as many left out groups that have no political voice, and ‘convey’ them to hegemonic status. While, the

conveyor coalition parties may sound liberal or centrist, that is certainly not the rule, as if a liberal / left-wing system disenfranchises a large segment of the conservative / right-wing voting blocs, they may be united by a conservative – right-wing conveyor coalition party.

Conveyor coalitions seek to maximize their popular support by appealing to as many left out groups that have no political voice, and ‘convey’ them to hegemonic status.

Second, successful conveyor coalitions tend not to have localized support. Even if the initial support base of a conveyor coalition party is local, they will immediately organize to expand beyond this support base, aiming to have nation-wide appeal. What differentiates a conveyor coalition party’s non-local base to that of a corrective party is that conveyor coalitions will always seek to expand their support base, whereas corrective parties will settle (and often take great pride) within their local or identity-based power base. In other words, corrective parties have no interest in bending their rigid ideology in favor of more votes, whereas this is specifically what conveyor coalitions do: play into ideological gray areas in order to appeal

to as many disenfranchised voters as possible. To that end, both conveyor coalitions and corrective parties seek to instrumentalize discontent within or without the hegemonic political identity, but the former will always seek to bring together these pockets of discontent actively, whereas corrective parties are usually passive in that regard.

Third, leadership cults tend to be less emphasized in conveyor coalitions, compared to corrective parties. Even when conveyor coalition parties have a popular and charismatic leader, they cannot afford to structure the party or its regional networks based on proximity to the leader or loyalty to his understanding of ideology. Conveyor coalitions are less likely to establish and rely on a leadership cult as a basis for party operation and structuring. Since conveyor coalitions seek to play into political gray areas and maximize votes, they need to attract both quality and quantity into their party ranks. This means that they need to detach promotions, appointments and candidate listings both from the leader and the political ideology, effectively steering clear of the establishment of a leadership cult. This in turn, forces conveyor coalition parties to be more merit-based, either in terms of experience and expertise, or with regard to work rate and performance.

Fourth, conveyor coalitions do not settle for their third party (or close fourth/fifth party) status, as such parties bring together ideologically diluted ranks with the promise of an electoral victory, whichever way it may be defined (either winning hegemonic party status, or increasing vote percentages by a particular amount). Not meeting the set criteria in elections will cause a significant morale drop in the party and lead to resignations and restructuring. In more extreme cases, conveyor coalitions may also self-disband following failure in elections. For conveyor coalitions, it is more rational to take big concessions in party ideology, often obscuring and blurring the party's main ideological line, in favor of gaining more popularity among voters. In contrast to corrective parties, conveyor coalitions do not seek to leverage their third party status to force an ideological outcome into a political deadlock. Rather, conveyor coalitions seek to resolve political deadlocks through consensus and ideological backtracking. Conveyor coalitions do not emphasize this role however, as their primary goal is always carrying different disenfranchised groups into hegemonic status, rather than enjoying their chronic third party status that employs an ideological agenda.

Conveyor coalitions also thrive during stable periods with low-intensity crises or absence thereof. In a low-

risk, low-polarization environment, conveyor coalitions can afford to obscure their ideology and offer a coherent ideological agenda in order to perform their 'conveyor' function. In contrast, corrective parties thrive during crisis periods within high-risk, high-polarization environments, where the political gray area that benefits conveyor coalitions disappear. In such periods, conveyor coalitions only succeed when the existing discontent with the hegemonic political discourse is high enough and neither the first two parties, nor a corrective party can offer a credible counter-hegemonic discourse. If, however, the hegemonic party (or parties) have large popular support during crisis periods, then conveyor coalitions lose support again, along with corrective parties. That's why the current refugee crisis in Europe significantly empowers corrective parties, rather than conveyor coalitions. However, single-issue parties like the AfD or FN are also dependent on the persistence of the structural crisis. Once the refugee problem is resolved, their impact will be less.

Corrective Party Case Study: The Front National and the UK Independence Party

Although the rise of the populist far-right is a Europe-wide phenomenon,

this article will now focus on two political parties to illustrate the case of corrective parties. Both the Front National (FN) and the UK Independence Party (UKIP) are what this study conceptualizes as ‘corrective parties’ due to their ideological rigidity, type of popular appeal, and the role of their leadership.

The FN has utilized the divisions within the French right and the lethargy of the left.³⁹ In addition, the party sought to create a strong and sharp political position for the disenfranchised voters that were growing increasingly alienated towards a politically disconnected political elite. Disdain towards political elites both at the national and at the European level has led both parties to grow a Eurosceptic character and favor non-intervention in what they call as ‘foreign adventures’, such as Syria.⁴⁰ UKIP – and the Brexit referendum it created – on the other hand, are not only the results of a few months of political campaigning, but the culmination of four decades of latent Euroscepticism⁴¹ – Labour never wanted to join the common market in 1973 and Conservatives also had an uneasy relationship with the union.⁴² UKIP too, is a response to elite politics, which is seen as synonymous with the EU and unwanted political and financial burdens.⁴³ These dormant sentiments in the UK, as well as in France, emerged with the scale of

migration after the intensification of the Syrian Civil War – although anti-immigration politics had already been on the rise since 2004, following the EU’s eastern expansion.

UKIP – and the Brexit referendum it created – on the other hand, are not only the results of a few months of political campaigning, but the culmination of four decades of latent Euroscepticism – Labour never wanted to join the common market in 1973 and Conservatives also had an uneasy relationship with the union.

The FN existed in French politics for a long time despite having not assumed governmental position. In fact, the FN did not control a substantial portion of the *départements* and it was fine with not doing so – it was a protest party⁴⁴ – as all corrective parties are. Its strength was concentrated in the northeast and coastal southeastern parts of France, where the post-industrial labor market had generated sustained frictions not only between the ‘old French’ and the immigrant population, but also within these immigrant groups as well.⁴⁵ It was only after the take-over of Marine

Le Pen (daughter of FN legend Jean-Marie Le Pen) as the leader of the party in 2011 that the FN expanded its ambitions. Like a typical corrective party, the FN was revolving around a leadership cult, in which the proximity to the founding/iconic leader served as the basis of intra-party legitimacy.⁴⁶ In order to assume government, the FN had to grow out of a corrective party – which was comfortable with its fringe status for the sake of its ideological purity – and expand its voter base. Marine Le Pen chose to do this through appealing to younger voters who, according to polls, were concerned about the future of their jobs, the ideological purity of *la République* and secularism (*laïcité*).⁴⁷ Just like a typical corrective party, the FN thrived in a crisis period (migration and intra-immigrant tensions) and expanded its voter base by capitalizing on ideological purity and disenfranchised voters. The party broke its historic record in March 2015 by winning by 25% in French local elections. Marine Le Pen summarized her strategy as follows: ‘We are growing roots. French roots’⁴⁸.

UKIP on the other hand is a relative newcomer to British politics (founded in 1993, compared to the FN, which was founded in 1972). Yet, its electoral performance was very close to that of the FN, as UKIP was unable to muster more than 4% of the votes up until the 2015 elections,

when it witnessed a drastic increase, marking 12.6% popularity.⁴⁹ UKIP is not a far-right party like the FN, but its anti-immigration, isolationist and Eurosceptic stance brings it closer to the scope of corrective party conceptualization, instead of a conveyor coalition. It is a single-issue party – like most corrective parties are – namely, to have Britain leave the EU. UKIP thus campaigned extensively, under the leadership since 2006 of Nigel Farage, who built popular support in favor of exit from the EU through a number of sub-issues such as immigration, defense spending and fiscal policy independence.⁵⁰ In doing so, Farage also rendered UKIP increasingly associated with his persona, establishing a strong leadership cult, which became synonymous with UKIP’s position. Farage distanced UKIP from the detached and aloof elite politics and pursued a policy of re-rooting UKIP as a ‘truly representative party’ – very similar to what Marine Le Pen did with the FN after 2011. Like the FN and many other corrective parties, UKIP has risen from obscurity and thrived within the crisis of the European system, as well as increased migration from Syria. As a result, it has capitalized on voters whose main concerns were the protection of ‘Englishness’, being ‘left behind’ by the elites, and jobs.⁵¹ It was indeed a telling lesson for the designation of corrective parties that

UKIP's popularity map in the 2015 elections converged substantially with areas that voted the most in favor of the Brexit referendum in June 2016.

Both the FN and UKIP conform best to this study's conceptualization of corrective parties – they have rigid ideologies and are largely single-issue enterprises. The FN and UKIP are essentially culturally and ethnically protectionist movements that aim to protect 'Frenchness' or 'Englishness' against a perceived threat to the purity of identity. Both parties seek to protect their respective ideological purity against a perceived cosmopolitan encroachment and are disdainful of the political elites and the existing status quo as ineffectual, disconnected and aloof. Both parties have a political hinterland where their votes have remained inelastic in the past, and new political expansion areas where their renewed and modified message is being received well. While the FN support zones are places where intra-communal tensions between and within immigrant communities are higher, UKIP thrives in predominantly 'English' areas that are away from cosmopolitan areas. Both parties have a strong leadership cult as Le Pen in the FN and Farage in UKIP have created a unity of party, ideology and leader synonymy. This cult effect is stronger in the FN as Marion Maréchal-Le Pen, the party deputy from Vaucluse is both Marine

Le Pen's niece and Jean-Marie Le Pen's grand-daughter, rendering the FN one of the best examples of a cult-based corrective party, perhaps more so than the Gaullist parties in France.⁵² Finally, both the FN and UKIP have long been happy with their fringe status and never substantially modified their ideological positions in favor of votes, up until structural factors produced a context within which both parties' protectionist messages started resonating with their disenfranchised voters.

Conveyor Coalition Case Study: Podemos and Syriza

Although they are substantially different from one another, the one similarity between Podemos-Syria on the one hand, and parties like the FN-UKIP on the other, is that they all reflect long-accumulated disdain towards Europe and political elites. But these parties have different reasons to be Euro- and elite-skeptic. Syriza and Podemos express a different type of anti-establishment politics, which is less concerned with immigration and nationalist purity (like the FN and UKIP) and more focused on the adverse effects of the 2008 financial crisis on Greece and Spain respectively.⁵³ As Greece and Spain fell victim to the burden of austerity and bailouts, unelected EU oversight over these countries' financial systems

led to increased public reaction against the European project, generating a left-wing backlash.

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Syriza is a text-book case conveyor coalition, with a diverse range of membership of atheists, Catholics, Greens and Eurosceptics. Ultimately, Syriza – as a left-wing party – ended up assuming a coalition government with the Independent Greeks – a right-wing party. The structural problem Greece faces as a whole, enabled all parties and disenfranchised groups to come together and establish a political alliance. As an ideologically fluid, vote-getting party, Syriza was the best suited party among alternatives due to its ability to remain disconnected to any ideological baggage, becoming the political outlet that could host these diverse groups within itself.⁵⁴ Syriza's rise went hand-in-hand with the demise of the establishment party

of PASOK – which lost more than 150 seats in the parliament within a span of five years.⁵⁵ Just like a true conveyor coalition, Syriza neither had localized support nor ideologically confined popularity, and it expanded its voter base rapidly across Greece and across competing political ideologies. Syriza had successfully adopted a conveyor role, which collected fringe, disenfranchised groups and carried them into hegemonic status. Although Syriza had a popular leader – Alexis Tsipras – it was not the kind of leadership cult enjoyed by the Front National in France, which orbited strongly around the Le Pen family – neither was Tsipras a kind of Farage, who had adopted a long-term campaign strategy around one leader, one issue and one party.⁵⁶ In addition, up until his self-ejection, Yannis Varoufakis was also an important face of the party, hinting at the fact that the party is far from revolving around a single leader.

The rise of Podemos has been equally fast, mainly due to the similar structural constraints Spain was operating under, compared to Greece. Podemos too, is a Eurosceptic and anti-austerity movement, one which is a reaction to the perceived maltreatment by the EU's financial institutions. The rapid decline in the Spanish education, healthcare and higher education systems revealed the EU's inability to contain and resolve the crisis in Spain, leading to

successive protests and disenchantment with the Spanish political elite.⁵⁷ As a result, Spain and Greece ended up sharing two of the highest levels of youth unemployment (24% and 51% respectively)⁵⁸ leading to the emergence of Partido X – a political group evolved from a hacktivist enterprise – and Movimiento-15, which became two of the youth groups that pioneered the anti-austerity and anti-EU sentiments in the Spanish society.⁵⁹ It was on the shoulders of these two movements that Podemos emerged and became the main political outlet for their grievances. The Madrid Mass March of January 2015 reflected the conveyor coalition aspect of Podemos – even though the event was organized by a radical-leftist interest, it attracted most of the Spanish political spectrum that was against austerity and advocated greater independence from the EU’s financial institutions. Although Podemos is ideologically more committed than Syriza, its ability to refine its discourse and appeal enabled it to become a ‘catch-all’ party, expanding way beyond its natural ideological support threshold. Having been established in January 2014, Podemos gained 20.68% support in the 2015 Cortes Generales vote, winning 69 of the Congressional seats and 16 of the Senate positions.⁶⁰ This rapid rise – like that of Syriza – contrasts starkly with corrective parties that spend long years in the fringe opposition.

Both parties have popular leaders, but their role is different than that of Le Pen or Farage – instead of creating a unification of a personality cult with a policy issue and anchor party ideology around the leader, Syriza and Podemos use their leaders as an interface connecting the party to the voters.

Both Syriza and Podemos are ideal cases of conveyor coalitions: they are unattached to a strong ideological position and their agenda-issue designations are fluid and varied. Syriza and Podemos are ‘bridge’ movements that aim to bring together disenfranchised voters around a policy, rather than an ideology. Rather than protecting an identity (‘Spanish-ness’ or ‘Greek-ness’) or immigration or cultural-identity concerns, these parties are instead focused on protecting their countries’ financial and labor systems from technocratic and elitist encroachments. These parties do not have a natural geographic support hinterland as they aim to unite as many regions and ideologies as possible to carry them into hegemony. Both parties have popular leaders, but their role is different than that of Le Pen or Farage – instead of creating a unification of a personality cult with a policy issue

and anchor party ideology around the leader, Syriza and Podemos use their leaders as an interface connecting the party to the voters. Finally, neither Podemos, nor Syriza has been happy with their fringe status, as both parties expanded their support base rapidly after their establishment, quickly rising to prominence.

The rise of new third parties in Europe is certainly a reaction against the failure of the existing political system to address new economic, social and demographic challenges that the continent faces.

Conclusion

The rise of third parties in Europe reflects growing anti-establishment and anti-status quo sentiments. In that, the rise of new third parties in Europe is certainly a reaction against the failure of the existing political system to address new economic, social and demographic challenges that the continent faces. Anti-immigration sentiment is perhaps the most critical of these factors as a diverse group of third parties, whose nationalist rhetoric found little electoral

appeal before, have gradually increased their popularity by resisting the influx of refugees. A second fundamental disdain that brought about the rise of third parties is the economic decline and the inability of the political elites to find a way out of the European recession; this is particularly true with Spain and Greece.

This article started with a critique that the general lack of interest in the comparative politics literature over the study of parties that are neither government (first party), nor the main opposition (second party) obscured our understanding of third party dynamics in Europe. This in turn, prevented our ability to forecast the emergence and life cycles of third parties, rendering European political systems unable to address the growing appeal of populism. In order to address this literature gap, this article focused specifically on the political behavior of third parties and contributed to the literature by introducing two new concepts: ‘corrective’ and ‘conveyor coalition’ party conceptualizations. Crisis periods and fundamental disdain towards the political system bring about two different types of responses. ‘Corrective parties’ monopolize a rigid ideological stance and thrive during periods when the political middle ground moves towards that stance. Conveyor coalitions, on the other hand, do not have a rigid ideological position,

and seek to move their ideology towards the existing political middle ground. Corrective parties also tend to be more localized in their support, whereas conveyor coalitions aim to break that localization and seek greater national appeal. Corrective parties in turn, are happy to remain as a third party for extended periods of time and cling onto their ideology, whereas conveyor coalitions seek popularity that will enable them to gain first party status.

Third parties have not attracted the scholarly attention they deserve, largely owing to their inability to shake the existing status quo. However, now, with the intensifying disdain towards

the establishment, a renewed focus on third parties is necessary in order to understand their respective party systems and electoral behavior. This in turn, will yield important evidence on countries' foreign policy decisions and shifts over the long term.

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A Beijing Consensus in the Making: The Rise of Chinese Initiatives in the International Political Economy and Implications for Developing Countries

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Abstract

The “Beijing Consensus” (BC) as a concept has been utilised to distinguish China’s economic development experience from the “Washington Consensus” (WC), the policy toolkit offered to developing countries by Washington-based international organisations. This paper posits that recent Chinese initiatives in the international political economy constitute the building blocks of an emerging BC with potential to significantly influence developing countries’ economic development trajectories. In order to have a better understanding of the emerging BC and its relation with China’s economic development experience, the main elements of the Chinese economic development experience are compared to the WC and Post-WC (PWC), and an early critical analysis of the BC is provided. This analysis illustrates that China does not try to export its economic development model to other countries; the BC has similar and distinguishing features compared to the WC and PWC; and while

the BC offers some opportunities to developing countries, it also involves some contradictions and challenges.

Key Words

Beijing Consensus, Washington Consensus, China, International Political Economy, Global Development.

Introduction

“Welcome aboard China’s train of development. China is willing to offer opportunities and room to Mongolia and other neighbors for common development. You can take a ride on our express train or just make a hitchhike, all are welcome”.¹ Chinese President Xi Jinping

Chinese ascendance in the international political economy has stirred debates among many scholars about the possible

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economic and political implications of a rising China. The “Beijing Consensus” (BC) as a concept has been utilised to make the point that China’s successful economic development experience over the last three decades offers an alternative to the policy toolkit offered to developing countries by the International Monetary Fund (IMF) and the World Bank, the so called “Washington Consensus” (WC).² While the BC has been conceptualised to reveal Chinese style economic development policies, this paper asserts that a better comparison between the BC and WC would be to analyse how China’s place in the international political economy would influence and alter developing countries’ economic development trajectories by changing global development dynamics. In this respect, this paper examines recent Chinese initiatives in the international political economy as building blocks of an emerging BC. This emerging BC offers an opportunity to evaluate how Chinese initiatives differ or not from WC practices, especially in terms of their potential influence on the economic development trajectory of developing countries.

While early conceptualisations of the WC offered ideal policies that would lead to successful economic development in developing countries,

policy prescriptions of the WC would not have much influence on developing countries and their economic development trajectories if these prescriptions and some other neoliberal policies had not been recommended or conditioned on them by IMF and World Bank programs, under “coercive conditionality”.³ Thus, it is important to distinguish between WC policy prescriptions seen as necessary elements of successful economic development and how these prescriptions were implemented in developing countries with the involvement of international financial organizations. In other words, it is necessary to distinguish between the WC in theory and the WC in practice.

The “Beijing Consensus” (BC) as a concept has been utilised to make the point that China’s successful economic development experience over the last three decades offers an alternative to the policy toolkit offered to developing countries by the International Monetary Fund (IMF) and the World Bank, the so called “Washington Consensus” (WC).

This paper offers a comparison between the WC and Post-WC (PWC) in practice with the Chinese economic development experience and shows that they diverge in different policy areas and in the ways these policies are implemented. Furthermore, this study brings an analysis of recent Chinese initiatives in the international political economy, the Asian Infrastructure and Investment Bank (AIIB), the New Silk Road Project- commonly known as “One Belt One Road” (OBOR), the New BRICS Development Bank (NBDB), and the Free Trade Area of the Asia Pacific (FTAAP), as building blocks of the emerging BC, and provides a critical account of how the emerging BC will possibly alter the economic development trajectories of developing countries.⁴ An early analysis of these initiatives helps us in having a better understanding of the emerging BC, its implications for the global political economy, and how these initiatives will influence the economic development trajectories of developing countries. The analysis in this paper illustrates that Chinese experience significantly diverges from the WC and PWC in practice though the emerging BC resembles the WC and PWC in terms of promoting free trade relations and liberalisation of inward foreign direct investment (FDI) in developing countries. The liberal orientation in the emerging

BC is in contrast to the expectation that the rise of Brazil, India and China will lead to a less liberal international order.⁵ From a different perspective, the emerging BC does not try to export the Chinese economic development model to other countries, as argued by some scholars.⁶ In addition, the emerging BC as a transnational policy paradigm distinguishes itself from the WC and PWC by emphasising infrastructural finance, mutual development, no policy conditionality and organizational features that are absent in the US-backed international financial organizations. Moreover, Chinese initiatives under investigation in this study are not conducted in isolation from the domestic economic reforms efforts or from the economic slowdown referred to as the “new normal” in China. With this in mind, this paper provides a domestic, second image explanation for these recent initiatives.⁷

This paper is organised as follows: in the first section the BC as a Chinese economic development experience is compared to the WC and PWC in practice. The second section provides a domestic level, second image analysis of recent economic reform efforts in China and how they have resulted in the rise of Chinese initiatives in the international political economy. The third section examines the building blocks of the emerging BC in comparison to their

US backed counterparts, and the last section concludes with the implications of these initiatives in the international political economy.

The (Post)- Washington Consensus versus the Chinese Economic Development Experience

The WC in theory refers to the policy recommendations of free-market capitalism, outward orientation, and prudent macroeconomic policies as these are assumed by technocratic Washington to result in “economic objectives of growth, low inflation, a viable balance of payments, and an equitable income distribution”.⁸ The original formulation of the WC was not a policy prescription for development, but this is how it is interpreted.⁹ The WC in practice involved not only a shift from state-led development to market-oriented development, but also, more importantly, a shift in how development problems were framed and, relatedly, how appropriate policy solutions were justified with the dominance of ahistorical orientations via IMF and World Bank stabilisation and structural adjustment programs.¹⁰ Moreover, early formulation of the WC, or the WC in theory, did not include rapid capital account liberalisation,

but Bretton Woods organisations have contributed to the emerging economy crises by promoting this policy.¹¹ The WC in practice has not generated its desired outcomes, and the economic problems of developing countries in the 1990s were interpreted as the failure of these practices.¹²

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After these failures and dissatisfaction came the call for an alternative economic development paradigm that would replace the WC. Stiglitz iterated that “The debate now is not over whether the WC is dead or alive, but over what will replace it”¹³ and there were calls for a “Post-Washington Consensus” (PWC) which would recognise that we need a broader set of instruments and that our goals should be broader in achieving

higher standards of living by seeking equitable, sustainable and democratic development.¹⁴ Öniş and Şenses emphasise the critical role of Bretton Woods organisations in determining economic development policy agendas around the world and they assert that the rise of the PWC after the emerging economy crises in the 1990s can be seen as an improvement over the WC. However, the PWC has limitations of its own in terms of adopting a narrow, technocratic approach to state-market relations, taking existing power relations as predetermined, giving less focus to widespread problems of poverty, inequality and competitiveness in the national and global economy, and paying almost no attention to the industrialisation efforts of developing countries.¹⁵ More recently, the global economic crisis has been interpreted as being one of the latest manifestations of the growing dissatisfaction with the neo-liberal economic paradigm associated with the WC, and this dissatisfaction has renewed interest for industrial strategies in different contexts.¹⁶

With this background of transition from one dominant economic development paradigm to another and problems faced in that transition by developing countries, the Chinese experience stands as the ultimate success story among developing countries with its resilience

to economic and financial crisis and sustained economic development over the last three decades.¹⁷ China has achieved significant economic development progress by having an average economic growth rate of 10%, becoming an upper-middle income country, and lifting over 500 million people out of poverty over the last three decades.¹⁸ This success story led to the argument that the BC is replacing the WC as it enables developing countries to fit into the international system by achieving economic success while preserving their independence.¹⁹

According to Ramo, the main features of the BC are a focus on innovation, goals of sustainable and equitable economic development, and Chinese characteristics of development, which emphasise self-determination in international affairs and establishing their own model of development.²⁰ These features and the rise of China are appealing to other developing countries because the BC resembles a very good example for other developing countries on how to “organize the place of a developing country in the world”.²¹ Debate over the BC started with the labelling of the main features of the Chinese development experience as the BC and outlining how these features are appealing to other developing countries. In Chinese economic development, the “process of

gradualism, experimentation, managed globalization and a strong state has allowed for a sequencing of reforms that has served China well”, making the Chinese experience a success story.²² For Williamson, development policies pursued by China referring to the BC include incremental reform, innovation and experimentation, export-led growth, state capitalism and authoritarianism.²³ Lee, Jee and Eun underscore that one of the critical features of the BC has been to regulate inward FDI so that local partner Chinese companies could transfer technology by parallel learning as “China took advantage of its large market size to pressure the foreign partner to transfer core technology to the local partner”.²⁴

There are also critiques of BC characteristics, such as noting that technological innovation has not been at the centre of China’s growth, pointing to a lack of evidence to argue that China is pursuing sustainable and equitable development, and showing China as a unique case thus forming a “consensus” out of it is not helpful for other developing countries.²⁵ On the other hand, policies of the China model are very similar to those of the newly industrialised economies of East Asia (Singapore, Hong Kong, South Korea) in bringing neo-liberal economic policy and political authoritarianism

together and promoting export-led development, thus the China model has the features not of an ideological commitment but rather a pragmatist approach to development, in other words, evidence of a strong, pro-development state and selective learning from the Western experience.²⁶ Others have noted that China’s unique features of geographical size, labour-abundant economy and hierarchical authoritarian political system disqualify the Chinese experience from easy generalisation, but the Chinese experience may offer some lessons to other developing countries: public ownership can be efficient and can generate public goods, competition is (still) more important than ownership, and a strategy of investment-led growth is essential.²⁷ Some have emphasised that China has been successful in economic development by bringing together local policy experimentation and long-term policy prioritisation by utilising the policies of other countries selectively.²⁸ Some assert that the Chinese Communist Party’s strong commitment to economic development, its guidance and efficient utilisation of land, capital, labour, entrepreneurship, and technological innovation led to the Chinese success story, however economic development also brought other problems with it such as social inequality, persistent and oppressive bureaucracy, and environmental crisis.²⁹ Hsu further

argues that replication of the China model is not advisable because of the problems Chinese development has caused such as increasing income inequality and exclusionary development practices.³⁰

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In terms of financial policy, it is highlighted that China has been successful so far in bringing together exchange rate stability, closed financial markets and monetary independence, the so called “impossible trinity” which was very critical in its economic development success.³¹ However, the evidence illustrates that other developing countries are nowhere near China in achieving this impossible trinity, rather, in developing countries exchange rates have been less stable, their financial systems have been more open and monetary policy more independent compared with China.

Moreover, the gap between what China does and what other developing countries do has been widening in contrast to the BC’s implication that China is illustrating a model for other developing countries.³²

The Chinese development experience can be characterized as similar to the developmental states in East Asia but China has some other country specific, unique features such as the incremental and experimental approach to economic reform.³³ For instance, the Shanghai Pilot Free Trade Zone was established in 2013 for experimenting with new economic reforms such as financial liberalisation.³⁴ Another major difference between the Chinese experience and other developmental states is that countries such as Japan, South Korea and Taiwan were able to take advantage of the Cold War era. By being allies of the United States, these countries received financial support and were able to sell their products in Western markets, while also receiving military protection against the aggressive countries in the region. In contrast, China did not have a major international partner but took advantage of the Chinese diaspora in the finance and trade centres of Hong Kong, Macao, Taiwan and Singapore, especially in the early years of economic opening, and facilitated inward investment from these countries, which

helped the coastal regions of China emerge as trade and finance centres.³⁵

Despite these characterizations of the BC, it should be noted that even for the developmental states of East Asia, we cannot talk about a unique East Asian economic development model because of divergent historical, institutional and political contexts within which development policies have been implemented.³⁶ Therefore, countries should take lessons from other development experiences with careful consideration of their own circumstances.³⁷ China as an example of economic development success story offers very important lessons for other developing countries but it is better to see it as the “Chinese economic development experience” with unique Chinese characteristics rather than a model to be utilised in other contexts. Because of the unique and even contradictory features of Chinese economic development, McNally calls the Chinese economic system as “Sino-Capitalism”.³⁸ It can also be argued that the China model cannot be transferred to other countries for several reasons.³⁹ Therefore, instead of the BC, I prefer

to use the term “Chinese experience” in economic development and compare it with the WC and PWC in practice. The IMF and the World Bank offer policy recommendations and advocate policy change and reform in developing countries that would result in an “ideal type” environment for economic development. The Chinese experience differs significantly from these policy recommendations. With a focus on the role of the state in the economy, finance, trade, investment and social policies, pace of economic reform, policy implementation style and ultimate goal, Table 1 illustrates how the Chinese experience utilises different policies to achieve the main economic objective of industrialisation and differs from the WC and PWC in practice. It should be noted that in East Asian developmental states and in the Chinese experience the ultimate objective has been to foster industrialisation in economic development whereas the WC and PWC in practice did not prioritise this objective.⁴⁰ This distinction is critical to having a better understanding of the emerging BC and its influence on the development trajectory of developing countries.

Table 1: (Post)-Washington Consensus versus Chinese Experience

	Washington Consensus	Post-Washington Consensus	Chinese Experience
Role of State in the Economy	Minimal	Regulatory	Market Maker
Financial System	Deregulation	Optimal Regulation	Strictly Controlled
Trade Policy	Free International Trade	Free International Trade	Export Promotion and Protection
Investment Policy	Liberalisation of Inward FDI	Liberalisation of Inward FDI	Regulation of Inward FDI and Technology Transfer
Social Policy	Very Limited	Limited Redistribution	Poverty Alleviation
Pace of Reform	Fast	Regulation First	Incremental and Experimental
Policy Implementation	One Size Fits All	Policy Recommendation	Flexibility - Chinese Characteristics
Key Goal	Integration to World Economy	Proper Domestic Regulation	Industrialisation

Source: Author's analysis.

One of the major characteristics of Chinese economic development is the pragmatism to adopt different policies at different stages of economic development. In the last few years Chinese policy makers have started to implement new economic policies to adjust their economic development to what they call the “new normal” in the economy by targeting 7.5% and 7% economic growth rates in 2014 and 2015 respectively.⁴¹ In this respect, the Third Plenary Session of the 18th

Central Committee of the Communist Party of China gives us a good opportunity to analyse the extent of the latest economic reform efforts in China and their international implications.

Chinese Economic Reform Efforts

In November 2013, the Third Plenary Session of the 18th Central Committee of the Communist Party of China took

very important decisions to “deepen the economic reform”.⁴² Some of the main proposals during these meetings were financial liberalisation reform; making use of accumulated foreign exchange reserves; taking advantage of production overcapacity in the economy; and being a reference of economic development for other countries by establishing cooperation mechanisms. In this regard, the published report from the meetings indicates that:

“We will set up development-oriented financial institutions, accelerate the construction of infrastructure connecting China with neighboring countries and regions, and work hard to build a Silk Road Economic Belt and a Maritime Silk Road, so as to form a new pattern of all-round opening”.⁴³

These are very important statements in terms of having a better understanding of China’s place in the international political economy because “the more significant long-term story may be about the continuing, remarkably rapid, evolution of the international political economy and China’s place in it”⁴⁴ as China starts to play a more crucial role in the coming years not just in trading relations but also in development finance, both of which will have a

significant influence on the economic development trajectory of developing countries.

The establishment of the AIIB and NBDB, the Chinese initiative of OBOR, and the proposal of the FTAAP stem from the need to reform the Chinese economy, and are the international implications of domestic economic reform efforts. Before we analyse these recent Chinese initiatives in more detail, we can learn from the lessons of Chinese development assistance in other countries and regions. McKinnon indicates that Chinese development assistance to African countries is mainly in the form of non-concessional loans and export credits, and Chinese development assistance is complemented with direct investments by Chinese companies.⁴⁵ According to McKinnon, the main feature of Chinese development assistance to Africa is avoiding lending cash to the recipient countries but making quasi-barter deals so that China will receive commodities in return for development aid. Davies asserts that African governments can take advantage of competition between Chinese and Western donors in terms of offering development aid but he also emphasises that the aid relationship will continue as long as donors’ interests are met.⁴⁶ Jenkins analyses the Chinese development

assistance in Latin America and asserts that China's main interests in the region are "raw materials, a market for exports of manufactured goods and an area of diplomatic competition with Taiwan" and that the asymmetric nature of the relationship illustrates the centre-periphery distinction. However, he also notes, China is far from being a hegemon in the region, as the US is still the most powerful actor in Latin America.⁴⁷ Here it should be noted that research on Chinese development aid in Africa and Latin America focuses on how the Chinese approach to development aid differs from Western style, while overlooking the impact of Chinese activities on the economic development trajectory of developing countries. In contrast, this study tries to examine how the emerging BC will potentially influence developing countries' economic development trajectories in comparison to the WC and PWC.

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Lin and Wang provide a more detailed analysis of how China can contribute to development assistance and argue that China can provide "ideas, tacit knowledge, implementation capacity, opportunities as well as finances" in facilitating the structural transformation of recipient countries, as China is "a bit ahead in structural transformation, has a high complementary and more instruments of interaction".⁴⁸ Because of the rising labour cost in China and the domestic economic reform efforts, Chinese investments in other regions will be critical as "the reallocation of China's manufacturing to more sophisticated, higher value-added products and tasks will open great opportunities for labor-abundant, lower income countries to produce the labor intensive light-manufacturing goods that China leaves behind".⁴⁹ Moreover, revealing the Chinese strategy in development assistance, Chinese policy makers in their official documents emphasise the importance of building up recipient countries' self-development capacity, not attaching any political or economic reform conditions, and respecting and treating recipient countries as equal for mutual benefit and common development. More recent versions indicate that a more internationalised orientation in the Chinese approach of providing development assistance for infrastructure projects will be one of the

main priorities of Chinese authorities.⁵⁰ Related to the latest initiatives of Chinese policy makers, Lin and Wang assert that “One Belt One Road” is a reflection of the Chinese economic development experience because “in order to get rich you need to build roads first”, and building infrastructure is a very important countercyclical measure to boost aggregate demand and long term productivity.⁵¹ However, the issue of whether and how China will contribute to industrialisation efforts in developing countries is an open question. As Table 1 has illustrated, the Chinese experience has prioritised industrialisation in economic development and Chinese characteristics of economic development, thus policies in different areas have all sought to contribute to industrialisation efforts. This issue will be further investigated in later sections with a focus on the potential influence of the emerging BC on industrialisation efforts in developing countries.

Recent Chinese initiatives illustrate that China will put more emphasis on multilateral dimensions of development assistance and development finance in addition to bilateral or regional policies. This will have a major influence on the way China’s aspirations will shape the international political economy and create new dynamics for global economic development. Beeson

and Li indicate the critical role of international financial organisations for “the promotion and implementation of a particular set of policy ideas and principles” and note that “multilateral organizations, therefore, are key sources of notionally ‘independent’ and expert authority, with the sort of financial leverage that makes their advice hard to resist”.⁵² That is why the activities of multilateral organisations have had a big influence on ideas about development over the last 50 years as a complement to American foreign policy. In explaining the multilateral turn in Chinese initiatives, Chin indicates that “multilateral organizations can legitimize and universalize Chinese interests at a time when China needs to reassure others about the way it will use its newfound powers in the global system”.⁵³

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Recent scholarship has also focused on efforts to alter the power dynamics in existing international organizations of the IMF and the World Bank.⁵⁴ Although IMF quotas and governance reforms were approved in 2010, the US Congress ratified the reforms in December 2015, only after recent Chinese initiatives had taken hold.⁵⁵ With the recent developments, there needs to be more focus on the organisational and operational features of Chinese initiatives that will be in competition if not in conflict with the existing Bretton Woods organisations. Chinese initiatives of the AIIB and NBDB, the OBOR and the proposal of the FTAAP are in different areas and their objectives may seem distinct, however they are interconnected, and they have similar goals in terms of determining China's place in the international political economy and sustaining Chinese economic development in the coming years.⁵⁶ Their analysis together brings a better perspective to evaluate China's changing role and how it will alter future global development dynamics.

The Beijing Consensus in the Making

Since 2013, coinciding with Chinese domestic economic reform efforts, on several occasions Chinese leader Xi

Jinping has expressed China's goals of implementing new international development organisations and proposals that will have major influence on other developing economies. For instance, during his visit to Kazakhstan⁵⁷ in September 2013, Xi Jinping expressed China's interest in establishing an "economic belt along the Silk Road" from the Pacific Ocean to the Baltic Sea, and in October 2013, before the APEC meeting in Bali, Xi Jinping expressed China's intention to establish a new multilateral Asian infrastructure bank and Maritime Silk Road.⁵⁸ The Silk Road Economic Belt and the 21st Century Maritime Silk Road together form the OBOR, a proposal that is complementary with the initiative of the AIIB.⁵⁹ In November 2014, Chinese authorities pushed the Free Trade Area of the Asia Pacific (FTAAP) issue on the APEC agenda, and the meeting resulted in an agreement for a two-year study on the possibility of a Pacific-wide free trade zone.⁶⁰ During the most recent APEC meeting, China again pushed for acceleration of the FTAAP, and a senior Chinese official indicated that study on the FTAAP was in the phase of substantive drafting.⁶¹ Lastly, in July 2014, during their meeting in Brazil, the BRICS countries announced their plan to establish a new development bank.⁶² It may be argued that this is a BRICS initiative not a Chinese one,

but considering the economic and financial superiority of China within the BRICS, India's current economic power and major economic problems faced by Russia, Brazil and South Africa, it is not difficult to see that China is the indispensable actor in this new organisation.⁶³

The World Bank and IMF's coercive power, combined with not having any other alternative in the international system, left developing countries with no option but to comply with policy conditionality in return for financial assistance.

In this paper I assert that these Chinese initiatives form the building blocks of the emerging BC and in this regard I see the BC as an emerging transnational policy paradigm in competition with the WC.⁶⁴ Babb illustrates the rise, prominence and decline of the WC and argues that the WC was not merely an intellectual product or collection of economic ideas, because the World Bank and IMF were critical in its adoption by developing countries with strict policy conditionality attached to the

structural adjustment and stabilisation programs. The World Bank and IMF's coercive power, combined with not having any other alternative in the international system, left developing countries with no option but to comply with policy conditionality in return for financial assistance. Although Babb notes that there seems to be no competing paradigm to the WC at the national or international system, I argue that recent Chinese initiatives illustrate that the emerging BC offers an alternative transnational policy paradigm by distinguishing itself from the practices of the WC and PWC, by emphasising mutual benefit and mutual development, and also not attaching any policy conditionality to its finances. Moreover, in terms of organisational features, the emerging BC maintains a share of power with other developing countries, and supports a rotation of presidencies in key positions. With these features, the unwritten rule of having an American president for the World Bank, a European president for the IMF and a Japanese president for the Asian Development Bank (ADB) will be further questioned by other emerging countries. More importantly, with recent Chinese initiatives, developing countries will have important alternatives for their developmental needs, which may possibly ease their position in the international system and will open up more developmental space for them

especially in terms of infrastructure finance.⁶⁵ However, I also argue that Chinese initiatives are not promising in terms of enlarging developmental space for developing countries' trade relations and industrialisation efforts. Chinese initiatives aim to foster free trade and liberalisation of inward FDI in countries involved in the OBOR and FTAAP. This means that mutual development goal advocated by Chinese authorities does not necessarily refer to facilitating industrialisation efforts in developing countries which require infant industry protection and technology transfer policies as was the case for the China. Thus, while the emerging BC does not advocate policy change within recipient countries, Chinese initiatives aim to liberalise trade and investment relations with developing countries and these policies are similar to the WC and PWC. This is actually an irony because "China, which has never had a liberal internationalist tradition in its intellectual history until modern times, is now claiming to be assuming the mantle of international economic liberalism".⁶⁶ This raises the question of whether China is kicking away the ladder for developing countries such that they will not be able to utilise critical policies for their industrialisation efforts if they want to join the Chinese train of development.⁶⁷ The sections below provide a more detailed analysis of Chinese initiatives

and their implications for developing countries.

The Asian Infrastructure and Investment Bank (AIIB)

The AIIB as a multilateral development bank has 57 founding members from Asia, Africa, Europe and South America, and is headquartered in Beijing. Its first President is from China and it has started its operations in 2016.⁶⁸ The initial authorised capital of the AIIB is US\$ 100 billion. The Asian member countries will be the majority shareholders and will hold almost 75% of shares.⁶⁹ China has provided about US\$ 30 billion to initial capital subscription; India US\$ 8 billion; and Russia US\$ 6.5 billion; constituting the three largest contributors to the AIIB's initial capital.⁷⁰ With its 30% contribution to initial capital stock, China will have 26.06% of the total votes and thus the largest voting right, with the second largest voting power going to India (7.5%) and the third largest to Russia (5.93%) –assuming the number of member countries remains the same.⁷¹ With 26.06% of voting power, China will be able to block any decision that requires a super majority.⁷² However, Chinese authorities have recently announced that they will not exercise veto power at the AIIB, in contrast to the American

practices at the IMF and World Bank.⁷³ The AIIB will raise capital in US dollars, euros, and yuan, and will make loans in US dollars.⁷⁴ The AIIB will focus on financing infrastructure projects in Asian countries and will also complement OBOR. According to OECD estimates, the global infrastructure gap is expected by 2030 to be around US\$50 trillion and, according to the ADB, between 2010-2020, Asian countries will need total infrastructure investment of US\$8 trillion, in other words, almost US\$750 billion infrastructure investment every year.⁷⁵ These studies illustrate that the AIIB will fill a very important gap for the economic development trajectory of Asian countries and will be in competition with the US-backed international organizations.

One Belt One Road (OBOR)

OBOR is one of China's most ambitious initiatives and the AIIB's operations will be in line with it. Xi Jinping expressed the ambitious goals of OBOR during APEC meetings held in Beijing in November 2014:

“[connectivity] is not merely about building roads and bridges or making linear connection of different places on surface. More importantly,

it should be a three-way combination of infrastructure, institutions and people-to-people exchanges and a five-way progress in policy communication, infrastructure connectivity, trade link, capital flow, and understanding among people”.⁷⁶

The National Development and Reform Commission of China issued the first formal document outlining the ambitious goals and extent of this project in March 2015, indicating that the main goals of this project are “peace, development, cooperation and mutual benefit” and that the initiative is “designed to uphold the global free trade regime and the open world economy in the spirit of open regional cooperation” and also “aimed at promoting orderly and free flow of economic factors”.⁷⁷ According to the same document, this new initiative is critical for the opening up reform efforts in China as it “will enable China to further expand and deepen its opening-up, and to strengthen its mutually beneficial cooperation with countries in Asia, Europe and Africa and the rest of the world”.⁷⁸ As argued in previous sections, this initiative strives to facilitate trade and investment liberalisation and countries involved should “remove investment and trade barriers for the creation of a sound business environment within the region”.⁷⁹ This will facilitate the

investment of Chinese companies in these countries. OBOR complements AIIB activities, and while Chinese officials indicate that AIIB operations do not involve policy conditionality, OBOR involves implicit conditionality of trade and investment liberalisation, which will facilitate foreign investments by Chinese companies.

China has established a US\$ 40 billion fund for the purposes of this project.⁸⁰ Recently, the China Export-Import Bank announced that at the end of 2015, it had outstanding loans covering 1,000 projects in 49 countries, worth more than 520 billion yuan or US\$ 78.93 billion.⁸¹ A recent report has claimed that China plans to spend US\$ 240 billion to OBOR related projects in the near term.⁸² One of the most ambitious projects of the 21st century, with the goal of connecting three continents and more than 60 countries via roads, railways, bridges, will take a long time to complete and will be a big test for China. However, even the proposal of this mega project by China shows its aspirations of assuming a new role in the international political economy.

The New BRICS Development Bank (NBDB)

The NBDB is a multilateral development bank that will provide liquidity to member states during

times of crisis and will also finance infrastructure and development projects around the world, with an initial subscribed capital of US\$ 50 billion and authorised capital of US\$ 100 billion.⁸³ China provides US\$ 41 billion, India, Russia and Brazil US\$18 billion, and South Africa US\$5 billion for the authorised capital.⁸⁴ The headquarters of the NBDB is in Shanghai and the first president is from India. This organisation is a major step toward institutionalising the BRICS cooperation and rivalling the US-backed IMF and World Bank. At the NBDB no country has veto power and all BRICS countries will have equal votes.⁸⁵ The appeal of this organisation to developing countries will shape its future influence and China as the biggest contributor to the funds will play a key role in operations of the bank. Table 2 below compares the IMF, World Bank, ADB and recent multilateral initiatives of the AIIB and NBDB in more detail.

This organisation is a major step toward institutionalising the BRICS cooperation and rivalling the US-backed IMF and World Bank. At the NBDB no country has veto power and all BRICS countries will have equal votes.

Table II: Current Multilateral Development Organisations versus Chinese Initiatives

	IMF	World Bank	ADB	AIIB	NBDB
Headquarters	Washington DC	Washington DC	Manila	Beijing	Shanghai
President	European	American	Japanese	Asian	BRICS
Largest Capital Contributor	USA (17.68%)	USA (16.88%)	Japan (15.67%)	China (29.78%)	China (41%)
Largest Voting Power	USA (16.74%)	USA (15.97%)	Japan (12.84%)	China (26.06%)	Equal among BRICS
Veto Power	Yes	Yes	Yes	No	No
Number of Members	188	188	67	57	5
Authorised Capital Stock	US\$ 286 Billion	US\$ 212 Billion	US\$ 100 Billion	US\$ 100 Billion	US\$ 100 Billion

Sources: <https://www.imf.org/external/np/sec/memdir/members.aspx#total>;
<https://www.imf.org/external/np/exr/facts/glance.htm>;
<http://siteresources.worldbank.org/BODINT/Resources/278027-1215524804501/IBRDCountryVotingTable.pdf>;
<http://www.adb.org/sites/default/files/page/30786/oi-appendix1.pdf>

The Free Trade Area of the Asia Pacific (FTAAP)

China's exclusion from TPP negotiations has led the Chinese leadership to revitalize the FTAAP proposal and bring it back to the APEC agenda in 2014.⁸⁶ TPP negotiations cover 12 countries but the FTAAP is proposed to include all the parties in the TPP plus eight more, including China and Russia. The combined share

of FTAAP partners in the world GDP is around 58%.⁸⁷ Countries that are not currently included in the FTAAP, such as Cambodia, Lao PDR, Myanmar, India and European Union countries, are part of the OBOR, which also seeks to foster trade and inward FDI liberalisation.⁸⁸ In other words, the Chinese initiatives of OBOR and the FTAAP complement each other in different ways for the common goal of liberalising trade and investment regimes in developing countries.

Implications of the Emerging Beijing Consensus for Developing Countries

While Chinese initiatives offer opportunities to developing countries especially in terms of infrastructure finance, they also illustrate some challenges and contradictions in the Chinese approach to multilateral development assistance. For instance, Chinese authorities emphasise mutual development as an ultimate goal of these initiatives. However, for these initiatives to result in mutual development, there needs to be efforts to support industrialisation in developing countries, as many developing countries suffer from what Rodrik calls “premature deindustrialization”: “Developing countries are turning into service economies without having gone through a proper experience of industrialization”.⁸⁹ As seen in previous sections, developmental states and China have prioritised industrialisation as an ultimate objective of economic policy and they have utilised different policies for this purpose. By promoting free trade and liberalisation of inward FDI in OBOR and the FTAAP, the emerging BC is not promising in supporting the industrialisation efforts of developing countries by eliminating export-led growth strategies and technological transfers from inward FDI. The emerging Beijing Consensus has two common elements with the WC

and PWC policies as listed in Table 1, namely, China’s efforts to promote free trade and the liberalisation of inward FDI. This illustrates that despite China’s emphasis on “no policy conditionality” and “mutual development”, being part of these Chinese initiatives requires implicit conditionalities. This is a very critical contradiction of the emerging BC. Also, in the operations of the NBDB, the ways in which the differing national interests of BRICS countries will shape the functioning of the bank and how China as the biggest economic power will take a position in the coming years will be a major challenge to overcome.⁹⁰

While Chinese initiatives offer opportunities to developing countries especially in terms of infrastructure finance, they also illustrate some challenges and contradictions in the Chinese approach to multilateral development assistance.

Conclusion

This article seeks to re-conceptualise the “Beijing Consensus” by examining the latest Chinese initiatives in the international political economy with a focus on how they will influence

the development trajectories of developing countries. The Chinese train of development took off decades ago but now other countries can join it by participating in China's latest initiatives. China's domestic economic reform efforts, its desire to have a higher return on accumulated reserves, and the necessity it faces to export excess production capacity, have contributed to these initiatives. Moreover, in contrast to the policy prescription, policy change, and policy reform oriented activities of the World Bank and the IMF, China, identifying itself as a developing country, offers mutual development and cooperation to other developing countries without any policy change request or policy conditionality. However, efforts to promote free trade and liberalisation of inward FDI make the emerging BC resemble WC and PWC practices, which would not be helpful in developing countries' industrialisation efforts. Moreover, an economic slowdown in China and economic transformation reforms are negatively influencing commodity exporter developing countries, which are over-dependent on China. This creates a dilemma for them: they seek to join recent Chinese initiatives but China's economic development trajectory is negatively influencing them. Chinese initiatives are in their early stages of establishment however their early analysis provides a good indication of the role China wishes to play in the international political

economy in the years to come. China's success in these efforts will depend on its progress in domestic economic reform efforts, the sustainability of its economic development, its appeal to other countries in development projects, and whether these initiatives will result in "mutual development". The founding members list of the AIIB illustrates that there is a demand to get on board China's development train not just from developing countries but also developed economies, including Germany, France and the UK. This is an early sign that China will be able to find partners in its latest initiatives. Therefore, the emerging features of the BC, the functioning of Chinese initiatives and their political economy implications for developing countries, along with China's changing role in the international political economy and changing global development dynamics will all be major avenues of research in the years to come.

In contrast to the policy prescription, policy change, and policy reform oriented activities of the World Bank and the IMF, China, identifying itself as a developing country, offers mutual development and cooperation to other developing countries without any policy change request or policy conditionality.

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Soldiers and The Use of Force: Military Activism and Conservatism During The Intifadas

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Abstract

Are soldiers more prone and likely to use force and initiate conflicts than civilians? To bring a new insight to this question, this article compares the main arguments of military activism and military conservatism theories on Israeli policies during the First and Second Intifadas. Military activism argues that soldiers are prone to end political problems with the use of force mainly because of personal and organizational interests as well as the effects of a military-mindset. The proponents of military conservatism, on the other hand, claim that soldiers are conservative on the use of force and it is the civilians most likely offering military measures. Through an analysis of qualitative nature, the article finds that soldiers were more conservative in the use of force during the First Intifadas and Oslo Peace Process while they were more hawkish in the Second Intifada. This difference is explained by enemy conceptions and by the politicization of Israeli officers.

Key Words

Military Activism, Military Conservatism, Use of Force, Israeli Politics, Palestinian Intifada, Civil-Military Relations.

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Introduction

Are soldiers more prone to use force and initiate conflicts than civilians? The traditional view in the civil-military relations literature stresses that professional soldiers are conservative in the use of force because soldiers are the ones who mainly suffer in war. Instead, this view says, it is the civilians who initiate wars and conflicts because, without military knowledge, they underestimate the costs of war while overvaluing the benefits of military action.¹ In recent decades, military conservatism has been challenged by a group of scholars who argue that the traditional view is based on a limited number of cases, mainly civil-military relations in the United States. By analyzing several other countries, these scholars have found that soldiers are more war-prone than civilians because of organization/personal interests and a military-mindset. This theory, which is called military activism or militarism, holds that military regimes are more likely to initiate wars than civilian regimes, including dictatorial ones.²

In this article, I will attempt to bring a new insight to the literature by analyzing Israeli soldiers' preferences on the use of force during the First and Second Intifadas. In this comparative-qualitative case study, I will show a complex picture, as the Israeli soldiers were conservative in the use of force during the First Intifada and Oslo peace process while the military was one of the most hawkish institutions after the Second Intifada erupted in 2000. I will explain this complexity with two factors. First, the condition of the enemy plays an important role in what the soldiers see as their organizational and personal interests. During the First Intifada, the Israeli soldiers saw themselves in opposition to a civilian population and using force against them was regarded as a violation of organizational and personal interests. Yet, when the Palestinian Authority (PA) became a state-like entity over time and had an armed presence, using heavy force in the Second Intifada did not contradict with these interests.

The traditional view in the civil-military relations literature stresses that professional soldiers are conservative in the use of force because soldiers are the ones who mainly suffer in war.

The politicization of the Israeli soldiers is important in explaining the differences in the soldiers' preferences between the First and Second Intifadas.

Second, the politicization of the Israeli soldiers is important in explaining the differences in the soldiers' preferences between the First and Second Intifadas. Similar to the Israeli politicians and society, Israeli soldiers were divided on how to establish peace with the Palestinians. During the First Intifada, the top echelon of the military supported the "land for peace" formula of the Labor Party and they were open to dialogue and negotiations with the Palestinians. On the other hand, the generals after 2000 belonged to the other end of the political spectrum and saw the use of force as a most efficient policy; therefore; it was not surprising to see that the generals of the Second Intifada entered politics as members of the right-wing parties. All in all, these factors show that neither military conservatism nor military activism alone can explain the policy preferences of the Israeli soldiers.

Below I will first explain the arguments of military conservatism and activism theories. Then I will analyze the policy preferences of the Israeli soldiers during the First Intifada, Oslo peace

process and Second Intifada, mainly through secondary resources such as newspapers, memoirs and books on the subject. In the conclusion, I will summarize the findings and highlight the theoretical implications of the article.

Military Conservatism and Military Activism

Because soldiers are trained to fight as their profession, it is natural to assume that they are more war-prone than other groups, especially politicians. Nevertheless, the traditional view on this question is exactly the opposite, arguing that international conflicts are mainly the result of ambitious policies of irresponsible civilian politicians. Among political science theories, for example, the diversionary theory of war points out that politicians occasionally provoke external conflicts and initiate wars when they face domestic crises.³ Civil-military relations scholars also give attention to the relationship between wars and political elites and have found that soldiers are more pessimistic on the utility of force than civilian politicians. They argue that because civilians have no experience on the battlefield, they often underestimate the costs and overvalue the benefits of military action. As a result, soldiers are less inclined to use force until the survival of the state is

at stake. As an advocate of this view, Huntington argues that professional soldiers rarely favor war since it means the intensification of threats to national security. As he states in his oft-quoted book, *The Soldier and the State*, a soldier “tends to see himself as the perennial victim of civilian warmongering. It is the people and the politicians, public opinion and governments, who start wars. It is the military who have to fight them.”⁴ Similarly, General Douglas MacArthur, Chief of Staff of the United States Army in the 1930s, points out that soldiers have no interest in war and “the soldier above all people prays for peace for he must suffer and bear the deepest wounds and scars of war.”⁵ In accordance with these observations, Betts found that during the Cold War, American officers did not homogeneously advocate use of force when faced with crises; instead, civilians offered more aggressive policies than soldiers.⁶

In recent decades, this theory has been challenged by scholars who argue that the traditional view is based on a limited number of cases. By extending the number of cases and looking at non-professional armies as well, critics found that soldiers are indeed more war-prone than civilians and military regimes are more likely to initiate wars. These scholars explain their findings with two factors. First, they argue that soldiers may advocate for offensive

policies because war provides significant organizational and personal interests. To begin with, combat may bring glory and excitement, and victory in war may open the door to political careers for some generals. Combat may also offer a large share of the budget to the military. During wartime, soldiers can convince the government to buy new weapons much easier than in peacetime, when the money is spent for education, health and other services. Finally, combat may give the military leaders an opportunity to try new strategies, test the soldiers' efficiency and even market the weapons the military industry produced in that country.⁷ According to military activism, all these benefits may increase the belligerency of soldiers and make them more likely to advocate war.⁸

Second, proponents of military activism explain soldiers' war-proneness with their military-mindset. Military-mindset refers to a common set of norms gained by soldiers during their military service; in other words, it is the organizational subculture within the military. As Rosati and Scott argue in their explanation of U.S. Foreign Service officers' subculture, beliefs and norms acquired in an organization "result in certain incentives and disincentives that influence the behavior of individuals within [that] organization."⁹ This organizational behavioral pattern is most striking in the military as military academies and

barracks physically separate soldiers from the civilian world for an extended period while the military in general enlists those who view national security as a main concern. As a result of this specific socialization process, the beliefs and norms gained during military education have a long-lasting effect in soldiers' minds and the militaries became "total institutions that mold the beliefs of their members for life."¹⁰

Military-mindset refers to a common set of norms gained by soldiers during their military service; in other words, it is the organizational subculture within the military.

According to military activists, military-mindset has two main and interconnected characteristics. First, soldiers are trained as realistic, pessimistic and cautious men. Because even a small mistake may have enormous consequences in their profession – such as death and defeat – a soldier has to take all worst-case scenarios into consideration. As Huntington emphasizes, "between the good and evil in man, the military ethic emphasizes the evil."¹¹ Therefore, if a military man wants to survive, protect, and win, he has to be a "man of Hobbes" who trusts no one other than

himself and his companion-in-arms. Second, and related to this pessimism, military activists hold, a soldier prefers for military measures to end security problems. Sechser points out that because they “are socialized to envision national security as a strictly military problem, soldiers may undervalue economic and diplomatic aspects of security problems whereas they exaggerate security threats, highlight the advantages of striking first and generate optimistic evaluations of the results of war.”¹² Soldiers do not believe that diplomacy and negotiations, which are unpredictable and take a long time to apply, can solve security problems. They see diplomatic concessions to the adversary as weakness that can be exploited in the future. As a result, soldiers hold that diplomacy and negotiations only prolong existing problems whereas, with a certain victory on the battlefield, the victor can impose its conditions on the enemy and decisively end the problem.¹³ All in all, military activists argue that based on organizational/personal interests and the military-mindset, soldiers are likely to advocate the use of force against the enemy.

This article will compare military conservatism and military activism theories by analyzing Israeli soldiers’ preferences in solving the Palestinian issue during the First Intifada, Oslo peace process, and the Second Intifada.

This is a comparative case study in two ways. First, I will compare the preferences of the civilians and soldiers in all periods to see the explanatory power of the above-mentioned theories. As will be seen, the article will show that the preferences of civilians and the military are not categorically different, as emphasized by the literature. Instead, what we will see fits with Yoram Peri’s observation that we are looking at “a coalition of officers and politicians versus another coalition of officers and politicians” rather than “politicians versus officers.”¹⁴ Nevertheless, I will also compare soldiers’ preferences between the time periods mentioned above and show significant differences. I will explain these differences with enemy conceptions and the politicization of Israeli officers, which is important to show the changes in organizational/personal interests and the military-mindset.

Military Conservatism and the First Intifada

The First Intifada broke out on 8 December 1987, when an Israeli truck hit a car at the Jabalya refugee camp in Gaza, killing four Palestinian laborers. Frustrated from living under military rule for the last two decades, this ordinary accident became the final straw that broke the camel’s back and triggered major demonstrations against

Israeli rule in the occupied territories. As soon as the intifada broke out, the use of force was heavily adopted by the Israeli coalition government and security establishment in accordance with the Israeli security doctrine in the territories, which had been formulated in 1976 by then-Defense Minister Shimon Peres and Minister of Police Shlomo Hillel. This doctrine highlighted drastic security measures including curfews, mass arrests, demolishing houses, withholding salaries, deportation from the country, etc. and it became the main policy until January 1988.¹⁵ Nevertheless, when it was understood that the demonstrations would not soon die down, major differences emerged among the Israeli political and security actors.

Throughout the First Intifada, there were both hawks and doves- as well as “security doves”- among the civilians. On the one side, there was the right-wing group which included political parties such as Likud, the National Religious Party, Tzomet, Moledet and Tehiya. This group opposed any dialogue and negotiations with the Palestinians and they proposed several radical measures including annexation of the territories. Some of these parties were ruled by former generals. Rafael Eitan, leader of Tzomet and former Chief of General Staff (CGS), was one of them and he opposed any concession

to the Palestinians: “[C]oncessions made to the Arabs are interpreted by them as signs of weakness and weariness from the struggle. Such concessions teach them that their continued intransigence pays off, that they will gain the upper hand in the end. Concessions lead the Arabs to harden their position, and turn them into even more vigorous adversaries.”¹⁶ Instead, his solution to the intifada was simple but brutal: “A bullet in the head of every stone thrower.”¹⁷ Another hawk in the Knesset was Moledet leader Rehavam Zeevi who, even before the breakout of the intifada, recommended the expulsion of the Palestinians from the country in order to compel the neighboring Arab states to make peace with Israel.¹⁸

Although not as radical as this group, the Likud Party, under the leadership of Prime Minister Yitzhak Shamir, was also inclined to support the use of force against the Palestinians and opposed political concessions. Shamir valued military power as he argued that peace was “unattainable if Israel is weak or perceived to be so”¹⁹ and he did not see the intifada as civil disobedience reflecting the Palestinians’ frustration. Instead, he stated, the intifada was “a continuation of the war against Israel’s existence.”²⁰ Throughout his rule, Shamir did not prioritize diplomacy on the Palestinian issue and was not willing to concede even a small piece

of territory for a peace agreement. “You sign a paper and say, ‘Here is the peace’,” Shamir stated, “[b]ut what if tomorrow you tear up the paper and with one stroke of the pen you abolish the treaty?”²¹ As a result of this belief, Shamir mainly relied on military measures until his rule ended in 1992.

On the other side of the political spectrum, there were moderate political groups who emphasized that the use of force alone could not bring an end to the intifada and proposed different political solutions.

On the other side of the political spectrum, there were moderate political groups who emphasized that the use of force alone could not bring an end to the intifada and proposed different political solutions. Hadash, the Progressive List for Peace, and the Arab Democratic Party were in this group. These parties criticized the iron-fist policies in the occupied territories and some even supported a Palestinian state there.²² Yet, the main moderate force that was able to influence decision-making was the Zionist Left, especially the Labor Party. Unlike the right-wing parties, the Israeli left was less ideologically attached to the

territories and, to differing degrees, they were ready to negotiate with the Arab states and even the Palestine Liberation Organization (PLO) to put an end to the intifada. In the coalition government, Ezer Weizman, former commander of the Israeli Air Force and Minister of Defense, from Yahad offered one of the strongest oppositions to the security measures and he was even fired from the cabinet on the grounds that he made contact with the Palestinian leader Yaser Arafat. Another influential dovish politician was the Labor leader Shimon Peres who, in the first month of the intifada, proposed the demilitarization of Gaza and dismantling the Jewish settlements there as the first step toward a peace settlement. Despite the opposition from Shamir to this offer,²³ Peres searched for a peaceful way to end the intifada problem and he became the architect of the Oslo peace process initiated in late 1992.

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Nevertheless, the man who realized the peace was not a dovish politician, but a former general with a security mindset: Yitzhak Rabin. Rabin, who served as the CGS in the 1967 Six Day War, was the Defense Minister when the intifada erupted, and his first policy against the demonstrations was the infamous “policy of beating.” Because “[n]obody dies of a beating,” Rabin reportedly ordered the soldiers to give each Palestinian a scar as a continuation of Israel’s traditional deterrence policy.²⁴ During this early period, he supported excessive security measures including assassination of high-level PLO figures such as Khalil al-Wazir not only to show the deterrence power of the state but also to boost the morale of the soldiers who faced a new kind of warfare.

Yet, Rabin was not an ideological hawk, and as early as February 1988 he realized that the use of force alone could not end the intifada: “I’ve learned something in the past [two and a half] months. Among other things is that you can’t rule by force over 1.5-million Palestinians.”²⁵ At the same time, Rabin made it clear that he could negotiate with any PLO member who was ready to stop violence and terror.²⁶ Rabin’s moderation put him into disagreement with Prime Minister Shamir and the Likud Party. After the dissolution of the national unity government in 1990, Rabin challenged

Shamir in the 1992 elections, during which he announced that he wanted to conclude an agreement on Palestinian autonomy within six to nine months of taking office. Shortly after being elected as Prime Minister, Rabin showed his determination to solve the problems through dialogue, by stating in the Knesset, “Peace you don’t make with friends, but very unsympathetic enemies. I won’t try to make the PLO look good. It was an enemy, it remains an enemy, but negotiations must be with enemies.”²⁷ Although his pursuit for peace was related to security concerns, Rabin, together with Peres, initiated the negotiations with the PLO which resulted in the Oslo peace process.

As this comparative analysis shows, there was no one civilian mindset in Israeli politics as Israeli politicians had quite diverse preferences on how to end the intifada, the efficiency of the use of force, and the possibility of negotiations with the Palestinians. In this period, the military leadership’s attitude to the intifada problem was more akin to Rabin’s policy preferences. Although when the intifada started both CGS Dan Shomron and Amram Mitzna, the commander of the Central Command, imposed harsh punishments on Palestinians in accordance with the Israeli security doctrine, they shared the same belief with Rabin that the use of force alone could not solve the intifada problem. Against the wishes of the right-wing

politicians, both generals made it clear to the political echelon that the military would not engage in a “reign of terror” to end the intifada problem, as Mitzna refused the demands to dispatch tanks to Nablus, the largest city in the West Bank, and level Palestinian neighborhoods. In addition, Shomron frequently emphasized that firearms would be used only in life-threatening conditions and Mitzna questioned the efficiency of the large-scale military measures demanded by the right-wing politicians as he stated, “The more violent we get, the more we do not distinguish between the guilty and the innocent. We’ll get into a vicious cycle that we’ll never be able to get out of.”²⁸ As the right-wing pressure on the military continued, Shomron even threatened in March 1988 to resign: “If someone wants to achieve calm at the cost of ordering the Army to go... against the basic norms of the Israeli army, then it will have to be without me.”²⁹

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Similar to Rabin, Shomron was aware of the nationalist dimension of the intifada and believed that the solution was political. He stated that as military officers they “consulted, and decided to tread delicately, not to take irreversible steps and actions” in order to keep the political options open for the politicians.³⁰ As early as March 1988, when Rabin declared that Israelis cannot rule over the Palestinians by force, Shomron started calling on the politicians to reach an accord with the Palestinians. Unlike the Likud leadership, who conditioned the political talks on the end of violence, Shomron asked the peace talks to start even before calm returned because the military “cannot endure [the] situation forever.”³¹ Later, in January 1989, during his briefing to the Knesset Foreign Affairs and Defense Committee, Shomron made it clear that there was “no such thing as eradicating the intifada because in its essence it expresses the struggle of nationalism.” He also added that the military’s job was not to end the intifada but “to enable the political echelons to operate from a position of strength, so that the violence cannot force the government to take decisions under pressure.”³²

All these statements by the military head created distaste within the Likud Party, the main force in the national unity government, because they were in line with the Labor Party’s preferences.

Shamir called Shomron's remarks at the Foreign Affairs and Defense Committee "superfluous"³³ while Foreign Minister Moshe Arens accused him of "passing the buck" to the government.³⁴ Yet, this civilian criticism toward the head of the army did not deter the latter from expressing his political thoughts in public, and Shomron reiterated his view that while the army could reduce the violence in the territories, it could not fight the motivation of the population to achieve a Palestinian state because there is "no way for weapons to fight it."³⁵ Upon ending his term as the CGS in 1991, Shomron made his political philosophy more clear when he argued that a peace settlement is "worth much more than territory" and he supported the Labor Party's policy of trading land for peace with the Palestinians.³⁶

All in all, during the most critical years of the First Intifada the military's policy preferences towards the Palestinians were more in line with the moderate Labor Party and the army was more conservative on the use of force than the ruling Likud Party. To understand this conservatism one first needs to analyze the organizational interests and culture of the Israeli military. From the foundation of the state to the first intifada, the Israeli military doctrine focused on the external threats, namely neighboring Arab states and terrorist groups within bordering countries.

Indeed, when the intifada broke out, the military was preoccupied with the growing threat from Iran and Iraq, terrorist infiltration from Jordan, and trouble along the Lebanon border. In this period, the military officers were also interested in revolutionizing the army and preparing it for the "battlefield of the future."³⁷ "Up until December 1987," as Horowitz puts it, "the status quo in the West Bank and Gaza Strip was about the last thing on the Israeli defense establishment's mind."³⁸

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From this perspective, the breakout of the intifada created problems for the military because it had neither strategy nor appropriate equipment to face a hostile population. The Israeli soldiers were specialized in fighting enemy forces on the battlefield, where violence and the use of force was totally legitimate; countering a hostile population, mostly women and children,

whose violent acts were restricted to stone-throwing and fire-burning was not something they were trained for. The Israeli generals, including Shomron's successor Ehud Barak, were afraid that broad license to use force and firearms would damage the reputation of the army which had been proud of being a moral and humane army.³⁹ In addition, they believed that if the army decided to quell the uprising it would have undermined itself since the decision would cause a rift in society and subsequently in the military which "encompasses the entire political spectrum in Israel."⁴⁰ Therefore, in this period the intifada was regarded as a burden on the soldiers' shoulders. This can most clearly be seen in the fact that *Maraachot*, the military's flagship publication, did not publish a single article about the intifada from 1988 to 1995, although in those years the army's main activity was to cope with it.⁴¹

Politicization of the Israeli soldiers was also an important variable in explaining the military conservatism in this period. Since the independence of the state, Israeli generals had become active participants in the national security decision-making as a result of the high threat environment the state encountered. While this situation brought about the militarization of Israeli politics and society, it also led to the politicization of the Israeli

generals. Several high-ranking generals such as Moshe Dayan, Yitzhak Rabin, Ariel Sharon, and Ezer Weizman were politicized during their military service and parachuted into politics right after retirement. This politicization enabled the divisions in Israeli politics to reflect themselves in the soldiers' preferences. Similar to Israeli politics and society, after the occupation of the territories in 1967, the Israeli officers started holding different views on how to reach peace with the Arabs and the Palestinians. In the case of Shomron, his political philosophy was close to that of Yitzhak Rabin, who was not an ideological hawk but not as dove-ish as some leftist politicians. Rabin believed in the "land for peace" formula with necessary security measures and Shomron shared his views. As we will see later, in the following years generals whose political ideologies were different than Shomron's became the heads of the military and their political ideologies changed its institutional preferences.

Since the independence of the state, Israeli generals had become active participants in the national security decision-making as a result of the high threat environment the state encountered.

Oslo Peace Process, the Rise of Military Activism and the Second Intifada

After Rabin became prime minister in 1992, he allowed the secret negotiations with the Palestinian delegation in Oslo. Despite the military support for the dialogue, Rabin first kept the officers in the dark mainly because of uncertainty about the success of the negotiations but also due to concerns that the soldiers would slow things down with the security details for the implementation process.⁴² Nevertheless, once the Oslo Accords were signed, Rabin involved the military officers in the peace process, as Maj. Gen. Amnon Lipkin-Shahak, Deputy CGS, was appointed to head the Israeli team negotiating with the PLO. Shahak belonged to the dovish axis within the military and supported the negotiations with the PLO. When he stated during the first intifada that the PLO was the only representative of the Palestinians and it led the demonstrations, Shahak was accused by the Likud ministers of interfering in politics and granting legitimacy to the PLO.⁴³ Shahak was one of Rabin's important aides in pursuing the peace process and even after Rabin was assassinated in 1995 the general tried to sustain the negotiations during his tenure as the CGS between 1995 and 1998.

During the Oslo peace process, the military in general backed the negotiations in spite of some disagreements. For example, Ehud Barak, the CGS from 1991 to 1995, believed that there were several security loopholes in the Oslo Accords and he likened it to "Swiss cheese."⁴⁴ According to him, "step-by-step," "salami tactics," or the "death-by-a-thousand-cuts" approach followed in Oslo was detrimental to Israeli security and its negotiating positions, as Israel was gradually relinquishing pieces of territory through interim agreements without accomplishing Israel's main objective, a final peace.⁴⁵ What he preferred was a "package deal" in which both Israelis and Palestinians would make major concessions on all important issues, such as Jerusalem, borders, the return of refugees, etc.⁴⁶—a tactic he tried as prime minister in 2000 but failed. Another related disagreement between the civilians and the soldiers was the latter's obsession with security details during the negotiations, which frustrated the Foreign Minister Shimon Peres, who argued that the officers could not see the larger picture and benefits of peace.⁴⁷ Nevertheless, despite these disagreements the military officers supported the peace process during the Rabin government and Barak's tenure as the CGS.

Netanyahu had been one of the staunchest critics of the Israeli-Palestinian negotiations and he believed that any concession on this issue would endanger Israel's existence because of its already disadvantaged position in terms of territorial size and population compared to the Arabs in the region.

This picture started changing after Rabin was assassinated by a right-wing activist in late-1995. First, following an interim government led by Shimon Peres, Benjamin Netanyahu from the Likud Party was elected as the prime minister and his three-years in power passed with a series of crises with the military over the Palestinian issue. Netanyahu had been one of the staunchest critics of the Israeli-Palestinian negotiations and he believed that any concession on this issue would endanger Israel's existence because of its already disadvantaged position in terms of territorial size and population compared to the Arabs in the region. According to him, "peace through strength" or "peace of deterrence" was the rule of the game in the Middle East and what was critical for peace was Israel's military power.⁴⁸ With this ideology, Netanyahu was quite

dismissive of the military's opinion on the peace process, since the military and the CGS Shahak were linked with Rabin's framework. As soon as he came to power, Netanyahu pushed the military out of the decision-making structure and kept the soldiers in the dark on critical decisions including the opening of the ancient tunnels running along the Temple Mount in September in 1996, which caused an exchange of fire between the military and the Palestinian police.

Second, in this period, hawkish officers started coming into the high-ranking posts in the military. For example, Moshe Ya'alon, the head of Military Intelligence during the Temple Mount violence, was one of those officers and after this conflict, in which the Israeli military faced an armed Palestinian force, he prepared a military plan to show sudden and massive force in the case of a new intifada and started training snipers to be stationed at the checkpoints. Later in 1998, Shahak was replaced by Shaul Mofaz, another hawkish officer, as his preferences in the Second Intifada will show. Nevertheless, at least until 1998, the military leadership remained committed to the peace process and it was more conservative on the use of force than the Netanyahu government, as the CGS Shahak's critique of the government in October 1997 showed:

Why did [the intifada] end?... [I]n my opinion, it would not have ended had there not been a political agreement reached with the PLO but would, rather, have lengthened the list of graves on our side and theirs, and perhaps would even have worsened. In the case of...intifada, it should be understood that it is the political echelon's responsibility to take the bull by the horns and to deal with the peace process.⁴⁹

With the help of his security credentials, Ehud Barak was elected as the prime minister in 1999 to revive the peace process. However, when he came to power the peace process was significantly damaged after three years of right-wing rule, new settlement expansions, unrealized political agreements, economic deterioration in the territories, as well as political corruption under the PA. With Barak's political mistakes – such as prioritizing peace negotiations with Syria over the Palestinian issue – his “package deal” attempt during the Camp David Summit in July 2000 came too late to prevent the Second Intifada. As in December 1987, growing frustration was waiting for a trigger, which was met by Ariel Sharon's provocative visit to the Temple Mount, and the Second Intifada started on September 28, 2000.

During the Second Intifada, the military officers' preferences to deal with the Palestinians were completely different from their predecessors'. Even before the eruption of the intifada, the hawkish generals, including Mofaz, Ya'alon and Amos Gilad, head of Military Intelligence Research Division, developed a view which was known as the “Military Intelligence's concept.” According to this view, PLO leader Yaser Arafat had four basic principles that he had not relinquished since the beginning of the Oslo process in 1993. These principles were: (i) a Palestinian state along the pre-Six Day War lines; (ii) a Palestinian capital in Jerusalem; (iii) sovereignty over the Temple Mount; and (iv) the right of return for the Palestinian refugees. According to the generals, because of these principles, any negotiation with Arafat was destined to fail. Rather than coming to a political agreement, they argued, Arafat was preparing for an inevitable clash with Israel.⁵⁰

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This view was not contained only within the ranks of the military but was

gradually spread among the politicians and Israeli society by the military officers. For example, Amos Malka, the Director of Military Intelligence in 2000, pointed out that Amos Gilad was “a very significant factor in persuading a great many people” to accept the view that there is no Palestinian partner for peace. According to Malka, although there was no official intelligence document proving the argument that Arafat aimed at Israel’s destruction, Gilad was successful in influencing the political leaders with oral presentations expressing that Arafat “never abandoned the dream of realizing a right of return for Palestinian refugees, and that his plan was to eradicate the state of Israel by demographic means.”⁵¹ The CGS Mofaz supported this assessment as he stated in the Knesset that Palestinians were smuggling in anti-tank missiles in preparation for war.⁵² Having already a deep distrust for Arafat, this information undoubtedly affected Barak’s conclusion that Israel had no partner for peace, a rhetoric he constantly voiced after the failure of Camp David.⁵³

The military’s preference for the use of force became indisputably clear as soon as the Second Intifada started. Prepared for a military clash against armed Palestinian forces since 1996, the IDF chose to suppress the intifada in the mud and followed the opposite policies of the Israeli generals from the

First Intifada. For example, when the army tried to decrease the number of Palestinian deaths in the late-1980s by restricting the conditions for open-fire, Mofaz and Ya’alon gave less attention to the Palestinian casualties – using various types of missiles and no less than a million rounds of ammunition. The generals also removed the legal obstacle to Israeli soldiers’ freedom to use force by annulling the directive that provided for investigation into those soldiers who killed Palestinians not involved in terrorist activities.⁵⁴ As a result, in only the first month of the clashes, 130 Palestinians, 40 of them children, were killed while more than 7,000 Palestinians were wounded.

Prepared for a military clash against armed Palestinian forces since 1996, the IDF chose to suppress the intifada in the mud and followed the opposite policies of the Israeli generals from the First Intifada.

Although the beginning of the intifada damaged the negotiations, the political process was ongoing. Yet, the military leadership strongly criticized the political efforts. For example, when American President Bill Clinton presented his guidelines for a peaceful

solution to the conflict in December 2000, Mofaz publicly criticized Barak for rushing toward an agreement and warned him that the Clinton parameters constituted an “existential threat to Israel,” a statement which, according to Ben-Ami, was “almost tantamount to a coup d’etat.”⁵⁵ Later, at the Taba talks of January 2001, Mofaz pointed out that he saw the negotiations as a capitulation to Palestinian terror even though during the negotiations, some progress was made on many issues unresolved at Camp David.⁵⁶ Mofaz was so adamant in his opposition to the political negotiations that Barak could not resist asking: “Shaul, do you really think that the State of Israel can’t exist without controlling the Palestinian people? It’s the conclusion that comes out of your assessment.”⁵⁷

The military found more chance to put its preferences into motion when the hawkish former general Ariel Sharon became the prime minister in the elections of February 2001. As Condoleezza Rice correctly puts it, Sharon “was elected to defeat the intifada – not to make peace”⁵⁸ as he was known among the Palestinians as the leader of reprisal attacks in the 1950s, the butcher of the Palestinians in the Qibya, Sabra and Shatilla massacres, the father of the settlement policy, and one of the leading opponents to the peace process. Yet, as a ruling politician Sharon was constrained by

some factors. First, he prioritized his relations with the Bush administration in the United States and he did not want to damage mutual relations through massive retaliation against the Palestinians. Second, Sharon needed to include Shimon Peres in his coalition government as the Foreign Minister, and this choice created a balance between the Foreign Ministry’s conservatism and military’s activism on the use of force.

Indeed, in these years the main clash over the Palestinian policy took place between the Foreign Ministry and the military. The crisis between the two institutions escalated in the summer of 2001 when Mofaz described the PA as the “terrorist entity.” In the midst of terrorist bombings, the CGS urged the government to declare the PA as an enemy and expel Arafat from the territories.⁵⁹ Peres objected to these demands, arguing that although there were some elements in the Palestinian movement that adopted terrorism, the PA “does not engage in terrorism, and, in my view, as we’ve seen, at times even fights against terrorism.” Recalling the Oslo process, Peres continued that he and Rabin made peace with “nations and leaders with blood on their hands, who waged war against us, who killed our soldiers and civilians. When you go to make peace, you don’t replace the entire framework of people, you replace the entire framework of relations.”⁶⁰

2002 became the year that the military officers' and the Sharon government's preferences for dealing with the intifada became in sync.

A few days after this controversy, the Foreign Ministry urged the government through a memorandum to avoid any massive retaliation against the PA. The Ministry also called on the government to refrain from capturing PA territory, removing Arafat from power or making any rhetorical provocations. Instead, the memo recommended relieving the economic suffering in the territories, gradual negotiations for a final status agreement, implementation of the interim agreements and establishment of a Palestinian state in all those areas under Palestinian control.⁶¹ These recommendations were in direct contradiction to the military's preferences and at first Sharon refrained from taking sides between the two institutions. However, with the 9/11 attacks against the United States, the Prime Minister saw a chance to equate al-Qaeda terrorism with the Palestinian movement as he developed an "Arafat is bin Laden" formula: "[W]e must remember: It was Arafat who—dozens of years ago—legitimized the hijacking of planes. It was a Palestinian

terrorist organization who began to dispatch suicide terrorists."⁶² While this policy pushed Arafat out of the negotiation process, it strengthened the hands of the military on the Palestinian issue.

2002 became the year that the military officers' and the Sharon government's preferences for dealing with the intifada became in sync. In March of that year, terrorist attacks increased, as 135 Israelis were killed in just one month. After the Passover massacre, which cost 30 lives on March 27, it was decided that a military operation to fully control the PA-controlled areas would be launched. Less militarist options such as the capture of Arafat or a military strike against Hamas were opposed by Mofaz and Yaalon.⁶³ Military officers were optimistic about the result of a military operation and Sharon, who did not see the PA and Arafat as a partner for peace, supported their plan, which would reverse the Oslo system by taking the territories back from the PA. Although Operation Defensive Shield, the largest military operation since the territories were captured in 1967, was a heavy blow against the PA as Arafat lost all his political influence, it did not diminish the Israeli officers' appetite for military measures. A week after the operation ended, Mofaz asked for a military action against Hamas in the Gaza Strip as well. This demand came

when Operation Defensive Shield caused numerous civilian deaths in the Jenin refugee camp. Refugee camps in Gaza were six times bigger than Jenin, and taking the international reaction into consideration, Sharon could not allow a military operation in Gaza, which could cost more civilian deaths.⁶⁴

During the Second Intifada the military was more war-prone and more opposed to any kind of moderate initiatives even than a right-wing government.

Mofaz's retirement in July 2002 did not calm down the military activism as he was replaced by Ya'alon. Similar to the right-wing politicians and other hawkish generals, Ya'alon believed that territorial concessions would not help anything but would encourage Israel's enemies.⁶⁵ According to him, the intifada was not a civilian uprising based on political, economic and social frustration but a terror campaign organized by the PA, Arafat and other extreme Palestinian organizations. When he was the deputy CGS, he even described the intifada as "the continuation of the War of Independence," and objected to territorial and political concessions by stating, "The war is a wall, and it is

impossible to win if holes are made in the wall."⁶⁶ With this activist ideology in the military and the presence of a Sharon government, security policies such as the establishment of military checkpoints, extrajudicial killings, and military operations became the main elements of Israel's Palestinian policy, even after Arafat left his seat to the more moderate Mahmoud Abbas. Yet, even in this period the military leadership had some conflicts with the political echelon. For example, when Sharon initiated the Gaza disengagement plan in 2005, Ya'alon strongly opposed him by arguing that the Palestinian issue could not be solved with short- and medium-term plans. According to him, Israel is "fated to live by the sword for a long time"⁶⁷ and talk of withdrawal was leading to an increase in Palestinian terrorism.⁶⁸ Ya'alon's opposition to the disengagement plan was so severe that Sharon had to arrange early retirement for the general. All in all, during the Second Intifada the military was more war-prone and more opposed to any kind of moderate initiatives even than a right-wing government.

Why were the military officers' preferences strikingly different from those of their predecessors of the First Intifada and Oslo peace process? We need to point out two factors to explain this difference. First, the conditions of the enemy played an important role in the activism of the Israeli soldiers. As

mentioned, at the beginning of the 1990s the Israeli army confronted a civilian population, and they regarded this as a violation of their military ethic. In the 2000s, the picture was entirely different, as the Israeli army was fighting a Palestinian armed force and violent Palestinian groups. With this change in the conception of the enemy, organizational interests and military education did not limit the militarist policies; instead, these factors called for the use of force policy and the soldiers did not face moral restraints. Moreover, when the state faced violent armed groups, militarist policies put the generals into the spotlight and provided them with political careers right away. It is not surprising to see that Mofaz served as Minister of Defense (2002-2006) and Deputy Prime Minister (2006-2009) while Ya'alon became Minister of Strategic Affairs and Minister of Defense in the Netanyahu government after 2009.

The second factor is the difference in the politicization of Israeli soldiers. As

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mentioned, the Israeli army is lacking a single political ideology- such as Kemalism in the Turkish military- and the officers, being highly-integrated into the political decision-making, have the freedom to adopt any political ideology. During the First Intifada and Oslo peace process, when the peace movement was popular, the officers were more moderate and they supported the land-for-peace formula in accordance with the Israeli Left. However, after Rabin was assassinated, the Netanyahu government damaged the Oslo process and Palestinian terrorism increased, and the right-wing officers started dominating the top echelon of the Israeli military. While their hawkishness provided them fame and popularity, they adopted the military ideology in a more radical way than the right-wing politicians. All in all, their political ideology and military-mindset fed each other, unlike their predecessors, whose military-mindset softened as a result of their aim to reach peace with the Palestinians.

Conclusion

This article argues that the theories of military activism and military conservatism alone cannot explain the Israeli officers' preferences on the use of force during the First and Second Intifadas. During the First Intifada, the Israeli officers were less war-prone than

the right-wing civilian government mainly because the army did not want to fight against a civilian population and the officers were willing to make territorial and political concessions to make a final peace with the Palestinians. When Rabin came to power, some, but not ultimate, coordination was observed in terms of Palestinian policy but this coordination was broken during the Netanyahu government. When the Second Intifada erupted, the military was more war-prone as a result of growing armed forces on the Palestinian side as well as the leadership change in the military echelon. In the 2000s, the military officers opposed territorial and political concessions while believing in the efficiency of the use of force policy. In this respect, the Israeli army was more war-prone even than the right-wing Sharon government.

As the Israeli case shows, the soldiers' belligerency depends on some other factors that have not been emphasized in the literature. Specifically, the qualitative analysis above points out that the war-proneness of the Israeli

military officers is influenced by the political ideology they hold and by the conditions of the enemy. While enemy conception affects the organizational interests, the political ideology may diminish or strengthen the war-proneness of the officers. These factors may not be seen in the statistical studies on which the literature has so far relied. Indeed, other case studies may show additional factors that may affect the belligerency of soldiers. Therefore, when we answer the question whether or not soldiers are naturally war-prone because of organizational/personal interests and military-mindset, we should not think of these variables as given and should also analyze what further factors may shape them.

While enemy conception affects the organizational interests, the political ideology may diminish or strengthen the war-proneness of the officers.

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The Secret Dossier of Finnish Marshal C.G.E. Mannerheim: On the Diplomatic Prelude of World War II

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Abstract

In addition to oral tradition, the knowledge and understanding of history is based on written sources. Therefore it is highly significant when research is able to introduce hitherto unknown material that can shed new light on inveterate truths. This was the case with the study "Finland at the Epicentre of the Storm" by Finnish historian Erkki Hautamäki. The study dealt with the diplomatic prelude to World War II, and was based on a secret dossier by Marshal C. G. E. Mannerheim. The dossier was transferred to President J. K. Paasikivi after the war, and then disappeared from public eye. Fortunately, its main items were either copied or a synopsis was made on the request of the Marshal by his long-time trustee, Vilho Tahvanainen. On the basis of these copies, Hautamäki was able to propose an entirely new view of the diplomatic manoeuvring which led to the outbreak of WWII.

Key Words

World War II, Nazi-Soviet relations, Winter War, Eastern Front, Allies' Diplomacy, the Baltic Countries, British-Soviet Relations.

Introduction

The standard historical presentation of WWII can be epitomised as a narrative about a clash between good and evil in which victory is rightfully won by the good. That standard was cast into serious doubt in 2005 by Finnish historian Erkki Hautamäki, whose research was based on documents originating from secret dossier S-32 of Finnish Marshal, Carl Gustav Emil Mannerheim.¹ The documents of the dossier originated from the two different sources. First, they represented the documents of German officials, including a personal letter by *Reichsmarschall* Hermann Göring and Foreign Minister Joachim von Ribbentrop to the Commander-in-Chief of the Finnish armed forces C. G. E. Mannerheim. Enclosed as well was a photo-copy of a Soviet-British secret military agreement which was signed by Joseph Stalin and Winston Churchill. The agreement was furnished with detailed plans of its implementation. Second, the dossier contained information given by *Oberst* Paul Grassmann to Vilho Tahvanainen.

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Grassmann served as Hitler's secret interpreter and secretary after 1935, and was promoted to the military rank of colonel in 1938. Despite his official position he was not a member of the Nazi party. He later fell into disfavour and left Germany for Finland in 1944.

Even well kept secrets like the long denied existence of the Molotov-Ribbentrop Pact's secret protocol or the actual perpetrators of the Katyn mass murder tend to become public sooner or later.

In the absence of the original documents the question of reliability of Hautamäki's sources inevitably rises. All the more because they offer some pivotally important information for the existing understanding of the diplomatic prelude of WWII. Perhaps the most startling allegation of his study is that on 15 October 1939 a British-Soviet secret agreement was signed about military cooperation against Germany. That was less than two months after the conclusion of the Molotov-Ribbentrop pact between Germany and the Soviets, which opened the gates for the war in Europe. According to Hautamäki, the agreement entitled the Soviets to

occupy Finland, the Baltic countries and a part of Sweden and Norway.² If this statement were proven to be true, our current understanding of the causes and respective roles of the principal participants of WW II would need to be corrected with all the political, legal and moral consequences ensuing from it. Naturally, the text of the original agreement was not at Hautamäki's disposal. The original text of the agreement, if it really exists, has most likely been hidden in the secret archives of Russia and Great Britain. Considering the alleged content of such an agreement, it is no wonder why "the watchdogs are barking and howling around it",³ making the agreement inaccessible for impartial researchers. However, even well kept secrets like the long denied existence of the Molotov-Ribbentrop Pact's secret protocol or the actual perpetrators of the Katyn mass murder tend to become public sooner or later.

The customary narrative of the causes of the WWII goes as follows. With Hitler's rise to power in Germany the risk of a new war in Europe was becoming more of a reality. The reason for that was the Nazis' overt intention to restore Germany's former great-power position in Europe. After the failure of the Disarmament Conference and departure from the League of Nations in October 1933, Germany conclusively took the course to rearmament. Hitler's

policy abruptly surfaced in 1935 with the introduction of compulsory military service and conclusion of the Anglo-German Naval Agreement. From then on the policy of Western democracies towards Germany did not go much beyond reactions to Hitler's leverage of German military and economic might and, of course, to start to prepare for the worst.

The Soviet version of the story looks at the developments in Germany through the prism of Marxism-Leninism. From the Bolshevik perspective, war was the essence of fascism from the outset and thus needed to be contested both in the internal and international arenas. However, in the turbulent German politics of the late 1920s and early 1930s, up to the decisive victory of the Nazis in the *Reichstag* elections of 1932, Communists (with the benign support of the Soviets) and Nazis repeatedly united forces against the democratically pitched parties in Germany.

National socialism or, in customary terms, fascism, due to its relative standing in the political balance of Germany in the early 1930s, did not pose a bigger menace or challenge to the Soviet political and security interests in Europe than social democracy or any bourgeois political force from liberals to conservatives. Notwithstanding its theoretical position with respect to fascism, the

Soviet Union had concluded a Treaty of Friendship, Non-Aggression and Neutrality with the formally fascist Italy already in autumn 1926. The official manual of Soviet foreign policy, the "Diplomatic Dictionary" (Moscow 1973, 1986),⁴ does not also reveal anything that would support the theoretical axioms of the Soviet foreign policy. The often repeated Soviet thesis of their miscarried policy of collective security against the Nazis remains in practice without corroboration. Even an attempt to forge such an alliance in 1939 ended up with a deal with the Nazis.

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A more customary approach to international politics, however, looks at it through the prism of national interests. The national interests of Germany in the 1920s and 1930s were determined

by what was set out in the Treaty of Versailles. The treaty summarized the political and economic results of World War I (WWI), condemned Germany as the sole culprit of the war, and declared Emperor Wilhelm II a war criminal. The treaty deprived Germany of 70.6 thousand square kilometres of her former territory, as well as 7.3 million people living on the lost territories, including a considerable part of her economic potential. A number of German speaking citizens found themselves living in new nation states. They had lost their former position and experienced all the usual inconveniences of being national minorities. The peace treaty reduced the pre-war European great power into a second-rate international actor that was not allowed to muster an army over 100,000 men or hold heavy weaponry. The most burdensome obligation was undoubtedly the liability to pay huge reparations: the initial magnitude of the indemnity was 223 billion gold marks.

The national interests of the Soviet Union in that period, on the other hand, were officially manifested as a building up of socialism in the country. For that purpose it was vital to maintain a peaceful international environment and, if necessary, to prop it up with the system of collective security in Europe. The actual Soviet policy, however, did not offer much

support to such a conception. Even when the trilateral negotiations started between the Soviet Union, Britain and France in the summer of 1939, their failure was caused by the Soviet demand to recognise her right to take her armies into the territories of neighbouring neutral countries to counter the *Wehrmacht*. If recognition of this right had been secondary for the Soviet Union, the difficulties which thwarted the agreement would not have arisen. The representatives of the Western Allies were evidently ready to conclude an agreement in which the problems of the potential battle contact of the Soviets with the *Wehrmacht* were left open or settled in some other and less costly way for the Soviet Union. Otherwise they would not have sent their representatives to Moscow at all. So the primary motive of the Soviets' foreign policy in the 1930s was not the fight against fascism but rather the recovery of the territories lost during the revolution and civil war to the new-born national states, i.e. a *raison d'État*. The real content of the Soviet national interests was revealed by the territorial clauses of the secret protocol of the Molotov-Ribbentrop pact. The conclusion of a non-aggression pact with Germany revealed that the Soviets' position was not ideologically determined but entirely pragmatic. Despite certain antagonism and suspicion about the

aims of the Nazi policy in Eastern Europe, Soviet-German relations in the summer of 1939 were definitely not of the kind that could make Stalin fear an imminent German assault on the Soviets.

Relations in the “Concert of Europe”

The “Diplomatic Dictionary” offers an interesting overview of the diplomatic relations and political co-operation of the Soviets with major European countries in the 1920s. For example, with regard to British-Soviet relations there was only the trade agreement of 1921 worth mentioning for the whole decade. In the case of France the “Dictionary” refers only to the non-aggression treaty of 1932. On the other hand, relations with Germany were much more intensive. In addition to the Brest-Litovsk peace treaty, the Soviets concluded five agreements with Germany in the first post-war decade: (i) the temporary agreement of the exchange of prisoners of war and establishment of consular relations (1921); (ii) the Rapallo Treaty (1922), which restored diplomatic relations between the two countries to the full, and reciprocally renounced the compensation for war damages; (iii) a new agreement concluded in 1925, which replaced the earlier provisional one, and touched upon economic,

navigational and legal relations; (iv) in 1926 a non-aggression and neutrality agreement was signed, and (v) in 1929 a convention of arbitration procedure was signed.⁵

Existing Soviet scholarship and official Russian accounts maintain that the Kremlin’s relations with Germany deteriorated after Hitler came to power. However, Hitler was initially rather careful in his utterances about the Soviet Union. Receiving the Soviet ambassador Hinchuk, he stressed his desire to establish solid and friendly relations between the two countries. Furthermore, the Nazi official gazette *Völkischer Beobachter* originally portrayed the Soviets in quite a friendly strain.⁶ Also, Hitler ratified the complimented non-aggression and neutrality treaty which was drawn up in May 1931, but had been set aside by the previous governments.⁷ So the introduction of the Nazi government did not necessarily forebode a deterioration of earlier good-neighbourly Soviet-German relations.

In fact, Soviet-German relations started to deteriorate after the conclusion of the German-Polish non-aggression pact in January 1934.⁸ That treaty put the Soviet Union into a situation that was in store for Britain and France five years later, when the Soviets signed a non-aggression pact with Germany. The revival of the Polish

state, annihilated by her neighbours at the end of the 18th century, had occurred in an armed conflict with the Soviets. After the Peace Treaty of Riga in 1921, Polish-Soviet relations had remained strained because of the mutual territorial pretensions. Although in 1932 a non-aggression pact was signed (and prolonged in May 1934), it evidently did not create trust between the two countries. The non-aggression treaty with Germany ensured Poland's back in a possible conflict with the Soviet Union. The Soviets inevitably had to think therefore how to neutralise the eventual danger emanating from a state, like Poland, aspiring to the position of European great power.

The German-Polish non-aggression treaty was evidently not the sole reason for deteriorating Soviet-German relations in the mid-1930s. At that time the Soviets had perceived the danger that was lurking in the rising German economic and military potential. Hitler had stabilised the German economy, set about restoring its armed forces, and concluded the Anglo-German Naval Agreement, which gave him the right to build a navy one third the size of that of British tonnage. This was a challenge to supremacy in the Baltic Sea and clearly brushed against the Soviet interests there. All this compelled the Soviet Union to look for possibilities to improve her political and security position. It was perhaps expected then

in this context to see the decision of the 7th Congress of the Comintern in 1935, which set aside the Soviet's earlier hostile attitude to social democracy and replaced it with the slogan of a Popular Front against fascism. Such a decision was a definite turn against the political regime in Germany. It was perhaps equally understandable therefore why Hitler's New Year Address of 1936 was pitched so furiously against the Soviet Union⁹.

A possibility to neutralise the potential dangers that the German-Polish non-aggression pact presented to the Soviets was bound up with a chance to restore the constructive relations with Germany that had been damaged by the Comintern's decision. For one thing, friendly relations between them would have diluted the potential dangers emanating from the German-Polish non-aggression pact for the Soviets by forcing the Poles to take into account good-neighbourly relations of the Soviets with Germany behind the Polish backs. Secondly, such a scheme would have made Germany a partner and diminished the possibility of a conflict with a potentially more dangerous adversary than Poland. At the same time, it would have reduced the chances that the German military resurrection might turn against the Soviet Union. After all, the former close cooperation between the two countries, and the fact that Germany and the

Soviet Union had similar grudges against Poland spoke well for such a policy. Indeed, the latter had seized and incorporated territories that both the Soviets and Germany considered belonging to them.

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Such a political logic corresponds well with what Grassmann told Mannerheim's trustee, Tahvanainen, in 1944. He maintained that after the death of Polish leader Piłsudski, Stalin had made a proposal to Hitler that a secret meeting would be convened in order to discuss the relations between their respective countries and co-operation against British-French supremacy in the world.¹⁰ The proposal started up three rounds of negotiations. The German delegation, headed by Marshal W. von Blomberg, had arrived through Latvia into the Soviet Union on November 21st 1935. The first meeting lasted five days and

took place in a coach on an isolated and guarded railway line near Novgorod. Grassmann acted as an interpreter for the German delegation. The following meetings were called in Prague and Moscow. Stalin participated in the conversations on some sessions. The attained agreement was signed in Berlin at the end of February 1936.¹¹ The essential part of the understanding included the following points;

- Poland will be divided along the Curzon line,
- The Soviet Union and Germany consider the Polish-German non-aggression pact null and void,
- Czechoslovakia belongs to Germany's sphere of interests,
- Germany will support the Soviet endeavours to have free rein to check the area between the Black Sea and Mediterranean Sea and in respect of the Dardanelles,
- Germany will support the Soviet claim to have military and naval bases in the Baltic countries to open up passage to the Baltic Sea,
- Germany will not interfere with the Soviet request to have a mainland connection to her military bases in the Baltic countries,
- Both parties are in agreement that the Treaty of Versailles is unfair to

Germany and that it is impossible to carry it out,

- The Soviet Union accepts the German policy which aims at the introduction of compulsory military service and is also expressed in the Anglo-German Naval Agreement,
- The Soviet Union supports Germany when she starts a policy to abrogate the Treaty of Versailles,
- The Soviet Union promises Germany tangible help to recover the surrendered territories,
- The Soviet-Czech non-aggression and mutual assistance agreement is not a hindrance to German pursuits to merge Czech areas with the German population,
- Germany promises that after the recovery of the surrendered territories, including colonies, she has no more territorial pretensions to anybody.¹²

The substance of that agreement does not differ much from what became later evident from the secret protocol of the Molotov-Ribbentrop pact, and what we know from actual political development in Europe at the end of the 1930s. Nor does it differ in essence from what the Soviets demanded from the Western allies in August 1939 as a prerequisite for co-operation against Hitler. A tangible help that had been

promised to Germany by the attempt to recover her Eastern territories can be seen in the Soviet participation in the partition of Poland in September 1939. As regards to Czechoslovakia, the “Dictionary” tells the reader of the repeated Soviet offers of help in her critical situation, even “of the condemnation of this disgraceful deal” of München.¹³ But when Germany some months later occupied the formally still independent Czechoslovakia, this act of aggression did not deserve any notice in the “Diplomatic Dictionary”. The Soviets did not protest but questioned the correctness of the German arguments of their action.¹⁴ Finally, the clause about unconstrained hand in the area between the Black Sea and Mediterranean Sea and the Dardanelles had been one of the focuses of Russian foreign policy for centuries. In the mid-1930s similar endeavours were exposed at the conference of Montreux in June-July 1936, where the Soviets pursued absolute freedom of passage but Britain and France tried to exclude the Soviet navy from the Mediterranean.¹⁵

According to Hautamäki, the first flaw in the German-Soviet accord sprang up during the Czech crisis and was caused by the Soviet position. For the Western powers, it remained incomprehensible why the Soviets, despite the valid mutual assistance pact with Czechoslovakia, did not take up arms in the crisis whilst all

the other powers were mobilising.¹⁶ In the light of Grassmann's information, the Soviets had landed in a pitfall because the agreement with Hitler had stipulated Czechoslovakia to Germany's sphere of interests. In order to save face, the Soviets had to warn Germany not to open hostilities against Czechoslovakia. This was, however, plainly at variance with the secret Soviet-German agreement from February 1936. As to Hautamäki, Hitler warned that if the Soviet stance persisted, Germany would renounce the secret agreement of 1936 and in the case of a Soviet-Polish war, they would stand by Poland.¹⁷ That would have meant for the Soviet Union that her territorial ambitions, safeguarded by the secret agreement of 1936, had been discarded. The abrogation of agreement would not only have revived the constellation of the Polish-German co-operation but considerably exacerbated the situation for the Soviets by arousing German distrust. In order to repair the damage, negotiations were called in November 1938 on the initiative of Stalin, who insisted that the secret agreement should be implemented.¹⁸ For the sake of her own territorial interests, the Soviets had to reckon also with the respective German interests. That did not create any big problems because Czechoslovakia had never belonged to the Russian empire. Giving assent to the inclusion

of Czechoslovakia into the German sphere of influence, the Soviets could not know Hitler's timetable. Therefore the Munich agreement placed Moscow in an untenable position and forced the Soviets to find some way to save face.

Growing Complications

Despite the advantages of co-operating with Germany, the Soviets could not disregard the rapid German economic and military growth, which was effectively becoming a threat. That made her first to re-assess their earlier lenient policies towards the Nazis and look for counterpoise options in German internal politics. The re-orientation took place in the 7th Congress of the Comintern in 1935. The shift towards the left-wing Popular Front definitely alienated the Soviets from previous co-operation with the German government, and was evidently the reason that provoked Hitler's enraged reaction in his New Year message of 1936. On the other hand, Germany's fast and unchecked upsurge caused the Soviets to also search for possibilities for international co-operation with the Western powers for contingencies with Germany. The Comintern's decision and the Soviet policy in the Czechoslovakian crisis inevitably engendered Germany's suspicions about the Soviet aims. The Soviet leadership had to understand

this in full. Therefore, German pressure in early 1939 on Lithuania to detach the Lithuanian district of Memel, populated with ethnic Germans, could have set in motion the Soviet attempt to fathom out the willingness of the Western powers to unite forces to check Nazi policies. The Soviet Foreign Minister Maxim Litvinov made a suggestion on 18 March to convene a conference of six powers in Bucharest and ponder the possibilities to set limits on the Nazis' expansionist policies. That was the first overt step in this direction.¹⁹ However, it seems that the Soviet leadership had not yet passed their final judgement. Despite Stalin's support (otherwise Litvinov could not have come out with his proposal) the Defence Minister Kliment Voroshilov considered it expedient to continue the co-operation with Germany.²⁰ In the early days of May, the final decision was evidently taken, because Litvinov was dismissed from his post and replaced by Vyacheslav Molotov. It is justified to consider that by exchanging Litvinov for Molotov (who was not implicated in Litvinov's initiative for co-operation with the West) the Soviets called forth an ambiguous situation. First, with the ousting of Litvinov, the Soviets hinted to the Nazis that despite Litvinov's flirtation with the West the Soviets were still ready to do business with Germany. Second, by presenting the radical minimum requirements for

co-operation to the Western allies Molotov made an attempt to extort the same that the co-operation with Germany had hitherto given.²¹ In August 1939 the Soviets definitely knew that a few days remained until the outbreak of war. Since there was still no consent of the Western allies to the forceful intrusion of the Soviets into the territories of neighbouring neutral countries the decision had to be made under pressure of time.²² If Soviet territorial aspirations were ever to be realised, Germany was a safer option in the prevailing situation. On the other hand, despite having much closer political, economic and diplomatic ties with Germany²³ compared to Britain or France, it could not have been the best policy option for the Soviets to stand by Germany (even passively) in the prospect of a major war in Europe. Firstly because of the Soviet endeavours to expand the communist system and influence in Europe, and, secondly, considering the plausible outcomes of the European war. The support to Germany by concluding the non-aggression pact in August 1939 primarily served a sole purpose - moving the Eastern border of the Soviet Union to the West and settling her territorial pretensions, at the same time avoiding a conflict with Germany. In the second article of the treaty of border and friendship, concluded after the annihilation of Poland, it

was stipulated that “both contracting parties recognise...the boundary of their respective interests as the final and preclude any outside intervention in this decision”.²⁴

Germany's victory would have disposed a much more formidable neighbour next to the Soviets than Poland, with whom one had to deal with much more cautiously.

As regards the plausible outcome of the possible war in Europe, a German victory was by no means guaranteed. It might have been thinkable in the case of the Soviets joining in on the side of Germany. Perhaps Germans even entertained such hopes. Otherwise they would not have acquainted the Soviets with and sold them modern German equipment and weaponry in an already ongoing war.²⁵ The Soviets certainly did not have such an idea. Already the ideological rationale of the Soviet policy excluded such a possibility. Germany's victory would have disposed a much more formidable neighbour next to the Soviets than Poland, with whom one had to deal with much more cautiously. That possibility would also have excluded all hopes of the expansion of communism into Western Europe. On

the other hand, Soviet neutrality in the war would certainly have diminished her chances to participate and influence the post-war international politics in Europe, irrespective of which side was going to win the game. A certain opportunity lay in the possibility that both sides would be weakened in the war, so that the Soviets could dictate them her will. But taking into account the fact that behind Britain and France there were also the United States as their potential ally, it was more probable that the Western allies would gain the upper hand in the war. By joining forces with Germany, the Soviets would come into conflict with the United States. That had to be avoided, because the Soviet Union had had a very advantageous trade agreement with the USA after 1937. The agreement had to be renewed every year up to 1942, when the lend-lease agreement was signed.²⁶ Taking into consideration the character and volume of the economic and trade relations between both countries, American historian Anthony Sutton has even maintained that the formation of the eventual anti-Hitler coalition had actually taken effect at the beginning of 1938.²⁷ The USA supplied the Soviets with strategic materials and participated in the construction of Soviet submarines etc. Viktor Suvorov also confirms that the British arms shipments to the Soviets had already started before the German

invasion of the Soviet Union on 22 June, 1941.²⁸ Even leaving these facts aside, political logic speaks strongly for an assumption that if the Soviets had wished to have a strong position in post-war Europe and at the same time create favourable conditions for the expansion of communism, they inevitably would have had to invest into the war effort of the Western allies. The fact that the Western allies wavered to recognise Soviet rights in the territory of the smaller neutral states in Eastern Europe was of secondary importance. That right was ascribed to the Soviets by Hitler. Going to war with Germany, the Western allies needed the Soviets' assistance themselves. Their chances to change the territorial *fait accompli* afterwards were negligible.

Interest Clusters

The papers of Mannerheim's secret dossier strongly support the above sketched political logic. First, through his personal intelligence network, C. G. E. Mannerheim learned in November 1939 that the Soviet Union had concluded a secret agreement with Britain against Germany on 15 October, 1939. That information was confirmed by Göring's trustee, lieutenant colonel Josef Veltjens, who came to inform Mannerheim about the same subject in February 1940. Moreover, according to Hautamäki, the

Germans had managed to intercept the secret British documents from which came evidence that the Admiralty had endorsed the secret military agreement with the Soviet Union on 28 January 1940. Churchill's reply to Stalin's letter from 28 January 1940 was among the captured documents. In Stalin's letter, he had declared that all Finnish territory, including the islands, would be conquered by no later than 15 May 1940. In his reply, Churchill presented a detailed plan of the co-ordinated actions of Britain, France and the Soviet Union against Germany. For setting up the Northern front, British marines were to land on agreed regions of Norway and occupy Denmark on the nights of 14 and 15 May.²⁹ The hostilities towards Germany were to start with a simultaneous attack from four different directions.³⁰ It should be remembered that at the moment of signing the British-Soviet secret agreement, the Soviets had extorted military bases in the Baltic States, extended their territory to the West on account of Poland, and were preparing a decisive onslaught on Finland in the Winter War, which began on 1 February. In other words, the starting base for a co-ordinated assault on Germany, which was to be engaged by May 15th, was very nearly taken by the Soviets.

Whatever the risks were of Hitler's expansive external policy towards the

Soviet Union, Britain and France were already jeopardised by these policies in the first place. These countries had forced upon Germany the Treaty of Versailles, and their prestige and security was threatened by German actions in the first place. After all, due to their guarantees to Poland, they first entered into the war with Germany. Therefore, it was believed that after crushing Poland Hitler cast an eye over these countries in order to prepare the plan to defeat France. The plan to defeat France (operation “*Gelb*”) was ready at the end of October 1939, but before the campaign could begin, Hitler gave his high command, *OKW*, another order (January 27, 1940) to prepare a new plan (the “*Fall Weserübung*”) for occupying Denmark and Norway.³¹ In the strategic sense, the occupation of these countries was not of paramount importance in the campaign against France. This could have been the case if the conflict with the Western allies had the dimension of a world war. The captured records of Hitler’s conferences reveal that in early 1940 he still considered “the maintenance of Norway’s neutrality to be the best course for Germany”. However, in February he maintained that “the English intend to land there and I want to be there before them.”³² Operation “*Fall Weserübung*” began on 9 April and resulted in a swift subjugation of these small countries. The British sent their

troops in to help on 14 April but that was of little avail for Norway. It should be noted that for drawing up a plan, preparing and starting the operation against Norway Hitler needed more than two months. The Allied response to the German move was almost immediate. Hence the readiness of their troops was at a level that could give warrant to Churchill’s promise to Stalin that the British troops would land in Norway on 15 May to take a base for co-ordinated assault on Germany.

If the reliability of Hautamäki’s research is to be evaluated on the basis of what has been said above, the following has to be noted. First, knowing the massive troop concentration against the meagre and exhausted Finnish lines in the Winter War, Stalin could indeed believe that the whole of Finland would be entirely conquered on 15 May, and notify Churchill that a co-ordinated action against Germany could start from then on. Second, after the Soviet assault had been launched in February, Finland desperately sought a possibility to initiate peace talks with the Soviets but Molotov bluntly refused to discuss that issue.³³ Keeping in view the Soviet stance, a question arises why Stalin went for peace talks at the moment when the Finnish resistance was practically broken? Hautamäki offers the following explanation: there was an unexpected change in German

attitudes in early February, 1940. Hitler, being indifferent to the fate of Finland until then, came up with a demand that the Soviets stop hostilities on 4 March at the latest, otherwise he would intervene on behalf of Finland.³⁴ The Soviet ambassador to London, Ivan Maiski, received instructions from Moscow on 22 February to forward the Soviet peace terms to Britain. The peace treaty was concluded on 12 March, 1940. Such a solution evidently did not satisfy Stalin; von Ribbentrop informed Mannerheim that Stalin had expressed his interest in occupying Finland on the same day. The case was recapitulated two days later also by Molotov. Hitler had turned down both appeals. Still the Finnish question was raised once more on Molotov's visit to Berlin in November 1940.

The continuing Soviet pressure on Finland, and possibly the new knowledge illuminating the Soviet aims (obtained either from the intercepted documents or by other means) forced Hitler to change his earlier position towards Finland. As a result, Göring obtained the warrant to deliver German arms to Finland in August 1940, and his trustee, Josef Veltjens, asked for the passage licence for the German anti-aircraft defence and logistic detachments as well as for the military material to their troops in northern Norway. In his talks in Berlin with Hitler, Molotov declared

that the Soviet Union considered the treaty concluded a year earlier, i.e. the Molotov-Ribbentrop pact was accomplished, save one clause, that of Finland.³⁵ In his reply Hitler said that Germany had informed the Soviets of her actions, gave an official explanation of the movement of troops, and assured of its temporary character caused by the war and with the purpose of averting the extension of warfare to the area of the Baltic Sea as well as because of the substantial German economic interests in Finland. In this context Hitler asked Molotov point-blank whether the Soviets were intending to go to war with Finland. According to the record of the talks, Molotov's answer was elusive.³⁶ Summing up Hitler declared "Germany has no political interests in Finland whatsoever and she accepts entirely the fact that this country belongs to the sphere of interests of Russia"³⁷. An interesting detail in the record of the talks is a reference to a certain earlier undated letter of Stalin's, in which he told that he, i.e. Stalin, was not against the prospect of learning the principal chances of co-operation between the Soviets, Germany, Italy, and Japan.³⁸ May it be Stalin's letter of 12 April, 1940 to which Hautamäki has referred to? The nitty-gritty of the talks was rounded-up in a flash-telegram by the German Ambassador to Moscow, von Schulenburg, of 26 November, which said "The Soviet

government is ready to accept the draft of the pact of four countries [Germany, Italy, Japan, the Soviet Union] which was outlined by the German foreign minister in a meeting on 13 November ... on the following conditions: (1) on presumption that German troops leave Finland immediately ...”.³⁹

Reading the records of Molotov’s visit to Berlin, one must not forget that in the light of Hautamäki’s account, Hitler had to know about the existence of the Soviet-British secret agreement. Also, one should remember that at the same time the German war plans against the Soviets, i.e. “*Weisung No 21: Fall Barbarossa*” were practically complete, since Hitler was to sign them on 18 December, 1940. Considering the efficiency and scope of Soviet intelligence it is also not excluded that these preparations were in turn known to Stalin. As V. Suvorov observed, with regard to the later years, Hitler’s plans of operations came to Stalin’s table even before the commanding German generals could study them.

In the present context, Molotov’s visit to Berlin may be summarised as follows. The attempt of the Soviet Union to achieve the German assent which would give her military control over Finland, failed. The growing pressure on Finland after the conclusion of the Moscow peace treaty in the first place, then the pursuit to end immediately

the German war material and troop transit through Finland, and, last but not least, an evasive answer to Hitler’s direct question about whether the Soviets intended to go to war with Finland - all these indices point to such a Soviet objective. On the backdrop of the Molotov-Ribbentrop pact, which turned Finland over to the Soviet sphere of interests, (i) there was no formal reason for Germany to be rigid at this point and (ii) for the Soviets, no obvious reason to put pressure on Germany for the immediate cessation of their military transit through Finland. All the more, because Hitler had assured Molotov that he did not challenge Finland belonging to the Soviet Union’s sphere of interests. But in the prevailing military situation Hitler was certainly interested that Finland would not be dragged into another war into which the Western allies might intervene. That would have considerably aggravated Germany’s overall strategic situation. To Hitler’s blunt question whether the Soviets would declare war on the USA if the Americans intervened in a new war in Finland, Molotov answered that the question was beyond the schedule of current negotiations. Such an answer showed that Molotov was avoiding discussing the broader strategic perspectives of the war but he listened with interest to what Hitler told about breaking down the British Empire

and “agreed with anything that he understood”.

Suvorov maintains that “Stalin’s decisions of 19 August, 1939 (to reach an agreement with Germany) were such which could not be changed afterwards and did not leave him other opportunity than war”.⁴⁰ Ensuing from the pact, the Soviets joined the war in substance as an ally of Germany two weeks later. The invasion of Poland had to start simultaneously with Germany on 1 September.⁴¹ In effect the Soviets started their march on 17 September when the Polish resistance was broken. If the data introduced by Hautamäki is correct, the Soviets concluded their pact with Ribbentrop with the sole purpose of satisfying their territorial ambitions but at the same time leaving their hands free for future military development.

After concluding a mutually advantageous project the usual practice is to draft the ways for further productive co-operation. That was what Ribbentrop did in Berlin and Molotov, in his own words, listened to with interest. However, as it appears from the flash-telegram of von Schulenburg, the Finnish question, which was secondary in the grandiose plans of Ribbentrop, turned out to be the primary interest for the Soviet Union. An immediate shutdown of the German military transit in Finland was the Soviets’

objective. Was it because the Soviets wanted to remove a hindrance from future useful co-operation with Germany, including military, or for some other reason? Why did the Soviet Union need the rapid departure of the German troops (her ally by the division of Poland) from Finland, why was she not ready to wait a bit longer? Germany had accepted the Soviet occupation of the Baltic States without a grumble. The local German population of these states had been evacuated in the framework of *Umsiedlung* in order to avoid possible conflicts with the Soviets. In the Winter War, Germany did not support Finland with the deeply needed armaments but rather obstructed others’ help. What might be the reasons to suspect that with respect to Finland she would balk at her obligations under the pact?

After concluding a mutually advantageous project the usual practice is to draft the ways for further productive co-operation.

Invading Poland more than two weeks after the German assault let Stalin escape the charge that his policies were tied together with those of Hitler’s. Assault on Poland made Hitler an aggressor. Stalin, on the contrary, could

acclaim himself a liberator of Western Ukraine and Byelorussia, the one who unified these nations. Essentially, it was the first indicator bearing witness that in the military co-operation, parties were drifting apart. The co-operation with Germany had allowed the Soviets to satisfy their territorial ambitions; but what was to follow depended on who was going to win the war. Betting on Germany was a dubious option. Besides, the German victory would have made her a dangerous neighbour for the Soviets. It would also have meant complicated relations with the Western world.

In fact, the Soviet Union started to mobilize before Germany ever launched her attack on Poland. Starting secretly a general mobilisation in the situation where the Soviets themselves were not directly endangered but had in essence an agreement of alliance with Germany might be considered either as a preventive measure of self-defence for contingencies or a preparation for active intervention in the European war. Taking account of the scale of mobilization,⁴² its economic cost, but also the probability that as an onlooker the Soviets would ordain themselves a much more secluded position in the European and world politics than they had had after WWI, it seems more plausible that the Soviets planned an active intervention on the side of the Western Allies. In such a case it was desirable to have timely agreement

with them. The failed negotiations in Moscow in August, 1939 were a fitting preparation for a new round of talks. Besides, the problem with the third countries, which was a stumbling block for agreement in August 1939, was removed with the help of Germany. Thus, looking from the position of the Soviets, Molotov's visit to Berlin in November 1940 might have been an attempt to sound out possible leaks (either from internal sources or by the lost confidentiality of documents),⁴³ which might have evoked Hitler's suspicions about the Soviet policy. For that purpose it was appropriate to fathom Hitler's position with respect to Finland. If Hitler had been ready to discuss and seek for compromise, he would have probably had no suspicions about the conformity of the Soviet policy with the secret protocol of the Molotov-Ribbentrop pact. That would have opened, with Hitler's consent, a way to move into a strategic position which had been foreseen in the secret British-Soviet military agreement of January 28th but was thwarted by the tenacity of the Finnish defences in the Winter War. An indirect corroboration of the existence of the secret British-Soviet agreement, which also affected Scandinavia and the Baltic countries, can be found in the memoirs of Nikita Khrushchev. He remembers that in the days of the German offensive against France "I was occasionally in Moscow...I saw that Stalin was very much worried about the development

on the Western front. But he did not speak out about that and expressed no opinion....Suddenly came news that Germans had entered Paris and the French army had capitulated. Now Stalin broke his silence and cursed very nervously the British and French governments....The easy triumph without a serious effort of Germans over British and French armies frightened him even more...he himself started to drink more and compelled others to drink and get drunk".⁴⁴ It is probable that Stalin's demeanour was caused by the anticipation that his conspiracy with Britain would come to light with the French defeat and then he would be Hitler's next target and would have to face German might completely alone. Otherwise there was not much to worry about since he had a non-aggression pact and a border and friendship treaty with Hitler and was virtually complicit with Germany in rearrangement of the European political map.

It is probable that Stalin's demeanour was caused by the anticipation that his conspiracy with Britain would come to light with the French defeat and then he would be Hitler's next target and would have to face German might completely alone.

Conclusion

The analysis presented in this paper suggests that there is little room for doubt that the transcripts Hautamäki used in his study reflect the authentic documents of Mannerheim's secret dossier. His treatise undermines the lofty moral claims of victorious powers of WW II about their motives, and reduces the alleged aims of fighting Nazism to a simple Machiavellian calculation.

Indeed, in the light of these transcripts it is easier to understand why Hitler, before eventually knocking France out of the war, considered it indispensable to occupy first Denmark and Norway, or why Stalin, initially refusing even to consider the possibility of peace, ended up making peace with Finland when her last defences were virtually broken; or why Hitler, comprehending well the catastrophic perspectives of the two-front war for Germany, still attacked the Soviet Union before ending the war in the West. First, in the light of the secret documents that fell into German hands about the British-Soviet agreement, the occupation of Denmark and Norway became a strategic necessity and military priority for Germany despite the fact that her campaign against France was not ended. Second, the Soviets were forced to conclude the peace with Finland because otherwise Hitler threatened to

intervene on Finnish side; and third, despite the risk of two-front war Hitler attacked the Soviets in order to forestall the imminent Soviet attack. In summer 1942, on Mannerheim's 75th birthday, Hitler made an unexpected visit to Mannerheim. A Finnish author, Veijo Meri, writes about that visit as follows: "instead of a vociferate demagogue with foaming mouth arrived a discreet ... quite an ordinary man confessing sensibly his mistakes and repenting."⁴⁵ He confessed his ignorance about the huge military preparations of the Soviets and of their war potential, which became evident only in the course of the war. But he added "that even if he had known it before he would have made the decision of invasion nevertheless because it was inevitable".⁴⁶ Russian historians Viktor Suvorov and Mark Solonin and others had also convincingly substantiated that the Soviet plans to attack Germany existed in reality. Solonin, basing his claim on extensive archival research, even maintained that Stalin's attack was to be launched on 22 June, 1941. In

such a case Hitler forestalled him only by a day. According to Suvorov – the campaign was to start in early July.

Hitler's preventive strike saved Germany from what the Soviet Union would experience in the first period of the war. The losses of the Red Army through German attack during the first months of the war were enormous: 85% of their ammunition stock was lost because it was concentrated in the border-zone in order to secure supplies for the assault troops which were to invade Germany. It can only be speculated what would have happened if Stalin had forestalled Hitler in the first strike. But one thing is fairly certain: the capitulation of Germany would have been a problem of, probably, a couple of months, not of five years.

Hitler's preventive strike saved Germany from what the Soviet Union would experience in the first period of the war.

Endnotes

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37. Ibid., p. 15.
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39. Ibid., p. 28.
40. Suvorov, *Denj M. Kogda natsalasz vtoraja mirovaja voina?*, p. 131.
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43. The sensitive foreign policy information could possibly leak from the Cliveden Set which comprised a number of high ranking FO officials who were known by their lenient attitudes towards Germany. In any case it has been alleged that the Germans had received excellent intelligence on British intentions, see Roberts, *Hitler and Churchill. Secrets of Leadership*, p.85.
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Relations Between Israel and the South Cyprus Greek Administration: A New Alignment in the Eastern Mediterranean?

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Abstract

Important changes have shaped the Eastern Mediterranean since the discovery of energy resources and the disintegration of Turkish-Israeli relations. The widening divergence in interests between Turkey and Israel provided the geopolitical impetus for the development of a rapprochement between Israel and the South Cyprus Greek Administration (SCGA). Shortly after the 2010 Gaza-bound Freedom Flotilla, Israel began forming ties with the SCGA. In particular, the relations between Israel and the SCGA have blossomed over mutual concerns about the energy resources in the Eastern Mediterranean, while at the same time political, military and economic cooperation among Israel, Greece and the SCGA have significantly increased. Moreover, regional instability prompted by the Arab Spring left the Jewish state with little choice but to form alternative friends among the states close to its geographical vicinity. In many ways, Israel's developing relations with the SCGA seem to constitute a precursor of broader political and military cooperation, and an alignment of interests.

Key Words

Israel, South Cyprus Greek Administration, Greece, Gas, Foreign Policy.

Introduction

The Eastern Mediterranean region has a special place in the politics of the Middle East and the whole Mediterranean area. Today, conflicting issues in the region are central to strategic debates, and security concerns have had a prominent place on the policy agendas of the related countries for some time. The Arab Spring and the discovery of gas in the region have shaped the geopolitical dynamics, the effect of which is especially clear in the region, and the changes in the geopolitical environment of the Eastern Mediterranean have pronounced implications for the types of challenges that the related countries confront as well as the opportunities they face. In this regard, over the last few years, the Eastern Mediterranean has been increasingly fraught with growing competition between regional players, most notably Turkey, the South Cyprus

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Greek Administration (SCGA),¹ and Israel, signalling an apparent return of power politics in regional relations.

Regional instability prompted by the Arab Spring left the Jewish state with little choice but to form alternative friends among the states close to its geographical vicinity.

Israel's relations with the surrounding countries have generally been explained according to the Arab-Israel dispute or with Israel's famous "periphery doctrine."² However, in the new millennium, the Eastern Mediterranean has come to occupy an ever more central role in Israel's foreign policy. This region hosts two of the world's most intractable conflicts: the Arab-Israeli conflict and the unresolved Cyprus question, leading to disputes over boundaries on land and at sea, and disputes over the ownership of hydrocarbon resources. In addition, regional developments in the post-Arab Spring period, namely the Syrian civil war and the rise of the Islamic State of Iraq and Al-Sham (ISIS or Al-Dawlah Al-Islamiyah Fi Al-Iraq Wa-Al-Sham [DAESH]), Israel's threat perception towards Iran, and maritime border disputes, have begun to cast a shadow on Israel's foreign relations as well.

The Arab Spring has created a new and challenging environment for Israel in the Middle East, and changes in the regional balance of power in the post-Arab Spring period have affected Israeli foreign policy. From the outset, the Arab Spring took the world by storm, enveloped the region in uncertainty, and changed Israel's geopolitical environment. Israel was astounded when protests initially broke out, and has responded to the shifting regional realities with a mix of hope and hesitance. When protests first broke out in Tunisia, Israel took a wait-and-see approach, and tried to see how developments would progress. When the regime in Tunisia fell, Prime Minister Benjamin Netanyahu expressed his concern for the increased volatility of the Middle East.³ In addition to the threat to regional stability, there was growing skepticism over the Arab Spring's potential to lead to a true democratization process. As Israel has been always sensitive to its security, it has examined the developments with considerable concern, and even fear.

The Arab Spring might have far-reaching consequences for Israel, which may carry with them various types of opportunities or problems. While the opportunities that are brought by the change may help improve Israel's relations with some of its neighbours, there are also the threats coming from

the rise in uncertainty. Thus, Israel has developed an overall risk-averse and minimalist policy with respect to the Arab Spring. For now, Israel's most important policy dilemma is how to deal with the Syrian crisis. Syria has been thrown into a destructive civil war and has become the battleground of a proxy war between regional and international rivals. As the conflict in Syria has continued and escalated, the civil war not only produced new threats for Israel, such as ISIS, but also turned into a regional crisis, drawing other neighbouring countries, such as Iran, into it.

In recent years ISIS has managed to position itself as the most significant threat to regional stability in the Middle East. It captured tremendous international attention by swiftly conquering large swaths of land. In Israel, concern has increased as ISIS has neared Israeli borders, particularly on the Golan Heights and in the Sinai. Although ISIS has declared its intentions to attack Israel,⁴ Israel has not been a top priority for ISIS.⁵ In this regard, it has not been in Israel's interest to initiate military action. For this reason Israel has avoided initiating premature military measures, and has instead taken defensive action by strengthening its borders. At the same time, Israel has also continued to be preoccupied with Iran. Israel's current state of relations with Iran is

one of extreme animosity and fear. Iran's nuclear program is accepted as an existential threat by many people in Israel and there have been many Israeli leaders across the political spectrum who have emphasized the grave danger posed by Iran.⁶ The deal reached with Iran in July 2015 over its nuclear program was condemned by Israeli leaders, amid claims that it would "free Iran to pursue nuclear weapons."⁷ Moreover, the Arab Spring opened new opportunities for Iranian-Syrian cooperation, which the Iranians were quick to seize. As long as the civil war in Syria continues, it can be expected that Iran will play an active role in the struggle and will be able to threaten Israel from Syria together with anti-Israel proxies.

Iran's nuclear program is accepted as an existential threat by many people in Israel and there have been many Israeli leaders across the political spectrum who have emphasized the grave danger posed by Iran.

Against this backdrop, lately, Israel and the SCGA have entered a new phase in their relations. The proximity of the resource-rich area to the Cypriot-Israeli maritime border and

the souring Turkey-Israeli relations led to a rapprochement between Israel and the SCGA, as well as to a strengthening cooperation between Israel, the SCGA and Greece. Good relations with Turkey was a way for Israel to break free from regional isolation and to reduce the religious dimension of the Arab-Israeli conflict. The Israeli-Turkish relationship has been a crucial piece in the puzzle not only of the Middle East, but also of the Eastern Mediterranean. However, starting from the Operation Cast Lead in 2008, this has changed and Israel's relations with Turkey have deteriorated gradually. The Mavi Marmara flotilla incident in May 2010 instigated a phase in which bilateral relations fell to an historical low.⁸ Following the flotilla incident, in which nine Turkish citizens were killed onboard the Mavi Marmara vessel, both countries suspended defense contracts. Turkey recalled its ambassador from Tel Aviv, blocked Israel initiatives in NATO, supported legal procedures against Israeli decision-makers and soldiers who were involved in the incident, and cancelled joint military exercises.⁹ Turkey conditioned the renormalization of relations on an Israeli apology for the killing of Turkish citizens, monetary compensation to the victims' families and the removal of the blockade off the Gaza Strip.

Another important factor for the improvement of the relations between

Israel and the SCGA has been the excavation and the exploitation of natural gas. In recent years, Israel and the SCGA have increasingly sought independent sources of energy on their Mediterranean marine shelves, and the discovery of natural gas off the shores of Israel and the SCGA has brought them closer. As a result, in December 2010, they signed a maritime agreement delineating both sides' Exclusive Economic Zones (EEZ).¹⁰ When Benjamin Netanyahu became the first Israeli Prime Minister to visit the SCGA, the two sides signed a military agreement in February 2012 allowing the Israeli Air Force to use the airspace and territorial waters of the SCGA to protect energy resources.¹¹ At the same time, the oil and gas company Noble Energy (a US company) has been leading the exploration and exploitation efforts in the Israeli and Greek Cypriot Exclusive Economic Zone (EEZ) since 2009. Shares in the US company are held by the Greek Cypriot Energy Regulatory Authority, the SCGA's national energy company, and by Israel's Delek Drilling LP and Avner Oil Exploration LLP.¹² Most probably, Greece is to assist the exploitation efforts, as it is a channel of transportation of natural gas to European countries.¹³

Even though there have been important improvements in the relations between the two sides, these

relations were never as good and close as they have become recently, and this was mainly due to the close relations and military cooperation between Turkey and Israel since the mid-1990s. Since the establishment of diplomatic ties, the relations between Israel and the SCGA have steadily progressed. The SCGA is represented in Israel through its embassy in Tel Aviv, which was established in 1994, and Israel is represented in the SCGA through its embassy in Nicosia, which was established in 1961.¹⁴ Leaders of both sides have exchanged visits, which have played a crucial role in enhancing mutual understanding and trust through deepening cooperation and coordination. In light of the recent developments in the Eastern Mediterranean, improving relations between Israel and the SCGA seem to have potential significant regional effects in the future. Even though Israel does not have good relations with its old periphery of Turkey,¹⁵ Iran and Ethiopia, it now has Greece and Azerbaijan instead, and in addition to these countries, the SCGA. In this regard, the main purpose of this article is to describe the developing relations between Israel and the SCGA. While it begins with giving a brief summary of the developments in the Eastern Mediterranean and in the Middle East, this article explains the nature of the relations between the two states,

and tries to explore the prospective developments and possible cooperation areas together with the effect of Greece and energy issues on the improved relations. In light of the deepening ties between Israel and the SCGA, it seems that the Israel-SCGA relationship constitutes a precursor of broader political and military cooperation, and an alignment of interests.

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The Developing Relations

Since the SCGA sent its ambassador to Israel in 1994, relations between these two parties began to improve, and they signed a series of economic and cultural agreements in the 1990s. In the 1980s and 1990s, the SCGA had concerns over Israel's then close relationship with Turkey, especially their military cooperation; however, that did not stop it from pursuing ties

with Israel. Nicosia “concluded several deals purchasing military equipment from Israel,” in the late 1990s,¹⁶ including buying a Shaldag fast patrol boat in 1997.¹⁷ In the words of SCGA President Dimitris Christofias, “Both countries have enough interests in common and enough goodwill to create a foundation for welcome future activity”.¹⁸ Since the 1990s, a number of bilateral agreements have been signed and many official visits have taken place, including an official state visit by the President of Israel and a reciprocal visit by the President of the SCGA. When Christofias visited Israel in March 2011 he thanked his counterpart for his invitation to visit Israel, and stated that he was “looking forward to having a useful and constructive visit, which will further deepen our multifaceted relations and will open new avenues of mutually beneficial co-operation between our countries and peoples.” In the same vein, Peres stressed the visit as the “beginning of a new and important relation between the two countries.”¹⁹ Soon afterwards, Peres visited the SCGA in November 2011, and during the visit both parties signed agreements on “development and search fields, renewable sources of energy, archaeology, and telecommunication.”²⁰ Leaders from both parties have been enthusiastic to advance the emerging cooperation (economic and strategic) and to anchor it in formal agreements.

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Economic relations have formed the basis for SCGA-Israel ties. In 1998 the two sides signed a bilateral investment treaty,²¹ and that same year the Greek Cypriot government decided “to initiate provision of special benefits to Israelis investing in high-tech.”²² Israeli companies began investments, and with the cooperation of both the Cypriot and Israeli governments, the SCGA-Israel Business Association was founded in 2000. It is “working closely with the Embassy of Israel in Cyprus,” and “is actively involved towards the expansion and promotion of business between the two countries.”²³ As the bilateral visits and agreements increased, mutual trade climbed to 715 million euros in 2012, making Israel the second largest exporter to the SCGA.²⁴ In May 2013, a business forum took place in Tel Aviv, the aim of which was to promote the SCGA “as a regional business service centre and an attractive investment destination.”²⁵ Hydrocarbons added a new dimension to these economic ties. During Netanyahu’s visit to the

island in February 2012, the main topics discussed were cooperation on the exploitation of gas resources, and energy security. When President Nicos Anastasiades of the SCGA visited Israel in May 2013, he said that his country was “the most reliable neighbour of Israel and the discovery of hydrocarbons in the Mediterranean Sea created new prospects for relations between the two countries.”²⁶ During the visit, the Israeli President stated that the SCGA was “an important strategic partner for Israel”, and expressed his hopes that “the strategic relations between our countries will strengthen and the cooperation deepen.”²⁷

In addition to economics, tourism and culture are the two aspects that are helping to develop relations between Israel and the SCGA.

In addition to economics, tourism and culture are the two aspects that are helping to develop relations between Israel and the SCGA. For instance, the SCGA has become a destination for civil marriage ceremonies for Israeli citizens.²⁸ Israeli couples who for whatever reason are unable or unwilling to have a religious marriage ceremony are increasingly opting to get married in the SCGA, given that

civil, interfaith and same-sex marriages entered into abroad are recognised in Israel. The SCGA is ranked as either the first or second destination, along with Prague, for Israeli civil weddings. “The proximity to Israel, the lack of bureaucratic difficulties and the fact that the Israeli Interior Ministry recognizes the Cypriot marriage certificate have all turned Cyprus into a particularly popular destination for those who can’t or don’t want to wed in a religious ceremony in Israel.”²⁹ Moreover, in September 2013, President of the Greek Cypriot House of Representatives, Yannakis Omirou, and the Knesset Speaker, Yuli-Yoel Edelstein, signed a protocol of cooperation between their countries’ parliaments, which included the exchanging of “information and delegations in the fields of culture, economics and natural resources.”³⁰

Against this background, Israel and the SCGA have also stepped up their cooperation on military issues, such as engaging in joint exercises. In October 2011 it was reported that an exercise between Israel and the SCGA units was conducted that included “mid-air refuelling of fighter jets and quick touchdown landings by Israeli Air Force combat helicopters” at the Andreas Papandreou airbase in the SCGA.³¹ Also in 2011, Israel reportedly asked the Greek Cypriot government for permission to station military jets at the Andreas Papandreou airbase, thus

creating the first Israeli military station outside of the Jewish state.³² It was unclear if Israel's plans included setting up a permanent military presence on the island, with a fulltime deployment of airmen.³³ As of 2016, it is still unknown whether the SCGA has given the permission to Israel to use the airbase.

On 9 April 2013, the SCGA Minister of Defence, Fotis Fotiou, met at his office with the Ambassador of Israel, Michael Harari. Both sides expressed their desire to strengthen and deepen their relations in all areas, with Fotiou saying they "...asserted the friendly and constructive relations between Cyprus and Israel...while discuss[ing] defence related matters between Cyprus and Israel and ways to further develop this cooperation."³⁴ Fotiou also visited Israel in May 2013 and in January 2014. In both visits he met with Israeli Defence Minister Moshe Ya'alon. Expanding the cooperation on energy security issues and conducting joint military exercises were the main agenda items. During the May 2013 visit, Moshe Ya'alon stressed the importance of the strategic relationship between Israel and the SCGA, and explained Israel's intention "to improve the preparedness of its navy in the Mediterranean to protect the gas facilities."³⁵ Ya'alon made a reciprocal visit to the SCGA in February 2014. In the same month, Israel and the SCGA held a joint

military exercise named as "Onisilos-Gideon."³⁶ The exercise included simulated firing at targets on land and sea. In a press conference during the exercise, Fotiou stated that "the relations between Cyprus and Israel are entering a new phase. I am confident that the strategic dialogue that began several months ago will benefit both countries and will continue in all areas, including energy security."³⁷ In October 2014 the two sides conducted the second Onisilos-Gideon joint military exercise, which included aerial maneuvers by Israeli Air Force fighter jets in Greek Cypriot airspace, while another part of the drill took place in the waters off the island of Crete.³⁸

As was declared during the Onisilos-Gideon exercise, security cooperation between Israel and the SCGA has also focused on hydrocarbon issues.

As was declared during the Onisilos-Gideon exercise, security cooperation between Israel and the SCGA has also focused on hydrocarbon issues. In 2011, Israel submitted a proposal to upgrade the Greek Cypriot Navy Command, calling for joint action to protect mutual interests in the EEZs because of "upcoming drilling for natural gas,"³⁹

and in January 2012, Israel and the SCGA signed two important bilateral military agreements permitting the Israeli Air Force to utilize airspace and territorial waters around the island to safeguard and protect crucial energy resources and exchange of classified information.⁴⁰ Moreover, it was reported that in April 2013 Israel was to send warships to the Eastern Mediterranean for a joint military exercise with the SCGA.⁴¹ Greek Cypriot Defence Minister Fotiou confirmed the exercise, and also noted that the SCGA's focus would be "on the security of the eastern Mediterranean region and that of gas companies."⁴²

Energy Resources and Greece

A new variable has been inserted into the political equation of the Eastern Mediterranean. The importance of energy as a geostrategic dimension adds more perspectives to the relationship between Israel and the SCGA. The natural gas discovered in the Eastern Mediterranean off the coasts of Israel and the SCGA is providing opportunities and incentives for increased military and economic cooperation between Israel and the SCGA. The gas discoveries have positive strategic impacts in the region and the best example is the growing relations between Israel and the SCGA. Both countries have an interest to cooperate

in developing the gas fields in order to attract investors, maximize profits and share infrastructure.

The natural gas discovered in the Eastern Mediterranean off the coasts of Israel and the SCGA is providing opportunities and incentives for increased military and economic cooperation between Israel and the SCGA.

The rapprochement between Israel and the SCGA on energy resources was put into practice with the maritime agreement of December 2010. The agreement delineated the sea border between Israel and the SCGA. When Netanyahu visited the SCGA in February 2012, he met with the Greek Cypriot President Christofias. They discussed a new pipeline connecting the gas fields, export options and cooperation for the security of the gas fields, and signed a cooperation agreement for the protection of natural gas platforms.⁴³ The deal is supposed to allow Israel to use SCGA air space and territorial waters for aerial and naval search and rescue drills. Additionally, it has been reported that Israel discussed the option of using Greek Cypriot airfields, which could provide strategic depth necessary in case of escalation

with Iran, and that Israel has given security guarantees and might take part in protecting the Greek Cypriot gas fields. Netanyahu's office said that the deal was inked as part of the two sides' efforts to "strengthen the improving ties between the two nations," as well as "to boost the cooperation in the fields of energy, agriculture, health and maritime research."⁴⁴ Netanyahu said at the signing that the gas could be liquefied in either the SCGA or Israel, and subsequently exported either to Europe through the SCGA or to Asia through Israel. Moreover, Landau met his counterpart in Jerusalem in January 2012 to discuss "possible bilateral cooperation in the field of energy,"⁴⁵ and when in April 2012 Israeli Foreign Minister Lieberman made a three-day visit to the SCGA, he discussed the gas-sharing agreement to exploit reserves that fall on the maritime boundary between Israel and the SCGA.⁴⁶

During a trip to Israel in April 2013, Energy, Commerce, Industry and Tourism Minister, Yiorgos Lakkotrypis, told a seminar of Israeli and Greek Cypriot business leaders and government officials that "a close collaboration with Israel" will enable the SCGA "to be a major player in the world energy market."⁴⁷ In August 2013, Israeli Minister of Energy and Water Resources, Silvan Shalom, traveled to the SCGA to meet with Lakkotrypis.⁴⁸ Talks between Israeli

and Greek Cypriot officials focused on the hydrocarbon issues and the possible linking of Israel, the SCGA and Greece through underwater cables. Public sector economic cooperation reached a new level in April 2014, when Israel's Ambassador in Nicosia, Michael Harari, and deputy permanent secretary of the Greek Cypriot Foreign Ministry, Ambassador Tasos Tzionis, signed "an agreement on the exchange and protection of confidential information on hydrocarbons discovered in Block 12 in the SCGA's EEZ and in the adjacent Ishai offshore licence within Israel's EEZ."⁴⁹ At the same time, private sector actors have also begun cooperating to take advantage of natural gas-related opportunities. The Israeli energy firm Delek has sought to work with the SCGA on natural gas exploration and extraction near the Leviathan gas field off the Israeli coast, where Delek is already active.⁵⁰ As a result, Israeli companies Delek and Avner signed an agreement in February 2013 "to acquire a 30 % stake in exploration rights for gas and oil off the Greek Cyprus' southern shore."⁵¹

Gas explorations in the Eastern Mediterranean and Israel's cooperation with the SCGA have not been without controversy. Turkey has been concerned with the SCGA's decision to start offshore drilling activities in the south of Cyprus, and wanted the Greek Cypriots to stop unilateral drilling and

exploration activities. Turkey claimed that the Greek Cypriot government in the southern part of the island did not have the authority to sign deals with Israel.⁵² Turkey criticized these moves on the grounds that they disregarded the rights and jurisdiction of Turkish Cypriots on the island,⁵³ and wanted Greek Cypriots to start cooperating with the Turkish Republic of Northern Cyprus under UN supervision. Ankara has thus opposed closer cooperation between Israel and the SCGA in the development of the resources, arguing that Turkey and Turkish Cypriots will do everything to protect their rights stemming from international law.

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In both Israel and the SCGA, there is great interest in the possibility of further developing cooperation in the production and marketing of offshore gas. Since the Eastern Mediterranean region has quantities of gas that far exceed the needs of the related parties, a significant amount of natural gas is expected to be exported. Naturally,

Israel and the SCGA have been cooperating to ensure the secure exploitation and successful distribution of these resources. The issues and joint projects discussed between the SCGA and Israel are about how to optimally produce, extract, and transfer the reserves found in Israel's "Leviathan" and "Tamar" plots and in the SCGA's "Aphrodite" plot.⁵⁴ There are various options, none of which has yet been selected: The natural gas could be exported either by connecting subsea pipelines or by the construction of liquefaction plants. Another scheme, which favors the use of the excess gas supplies, is to generate electricity that would be exported to Europe by an undersea cable.⁵⁵

The gas could also be transferred to Greece via a pipeline. This pipeline would enable the export of natural gas to the European market; however, the execution of such a plan requires the cooperation of the European Union to secure both the investments needed and the demand for the gas. In addition, European governments may prefer to import natural gas without the involvement of transit countries due to the obligatory dependence that may result. At the same time, a pipeline connecting the gas fields to Greece through the Greek island of Crete would be the longest and deepest in the world and hence would be very expensive.⁵⁶ Though the pipeline option

is more secure, it is less energy efficient. If constructing pipelines turns out not to be economically viable, liquefying the gas may be a more realistic option. Once the gas is in liquid form it can be more efficiently transported. As a result, the second possibility to export great volumes of gas is the construction of liquefaction plants. Such an infrastructure would transport large quantities of gas to European and global markets.⁵⁷ That's why discussions between the Greek Cypriot, Greek, and Israeli governments have focused on the economic and technical feasibility of such a project. The Israeli government has laid down the condition that, for national security reasons, "export facilities should be located in Israeli territory"; if not, they should be built "in the framework of bilateral agreements between countries."⁵⁸ Another project that can further improve ties is a proposed undersea electric power line between Israel, the SCGA and Greece. The plan is projected to increase the energy security of the related parties and also fits in with the EU's plan of having an interconnected energy market. The undersea electric power line, termed as the "EuroAsia InterConnector", may be the longest undersea power cable in the world.⁵⁹

Based on previous developments regarding the energy issue, in August 2013, Greece, Israel and the SCGA signed the tripartite energy

memorandum of understanding on the construction of an electricity cable between Israel, the SCGA, and Greece with a conduit on Crete.⁶⁰ Silvan Shalom, Energy and Water Resources Minister of Israel, announced that the agreement was "historic." He stated that the agreement to build a cable that would export electricity to the European energy market demonstrated the powerful relations between Israel, Greece and the SCGA.⁶¹ The underwater, EuroAsia Interconnector is supposed to have potential benefits, especially for Greece and the SCGA. While it may help remove the SCGA from its energy isolation, Greece, with cheaper electricity, might in the future become a major player in the European energy arena.⁶² As the political developments have shown, the new dynamic that has emerged since the discovery of Eastern Mediterranean hydrocarbons is trilateral security and economic relations among Israel, the SCGA and Greece, which have been labeled as the "Energy Triangle", referring to the joint natural gas exploitation among the SCGA, Israel and Greece.⁶³

It would not be wrong to assume that new partnerships are emerging in the Eastern Mediterranean. The collapse of the Turkish-Israeli alliance and the signing of an agreement in December 2010 between the SCGA and Israel that delimited their respective EEZs,

encouraged Athens to pursue closer ties with Tel Aviv. It seems that the cooperation between Israel and the SCGA opened the way for Greece to fill the vacuum that Turkey left in Israel's regional relations. On this background, relations between Israel and Greece have come a long way in many fields, and both countries have moved closer in an unprecedented political, military and energy relationship. For instance, recently, a trilateral summit was held in Nicosia on 28 January 2016 with Netanyahu, Anastasiades and Greek Prime Minister Alexis Tsipras.⁶⁴ The leaders discussed areas of cooperation including energy, tourism, research and technology, the environment, water, immigration and the fight against terror. In addition to political ties, security cooperation has also bolstered relations, and both countries have conducted several joint air and naval exercises such as the annual Glorious Spartan,⁶⁵ Minoas,⁶⁶ Noble Dina, and Blue Flag exercises.⁶⁷ While some of these exercises have merely replaced the ones that Israel lost when relations with Turkey soured, others have focused on simulating the defense of the offshore natural gas infrastructure. Greece's relative value to Israel may be questionable, however, a careful examination of the recent developments in the Eastern Mediterranean and in the Middle East, and possibilities of a relationship between the two countries,

show that the bilateral relationship has the potential to become even stronger in the future.

Relations between Israel and Greece have come a long way in many fields, and both countries have moved closer in an unprecedented political, military and energy relationship.

Beyond the trilateral relations among Israel, the SCGA and Greece, Israel and the SCGA have also laid foundations for regional integration with Egypt. Recently, Egypt developed strong trilateral ties with the the SCGA and Greece in opposition to Turkey, with whom Egypt severed its diplomatic relations in 2013. Eyeing the possibility of selling natural gas to Egypt for its domestic market as well as for re-export via Egypt's under-utilized Liquefied Natural Gas (LNG) plants, both Israel and the SCGA entered into economic understandings with Cairo. Given Egypt's longstanding security cooperation with Israel, Israel's relations seemed to form the linchpin of a new regional bloc in the Eastern Mediterranean consisting of Egypt, Israel, the SCGA, and Greece. Greece and the SCGA have started involving Egypt in regional planning to develop and exploit natural gas fields, and

Egypt's LNG plants have become the leading contenders to receive gas from Cypriot and Israeli fields for export.⁶⁸

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Conclusions

The recent developments in the geopolitical environment of the Eastern Mediterranean and the Middle East have affected the security conditions and the political affairs of the regional states. In addition to already being burdened by longstanding and unresolved disputes such as the Cyprus problem, the Palestinian question, and the Arab-Israeli conflict, today, security in the Eastern Mediterranean is undermined by unpredictable violence, acts of terror, and mass migration. The danger arising from these threats and the instability caused by the Arab Spring have necessitated the development of new strategic approaches among neighbouring states with the intention of safeguarding their national interests.

In this context, the security situation for Israel has become more acute with the strategic gains made by Iranian proxies in the civil war in Syria. In addition to the impact of the Arab Spring and the emergence of new terrorist groups, Israel's declining relations with Turkey have also affected the Israel's security. Moreover, beyond the recognised conventional ballistic missile threat from Iran, as well as the threats posed by Hamas in Gaza and Hezbollah in Lebanon, Israel faces the strategic threat of Iran's opaquely evolving nuclear program. In spite of Israel's military superiority, the changing geopolitical landscape and the emergence of new strategic and unconventional threats against Israel prescribe the consideration of alternative security options. It is against the backdrop of these regional developments and Israel's poor relations with Turkey that Israel has joined forces with the SCGA as well as with Greece. On the other hand, the presence of hydrocarbon resources in the East Mediterranean have also provided a great deal of opportunity for closer regional cooperation among Israel, the SCGA and Greece. The potentially energy-rich EEZs have turned Israel's attention towards the Eastern Mediterranean and facilitated the development of this new axis.

It was against this geopolitical background that Israel's cooperation

with the SCGA, as well as with Greece, emerged. There is a growing imperative for cooperation between Israel and the SCGA, for security reasons and for the effective exploitation of the hydrocarbon resources in the Eastern Mediterranean. Strategically, given Greece's and the SCGA's tensions with Turkey, Israel's strengthening of ties with the SCGA and Greece creates a new geopolitical bloc, which has political, military and economic significance and stands as a counterweight to Turkey in the Eastern Mediterranean. In this regard, the regional conditions and the consequent convergence of interests comprise the foundation for the development of a viable cooperation, and this constitutes a major development in the politics of the Eastern Mediterranean.

In spite of Israel's military superiority, the changing geopolitical landscape and the emergence of new strategic and unconventional threats against Israel prescribe the consideration of alternative security options.

It seems that both Israel and the SCGA have much to gain from this developing relationship. As for Israel, the SCGA, as a political and cultural passage to the West through Greece, might become Israel's one of

new political and economic friends. Good relations with EU member states Greece and the SCGA have the potential of bringing Israel closer to Europe, and can help alleviate any isolation that Israel may be feeling in the international community. On the other hand, there are also potential benefits that the SCGA may accrue by associating herself with the Jewish state. From their perspective, a possible motive behind Greece and the SCGA's desire to have good relations with Israel might be their unresolved disputes with Turkey. Israel's political backing might provide both of these states diplomatic flexibility and leverage in their relations with Turkey. The improved relations with Israel could counterbalance Turkey's presence in the Eastern Mediterranean. Moreover, cooperation with Israel may also have positive political implications for Greece and the SCGA in the Middle East. As Greek and Greek Cypriot leaders have given importance to their historic ties with the Arab world, their good relations with Israel might allow them to strengthen their image as a regional peace negotiator. At the same time, involvement in the peace process can help bolster Greek and Greek Cypriot prestige even during the economic crisis and the resulting tension with the European Union.

In addition to the political and economic relations, these states are

cultivating strong military relations that could be beneficial for all of them. Common military planning and joint training could maximize the effectiveness of existing military capabilities and technological air-naval means. As Israel possesses limited air space, the use of the SCGA's infrastructure could be vital for the security of Israel, as it would gain strategic depth towards the Mediterranean and effective access to the European Union through the SCGA and Greece. The use of Greek and Greek Cypriot sea and air space may effectively serve the operational needs of the Israeli Air Force in the fields of training, exercises and operational effectiveness as it would allow the Israeli Air Force units to carry out long-range flights and tactics. In the past, these vital needs were offered by Turkey, before the decline of Israeli-Turkish relations. Moreover, the SCGA's territory, along with its air and naval early warning capabilities, could offer an additional advantage to Israel's security and intelligence needs. Military cooperation with Israel may also lead to tangible benefits for the Greek and Greek Cypriot military units. These units might receive military training and expertise from the Israeli Defence Forces. By adopting Israeli defence tactics, the Greek Armed Forces may enhance their status within NATO. Moreover, Greece and Greek

Cyprus might have the opportunity to buy various missile systems, valuable technological hardware, and homeland security capabilities from Israel, and the Israeli defence industry could upgrade and modernize Greek and Greek Cypriot defence systems.

The discovery of hydrocarbons has also created an opportunity for increasing regional economic integration for Israel, which helps solidify its diplomatic ties with the SCGA and Greece.

The discovery of hydrocarbons has also created an opportunity for increasing regional economic integration for Israel, which helps solidify its diplomatic ties with the SCGA and Greece. These states are cooperating since there are economic incentives for cooperation in the exploitation and mutual development of the gas fields in the Eastern Mediterranean. Israel possesses commercial and strategic imperatives to export natural gas to both Turkey and Europe. For many years, it was believed that Turkey was the most affordable route to the European market. However, the rapid deterioration of Israel's ties with Turkey has proven this alternative difficult to be realized, thus opening the door for cooperation based

on the exploitation of hydrocarbons among Israel, the SCGA and Greece. There are alternative plans to transport Israeli gas to Europe via the SCGA and Greece. However, Turkey regards both Israeli and Greek Cypriot gas and oil explorations in the Eastern Mediterranean as illegal, thus calling into question the demarcation of the EEZs between Israel and the SCGA. As the discovery of huge reserves of gas in the Eastern Mediterranean have changed Israel's fortune and the geopolitical balance of power in the region, it has not only become an incentive for new partnerships, but has also created regional tensions. It seems that developing these resources shall require exceeding major challenges, which might have geopolitical implications.

As the discovery of huge reserves of gas in the Eastern Mediterranean have changed Israel's fortune and the geopolitical balance of power in the region, it has not only become an incentive for new partnerships, but has also created regional tensions.

In light of the energy resources of the Eastern Mediterranean, it

is highly likely that cooperation between Israel and the SCGA will be enhanced. A careful examination of the recent developments in the Eastern Mediterranean and in the Middle East, and relations among Israel, Greece and the SCGA, show that Israel's bilateral relationship with the SCGA has the potential to be even stronger in the future. However, the SCGA's relative value to Israel may be questionable. While improved relations with the SCGA could be considered as a significant foreign policy choice for Israel, it remains unclear whether a partnership with the SCGA is strategic. To be so, it would need to provide political and military effectiveness, a robust cooperation with tangible results on the ground, mutual civilian and military programs, and joint political objectives to effectively counter the threats and challenges. Military partnership between Israel and the SCGA or among Israel, Greece and the SCGA could easily escalate into regional instability as maritime tensions in the Eastern Mediterranean with Turkey could become inevitable. In case of such a regional tension, it is doubtful whether Israel, Greece and the SCGA would act together. It is clear that Turkey carries far greater weight in regional and global affairs on account of its strategic location and size. That's why neither Greece, nor the SCGA have the capabilities to play a major role as

a strategic partner to Israel. Moreover, a fundamental shift in Turkish-Israeli relations would undoubtedly affect Israel's partnership with the SCGA and with Greece as well. This does not mean that diplomatic relations would automatically deteriorate; however, in such an occasion, arguably the character of the partnership would probably change, especially if Israel decided to orientate its energy exports toward Turkey. In conclusion, it would not be wrong to assert that the deepening

diplomatic, military and economic ties between Israel and the SCGA constitute a precursor of broader political and military cooperation, and an alignment of interests, rather than a strategic partnership.

There are alternative plans to transport Israeli gas to Europe via the SCGA and Greece.

Endnotes

- 1 The Republic of Cyprus was established in 1960 after gaining independence from Britain. In 1974, after there was a Greek sponsored *coup d'état* to unite the island of Cyprus with Greece, Turkey had no choice but to exercise its rights to protect the Turkish Cypriots. Consequently, the island and its capital (Nicosia in Greek, Lefkoşe in Turkish) were partitioned into two parts (Greek/Southern and Turkish/Northern) divided by a United Nations buffer zone. Unless otherwise stated, in this study, the term “South Cyprus Greek Administration” refers to the southern part of the island under Greek Cypriot rule.
- 2 It is widely accepted that, when surrounded by enemies, a state must align itself with a second circle of countries surrounding the first. In this respect, in the 1950s and 1960s, Israel sought to establish alliances with the countries of the Arab world’s periphery and tried to find sectarian and ethnic minorities as allies in the Arab countries. For more information on Israel’s periphery doctrine, see George E. Gruen, “Turkey’s Relations with Israel and its Arab Neighbors”, *Middle East Review*, Vol. 17, No. 3 (Spring 1985), pp. 33-43; Ofra Bengio, *The Turkish-Israeli Relationship Changing Ties of Middle Eastern Outsiders*, New York, Palgrave Macmillan, 2004, p. 34; Avi Shlaim, *The Iron Wall Israel and the Arab World*, London, Penguin Books, 2000, pp. 192-199.
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