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THE WINTER OF OUR DISCONTENT

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EDITORIAL

TWO OF the greatest writers in the history of the English language, Shakespeare and Steinbeck, are linked together by a famous metaphor: "the winter of our discontent"—one of the former's most famous plays opening with the phrase, the latter borrowing it for the title of one of his most acclaimed novels. The endings of both works point towards a redemptive future. Most of the essays featured in this edition of *Horizons* come together around that hopeful theme whilst appreciating the discontent of the present moment. Our authors attribute this variously to the causes and consequences of the Russia-Ukraine war—with some exhibiting a brooding, wintry pessimism for the short-term whilst others stressing the regenerative promise of the imminent arrival of springtime.

PERHAPS NO greater error of recent times was the assumption made by mostly European strategists and thinkers in the aftermath of the Cold War that global politics and economics could be meaningfully distinguished. A distinct characteristic of this unfolding war is that its belligerents and partisans now construe it not simply as a struggle over territory but, more fundamentally, as a clash of ideas and values—the latest outbreak in the sempiternal quest to conceive and enforce the rules of international relations.

THE EUROPEAN theater is thus once again the locus of a conflict with global repercussions. Some of our authors concentrate on the future of multilateral institutions such as the UN and the fate of its flagship initiatives like the 2030 Agenda for Sustainable Development, of which combatting climate change is perhaps the most significant part. Others examine the challenges associated with regulating migration and refugee flows in light of a worsening demographic picture. Still others discuss the grave dangers posed by stagflation or emphasize the increasing pressure to take a stance in what is likely to become an epic twenty-first-century competition between the U.S. and China.

THE OLD Continent's transforming energy landscape has also become one of the war's most apparent manifestations, as highlighted in several of our essays. The strategic significance of the string of countries to Europe's east and south, which include Turkey, Azerbaijan, and Kazakhstan, has never been greater. That has also had a positive effect on the connectivity aspirations associated with the trade and transportation route known as the Middle Corridor.

THIS EDITION of *Horizons* concludes with an essay by an illustrious author whose topic is the transmission of knowledge from one generation to another and the perpetuation of critical thinking which this entails. Our failure to properly cultivate the uniquely human ability to educate in the time ahead could significantly lengthen our winter of discontent.

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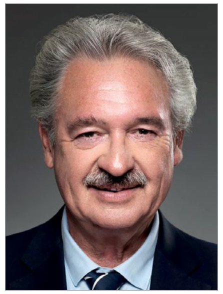

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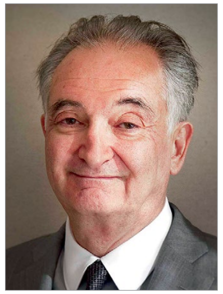

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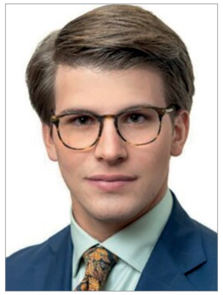

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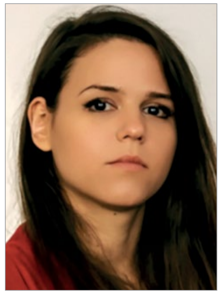

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THE NEW GEOPOLITICS

Jeffrey D. Sachs

THERE is universal assent that we are in a period of geopolitical tension and flux. In a rough chronology, 1815-1914 was the era of British hegemony, the not-so-peaceful Pax Britannica. What followed between 1914 and 1945 was a disastrous period of two world wars and the Great Depression. The end of World War II marked the rise of the United States as the new hegemon as well as the start of the Cold War between the United States and the Soviet Union. This period lasted from 1947 to 1989. The period from 1989 to around 2008 has been described (rightly or wrongly) as the unipolar world, with the United States widely regarded as the sole superpower. In the past decade or so we have entered a new geopolitical era, but of what kind?

There are at least five major theories about the current geopolitics. The first three are variants of the Hegemonic Stability Theory; the fourth is the important school of international realism. The fifth is my preferred theory of multilateralism, based on the pre-eminent importance of global cooperation to solve pressing global problems.

The Hegemonic Stability Theory, favored by American elites in politics, government, and academia, holds that the United States remains the world's hegemon, the sole superpower, albeit a hegemon that is challenged by a rising competitor, China, and by a lesser but nuclear-armed competitor, Russia.

The Hegemonic Competition Theory, sometimes nicknamed the Thucydides Trap theory, holds that China's rise has ushered in a period of confrontation between the United States and China, alongside the ongoing confrontation of

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Photo: Guliver Image

"The essential problem with prevailing geopolitical theories is they view geopolitics almost entirely as a game of winning and losing among the major powers..."

the United States and Russia. The U.S.-China competition is analogized to that of Sparta and Athens in the Peloponnesian Wars, with China playing the role of Athens, the rising power in the fourth century BCE Hellenic world, challenging Sparta, the incumbent power.

The Hegemonic Decline theory focuses on the fact the United States is no longer willing or able to play the role of global stabilizer (if it ever did). According to this theory, our current period will be akin to the period of British decline after World War I and before the rise of American hegemony. The Hegemonic Decline theory holds that the waning of a hegemon leads to global instability.

The Realist theory holds that geopolitics is defined by great power politics, with China, the United States, the EU, Russia, and increasingly India, playing the role of the great powers, and sharing the world stage with regional powers (such as Brazil, Indonesia, Iran, Pakistan, and Saudi Arabia, among others).

The Multilateralist theory, to which I subscribe, holds that only global cooperation and multilateralism, organized around UN institutions, can save us from ourselves, whether from war, dangerous technologies, or human-induced climate change. Multilateralism is often dismissed as excessively idealistic because it calls for cooperation among nations, yet I will argue that it is in fact more realistic than the Realist theory.

Of course, there are several other important approaches to geopolitics, including Marxist theories focusing on the interests and power of globally mobile financial capital, Immanuel Wallerstein's core-periphery theory, and Samuel Huntington's clash-of-civilizations theory. These are all well-known and have been widely debated. For the sake of brevity, I will focus on the three hegemonic theories, realism, and multilateralism.

The U.S. predominance has gradually declined since 1950 mainly because other parts of the world have gradually caught up with the United States in advanced technologies, skills, and physical infrastructure.

Economic Drivers of Long-Term Geopolitical Change

America was far and away the world's leading power at the end of World War II. According to the estimates of historian Angus Maddison (2010), the United States produced 27.3 percent of global output (measured at international prices) as of 1950, though constituting only 6 percent of the world population (and today only 4.1 percent). The Soviet Union was the next largest economy, at roughly one-third of the United States, while China was third, at roughly one-sixth. The American advantage was not only in total GDP but in science, technology, higher education, depth of capital markets, sophistication of business organization, and quality and quantity of physical infrastructure. American multinational companies circled the globe to create global supply chains.

The U.S. predominance has gradually declined since 1950 mainly because other parts of the world have gradually caught up with the United States in advanced technologies, skills, and physical infrastructure. As theory predicts, globalization promoted the spread of scientific and technological know-how, higher education, and modern infrastructure. East Asia was the greatest beneficiary of globalization. East Asia's take-off started with Japan's rapid postwar rebuilding during 1945-1960, followed by its decade of income doubling in the 1960s. Japan in turn provided a roadmap for the four Asian Tigers (Korea, Taiwan, Hong Kong, and Singapore), which began their rapid growth in the 1960s, and then for China starting in the late 1970s with Deng Xiaoping's reforms and opening of the country to the world. According to Maddison's estimates, 16 major East Asian economies produced 15.9 percent of world output in 1950, 21.7 percent in 1980, and 27.8 percent in 1990. In the 1990s, India too began an era of economic opening and rapid growth.

When the Soviet Union dissolved in 1991, the United States did not face any major competitor for global leadership. While the Western European economy was broadly comparable in size to the American economy, Western Europe remained dependent on the United States for military security and was in any event a disjoint group of nations with foreign policies generally subordinate to the United States. East Asia had grown rapidly but was even less of a geopolitical force than Europe. According to IMF measurements, China's GDP measured in constant international dollars was 17.5 percent of American GDP despite a population that was 4.6 times the size. Its per capita income was therefore a mere 3.8 percent of the U.S. according to the IMF estimates. China's technologies and military capacity were decades behind those of the United States, and its nuclear arsenal was small. It is perhaps understandable that policymakers in Washington assumed that the United States would be the world's sole superpower for decades to come.

Naïve and sometimes racist American punditry has dismissed China's success as nothing more than China stealing American know-how, as if the United States is the only society that can harness modern science and engineering, and as if it too doesn't rely on scientific and technological advances made elsewhere.

What they failed to anticipate, of course, was the ability of China to grow rapidly for decades to come. Between 1991 and 2021, China's GDP (measured in constant international dollars) grew 14.1 times, while the American GDP grew 2.1 times. By 2021, according to IMF estimates, China's GDP in constant 2017 international prices, was 18 percent larger than U.S. GDP. China's GDP per capita rose from 3.8 percent of the U.S. in 1991 to 27.8 percent in 2021 (IMF estimates in constant international dollars).

China's rapid gains in output and output per person were underpinned by rapid Chinese advances in technological knowhow, capacity to innovate, quality education at all levels, and the upgrading and modernization of infrastructure. Naïve and sometimes racist American punditry has dismissed China's success as nothing more than China stealing American know-how, as if the United States is the only society that can harness modern science and engineering, and as if it too doesn't rely on scientific and technological advances made elsewhere. In fact, China has been catching up by mastering advanced technological knowledge and taking measures to become a major innovator in its own right.

Nor should we neglect the rising economic power of both India and Africa, the latter including the 54 countries of the African Union. India's GDP grew 6.3 times between 1991 and 2021, rising from 14.6 percent of America's GDP to 44.3 percent (all measured in international dollars). Africa's GDP grew significantly during the same period, eventually reaching 13.5 percent of U.S. GDP in 2022. Most importantly in this context, Africa is also integrating politically and economically, with important steps in policy and physical infrastructure to create an interconnected single market in Africa.

When the United States speaks of the "rule-based order," it is not speaking of the UN system or international law. It is speaking of an American-led order, in which Washington, in consultation with its allies, writes the global rules.

In the past 30 years, three basic economic changes have transformed geopolitics. The first is that the U.S. share of global output declined from 21.0 percent in 1991 to 15.7 percent in 2021, while China's rose from 4.3 percent in 1991 to 18.6 percent in 2021. The second is that China has overtaken the United States in total GDP and has become the leading trade partner for much of the world. The third is that the BRICS, constituting Brazil, Russia, India, China, and South Africa, have also overtaken the G7 countries in total output. In 2021, the BRICS had a combined GDP of $42.1 trillion (measured in constant 2017 international prices), compared with $41.0 trillion in the G7. In terms of combined population, the BRICS, with a 2021 population of 3.2 billion, is 4.2 times the combined population of the G7 countries, at 770 million. In short, the world economy is no longer American-dominated or Western-led. China is of comparable overall economic size to the United States, and the large middle-income countries are a counterweight to the G7 nations. It is notable that four G20 Presidencies in a row will be held by middle-income developing countries: Indonesia (2022), India (2023), Brazil (2024), and South Africa (2025).

Contrasting Visions of Geopolitics

As China has matched or overtaken the United States in economic size and has become the leading trade partner with many countries around the world, and as the BRICS have matched the G7 in overall economic size, a debate rages in the United States and globally about America's changing role and power, and the implications for the future of global governance and international affairs. As mentioned above, there are five schools of thought, which I now review in greater detail.

While American policymakers presumably bemoan the destruction and deaths in Ukraine, they also welcome the opportunity to push NATO's eastward enlargement and bleed Russia through a war of attrition. The Washington policy elite is in no hurry to end the war.

The Hegemonic Stability theory remains the dominant school of thought in the United States, at least in the leadership circles and East Coast think tanks and academic centers. According to this view, the U.S. and the U.S. alone can maintain geopolitical hegemony and thereby provide stability to the world. When the United States speaks of the "rule-based order," it is not speaking of the UN system or international law. It is speaking of an American-led order, in which Washington, in consultation with its allies, writes the global rules.

According to this view, China remains far behind the United States in all key categories of power: economic, military, technological, and soft power. Russia is viewed as a declining, nearly defunct, regional power—albeit one with a large nuclear arsenal. In this school of thought, the nuclear threat can be contained through counter-threats and deterrence. American hegemony will ensure that Russia will play no major geopolitical role in the future. This hegemonic vision, known as neoconservatism in the United States, finds its expression in a wide range of policies.

The war in Ukraine forms a central part of Washington's strategy for continued U.S. hegemony. While American policymakers presumably bemoan the destruction and deaths in Ukraine, they also welcome the opportunity to push NATO's eastward enlargement and bleed Russia through a war of attrition. The Washington policy elite is in no hurry to end the war.

Nor is it eager to look more deeply at the roots of the war, which was surely provoked in part by the United States in its battle with Russia for political and military influence in Ukraine. This competition turned red-hot after George W. Bush pushed NATO in 2008 to commit to enlarging to Ukraine and Georgia. This was part of a long-term game plan, outlined by Zbigniew

Brzezinski in his 1997 book *The Grand Chessboard*, to end the ability of Russia to project its power towards Western Europe, the Eastern Mediterranean, or the Middle East.

Russia will presumably fight at all costs to prevent NATO enlargement to Ukraine. When Ukraine's pro-Russian President Viktor Yanukovych—who favored Ukraine's neutrality instead of NATO enlargement—was overthrown with American financial and logistical support in early 2014, the Russo-Ukrainian war broke out. Russia retook Crimea and pro-Russian separatists claimed part of the Donbas. The war has escalated since 2014, most dramatically with Russia's invasion on February 24th, 2022. In turn, the G7 and NATO have committed to support Ukraine for as long as necessary, with the goal of weakening Russia in the long term.

In addition to funding and arming Ukraine, the United States has now adopted the strategy of containing China, that is, hindering China's continued economic and technological progress. The containment policy vis-à-vis China mimics the American strategy vis-à-vis the Soviet Union between 1947 and 1991. The anti-China containment policies include tariff increases on Chinese products; actions to cripple high-tech telecoms Chinese enterprises such as Huawei and ZTE; bans on exports of high-end semiconductors and semiconductor manufacturing equipment to China; decoupling American supply chains from China; creating new trade blocs, such as the Indo-Pacific Economic Framework, that exclude China; and an "entity list" of Chinese companies that are, in one way or another, barred from U.S. finance, trade, and technology. On the military front, the United States is forming new anti-China alliances such as AUKUS, with the UK and Australia, in this case to create a new nuclear submarine fleet and base in Northern Australia to police the South China Sea. The United States is also aiming to step up its military support for Taiwan, in one neocon phrase: to turn Taiwan into a "porcupine."

China aims for a world in which the United States is not the hegemon. Yet there is little persuasive evidence that China wants to replace America as hegemon or could do so even if it so desired.

The main competing vision of geopolitics today is the Hegemonic Competition theory, focusing on the coming clash between the United States and China. This theory is really a variant of the Hegemonic Stability theory. It argues that the United States may lose its hegemonic status to China, and that in any event, a bitter competition of the two countries is virtually inevitable.

The main failing of the Hegemonic Competition vision is its belief that China wants to become, the next global hegemon. True, Chinese leaders do not trust the United States nor Europe, especially in view of China's suffering at the hands of outside imperial powers during the nineteenth and twentieth centuries. China aims for a world in which the United States is not the hegemon. Yet there is little persuasive evidence that China wants to replace America as hegemon or could do so even if it so desired.

Consider that China is still a middle-income country, with decades ahead needed to become a high-income country. Consider too that China's population will likely decline markedly in the decades ahead. In that context, China will also age markedly, with the median age rising from 47 years today to 57 years by 2100 according to UN projections. Finally, consider that China's statecraft over centuries has never sought a global empire. The Middle Kingdom has always sufficed. China has not fought one foreign war in 40 years, and has just a few small overseas military bases, compared with the hundreds operated by the U.S. military.

Rather than China's hegemonic aspirations, which I believe do not actually exist, the real problem is the so-called "Security Dilemma," according to which both China and the United States misconstrue the defensive actions of the other side as being offensive, thereby falling into an escalatory mode. For example, as China builds its military in the South China Sea, in its view to protect its vital sea lanes, Washington interprets this as an aggressive action by China aimed at American allies in the region. As the United States forms new alliances such as AUKUS and strengthens existing alliances, China regards these as blatant hegemonic attempts to contain China. Even when particular actions are truly defensive in nature—and not all of them are—they are readily misconstrued by the other side. This is indeed a major reason why the Thucydides Trap easily gives rise to war: not really because the two countries want war, but because they stumble into it by misinterpreting the actions of the other side.

Rather than China's hegemonic aspirations the real problem is the so-called "Security Dilemma," according to which both China and the United States misconstrue the defensive actions of the other side as being offensive, thereby falling into an escalatory mode.

The Hegemonic Decline theory is somewhat different. Instead of emphasizing the battle between China and the United States, this third theory emphasizes the implications of American hegemonic decline, which it takes for granted. The Hegemonic Decline theory starts with the idea that the world needs global public goods, such as macroeconomic stabilization policies, arms control, and common efforts against human-induced climate change. To ensure these public goods, according to this theory, a hegemon must bear the burden of providing the global public goods. In the nineteenth century, Britain underwrote Pax Britannica. Since 1950, the United States has supplied the global public goods. Yet with the gradual decline of the United States, there is no longer a hegemon to ensure global stability. Thus, we face a world of chaos, not because of U.S.-China competition, but because no country or region can coordinate global efforts to provide global public goods.

Charles Kindleberger, the MIT economic historian, was the originator and most persuasive proponent of the Hegemonic Decline theory, applying it to the Great Depression in his insightful book *The World in Depression: 1929-1939* (1973). He argued that when the Great Depression hit, global cooperation was needed to address inter-country debts, failed banks, budget deficits, and the gold standard. Yet the UK was gravely weakened by World War I and the prolonged economic crisis of the late 1920s, and so was unable to act as a hegemon. The United States, alas, was not yet ready to take over that role, and would do so only after World War II.

All three hegemonic theories presume that hegemons are central to geopolitics and will remain so. The first assumes that the United States remains the hegemon; the second assumes that the United States and China are in competition to be the hegemon; and the third bemoans the absence of a hegemon just when we need one. This third theory, even though declaring the U.S. a has-been, is in some way still flattering it: *après l'Etats Unis, le deluge*.

The Realist theory denies the central role of hegemony, and perhaps would question whether America was ever truly the global hegemon. According to the realists, peace requires skillful balancing among the major powers. The essence of the realist theory is that no single power can or should presume to the rest; all need to manage their policies prudently to avoid provoking a conflict with the other powers. Leading realists such as Henry Kissinger and John Mearsheimer, for example, call for a negotiated end to the Ukraine War, arguing wisely that Russia is not going to disappear from the map, or from its geopolitical importance, and emphasizing that the war was partly provoked by the American misstep of crossing Russia's redlines, notably regarding NATO enlargement to Ukraine and Georgia.

The realists argue for peace through strength, arming allies as necessary, and being on guard against aggressive actions by potential adversaries who cross American redlines. Peace, in the realist view, is achieved through the balance of power and the potential deployment of force, not through goodwill or high ideals. Deterrence matters. China is a competitor that must be matched economically, technologically, and militarily, but not necessarily a military foe. War can be avoided. The most famous historical model for the realists is Kissinger's depiction of the Concert of Europe in the nineteenth century that kept the peace for most of the century.

The biggest challenge facing the realists is that maintaining a balance of power is very difficult when the relative capacities of the major powers is in great flux. The Concert of Europe broke down mainly because two major powers were on the rise economically. Germany surpassed Britain in GDP (on Maddison's estimates) in 1908. The Russian empire was also growing economically, with a GDP about the size of Germany's from 1870 onward. Britain feared Germany's rise, and Germany feared a two-front war against Britain and Russia, which of course is exactly what transpired in 1914. According to many historians, Germany pressed for war in 1914 out of the conviction that delay would mean a more powerful Russia in the future.

Geopolitics as a Problem Solver?

The essential problem with these four prevailing geopolitical theories is they view geopolitics almost entirely as a game of winning and losing among the major powers, rather than as the opportunity to pool resources to face global-scale crises. The Hegemonic Decline theory recognizes the need for global public goods but holds that only a hegemon will provide those global public goods.

The Multilateralist theory starts from the premise that the world urgently needs geopolitical cooperation to solve global-scale challenges such as human-induced climate change and financial instability, and to avoid war among the major powers. The core of the multilateralist vision is the belief that global public goods can be provided cooperatively by the UN member states rather than by a single hegemon. The focus is on the constructive role of international law, international financial institutions, and international treaties, all under the framework of the UN Charter and Universal Declaration of Human Rights and supported by UN institutions.

This view is often argued to be unrealistic and dismissed as too idealistic. There are many plausible reasons for doubt: the UN is too weak; treaties are unenforceable; countries free ride on global agreements; and the veto power of the five permanent members of the Security Council (China, France, Russia, the United Kingdom, and the United States) paralyzes the UN. These points are true, but not decisive in my view. Cooperation can be strengthened if the case for it is better understood. Most importantly, neither the three hegemonic theories nor realism offer solutions to our global crises.

The Hegemonic Stability theory fails because the United States is no longer strong enough and interested enough to bear the burdens of providing hegemonic stability. In the late 1940s, the United States was ready to fund and support global public goods, including the establishment of the UN, the Bretton-Woods Institution, the GATT, the Marshall Plan, and others. Today, the U.S. does not even ratify the vast majority of UN treaties. It breaks GATT rules, shirks decarbonization, underfunds the UN and Bretton Woods institutions, and gives a pittance of its gross national income (0.16 percent) as foreign assistance.

The Hegemonic Competition theory fails because it presages conflict rather than solutions to problems. It is as best an explanation of global turbulence but not a strategy for peace, security, or global problem-solving. It is a prediction of crisis. It is crucial to recall that both Sparta and Athens suffered from the Peloponnesian Wars.

> *While [the Realist approach] calls for a balance of power to keep the peace, there is no permanent balance of power. Past balances quickly become current imbalances.*

The Realist approach is far more accurate, practicable, and useful than the hegemonic theories. Yet the Realist approach also suffers from three major weaknesses. First, while it calls for a balance of power to keep the peace, there is no permanent balance of power. Past balances quickly become current imbalances.

Second, as with the game theory that underpins Realism, both game theory and Realism underestimate the potential for cooperation in practice. In the Realist approach, non-cooperation among nations is assumed to be the only feasible outcome of geopolitics because there is no higher power to enforce cooperation. Yet in experimental game theory and in practical geopolitics, there is a lot more scope for successful cooperation (e.g., in the experimental Prisoner's Dilemma game) than the theory predicts. This point has been emphasized for decades by Robert Keohane and was also emphasized by the late John Ruggie.

Third, and most importantly, Realism fails because it fails to solve the problem of global public goods, needed to address environmental crises, financial crises, health crises, and others. No single hegemon is going to provide the needed global investments. A global cooperative approach is needed to share the costs and spread the benefits widely.

> *Twenty-first-century multilateralism should build on two foundational documents, the UN Charter and the Universal Declaration of Human Rights, and on the family of UN institutions.*

The roadmap for achieving twenty-first-century multilateralism requires a separate essay. In short, twenty-first-century multilateralism should build on two foundational documents, the UN Charter and the Universal Declaration of Human Rights, and on the family of UN institutions. Global public goods should be financed by a major expansion of the multilateral development banks (including the World Bank and the regional development banks) and the IMF. The new multilateralism should be based on globally agreed goals, notably the Paris Climate Agreement, the Biodiversity Agreement, and the Sustainable Development Goals. It should bring the new cutting-edge technologies, including digital connectivity and artificial intelligence, under the ambit of international law and global governance. It should reinforce, implement, and build on the vital agreements on arms control and denuclearization. Finally, it should draw strength from the ancient wisdom of the great religious and philosophical traditions. There is a lot of work ahead to build the new multilateralism, yet the future itself is at stake.

TEN ALTERNATIVE FUTURES FOR U.S.-CHINA RELATIONS

Kevin Rudd

WHAT is likely to happen in this dangerous decade ahead? The fixed factors at work in the U.S.-China relationship, including China's expanding military, the broad contours of Chinese President Xi Jinping's long-term strategy, and the growing intensity of strategic competition, may be relatively clear. But the variables are still vast. The most important of these include the content, continuity, and implementation of American strategy under President Joe Biden and its long-term political sustainability through the 2024 and 2028 presidential elections. There is also the question of how effective this strategy will be in rebuilding American military and economic power at home and in reconsolidating America's alliances abroad after the trauma that was Trump.

Then there are the unpredictable third-country variables that are also at play—for example, the decision by the European Commission to forge a new investment treaty with China in the dying days of the Trump administration in January 2021. This also followed the decision by America's principal Asian allies in October 2020 to join with China in the Regional Comprehensive Economic Partnership—a far-reaching Asia-Pacific free trade agreement—while both America and India remained outside. Both developments indicate that America will still have a difficult task on its hands

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Photo: Gulliver Image

Few good scenarios on the horizon of U.S.-China relations

against the long-term lure of the Chinese economy. Even before the Biden administration was sworn in, the global gravitational pull of the great Chinese economic juggernaut was—as Xi Jinping had predicted—beginning to look irresistible. On the other hand, the European Parliament's decision in May 2021 to suspend ratification of the investment treaty with China (because of Beijing's intimidatory tactics against parliamentary members of the European Parliament who had opposed Chinese policies in Xinjiang) demonstrates just how politically volatile diplomatic and economic relationships with Beijing have become. Then there are the problems unfolding in China's domestic growth model, referred to throughout this book, as Xi seeks to reassert party control over the private sector, depressing Chinese business confidence with as yet unknown consequences for long-term economic growth—and with some potential to unravel the fundamental domestic economic underpinnings of China's long-term claim to global geopolitical power.

It is hazardous, therefore, to attempt any single, authoritative forecast of what the U.S.-China relationship will look like by 2030. The best way to envision the future is to instead outline a range of scenarios based on different assumptions, providing some indication of the consequences that are likely to flow from each of them.

Scenario 1: America's Munich Moment

Under this scenario, Xi Jinping—with or without provocation from independentists in Taipei—decides to bring about a military solution to the Taiwan question before this decade's end. The political motivation for such a course of action could include a radical turn in Taiwanese domestic politics following the 2024 Taiwanese presidential elections, a desire by Xi in the years leading up to the 21st or 22nd Party Congresses to secure his ongoing position as paramount leader, and/or a conclusion that American domestic politics were in such structural disarray that the risk of U.S. armed intervention was minimal.

Under [Scenario 1], Xi Jinping […] decides to bring about a military solution to the Taiwan question before this decade's end. This scenario assumes that the American military response would be nominal and that of its allies nonexistent.

The military or paramilitary tactics Chinese action could take against Taiwan would be consistent with the patterns of Chinese war-gaming over recent years. They could include one or more of the following: organizing domestic insurrection within Taiwan (though unlikely to succeed alone, given largely negative Taiwanese public sentiment toward the People's Republic); a massive cyberattack against Taiwan's civilian or military infrastructure; the military occupation of one or a number of Taiwan's offshore islands as a warning for Taipei to seek terms; an economic blockade of the island; a preemptive long-range attack against the Taiwanese armed forces; or a full-scale air and amphibious assault on Taiwan itself.

This scenario assumes that the American military response would be nominal and that of its allies nonexistent. The Western response would, in this case, consist of the usual array of trade, investment, and financial sanctions, although these have already been factored into Chinese scenario planning with relevant contingency planning already put in place to mitigate their impact. This would include preparing China's financial system to withstand any assault from what would then be a weakened U.S. dollar and a weakened American capacity to mobilize the dollar-denominated international financial system to impose punitive financial sanctions. Chinese leaders feared this would happen over Hong Kong in 2020, but it failed to materialize. The UN will be silent, as China will have secured its position both in the Security Council and the General Assembly through a growing array of compliant member states, including a number from the developed world. The UN will conclude that the Taiwan issue is an internal matter for the Chinese people to resolve. The EU as an institution will likely remain neutral, particularly in the UK's absence and the ultimate geopolitical ambivalence of Germany and France on China-Taiwan.

The geostrategic standing and international moral authority of the United States would then collapse due to America's failure to defend a small but vibrant democracy with which it had been a de facto ally for three-quarters of a century. American treaty allies' confidence in the credibility of Washington's security guarantees would be undermined. It would likely be seen globally as America's Munich moment, much as the original event effectively saw the end of the United Kingdom as a global great power.

[Under Scenario 1], the geostrategic standing and international moral authority of the U.S. would then collapse due to America's failure to defend a small but vibrant democracy with which it had been a de facto ally for three-quarters of a century.

However, the problem for China under this scenario would be the brutality of the military occupation that would be necessary to control an island with a mountainous geography, home to 25 million people with sophisticated skill sets, weapons, and a deep and widespread animosity towards the Chinese Communist Party (CCP). China's occupation of Taiwan would make the violence inflicted on Tibet and the measures taken in Xinjiang look peaceful by comparison. Taiwan would become a gaping wound in China's side in the court of international public opinion for the remainder of the twenty-first century. It would also collapse whatever moral authority China had by that stage in the eyes of the international community. The world would brace itself for a return to an earlier atavistic age in which might made right, effective international institutions were little more than dreams, and the rules-based order lay in tatters.

Scenario 2: A Second Midway

Beijing believes the likelihood of a full American military, economic, and cyber response to an attack on Taiwan is less probable than not. But its sense of strategic caution means this scenario remains the subject of active planning by the People's Liberation Army (PLA). Based on public reporting of both American and Chinese war-gaming, the prospect that the United States could actually decisively "win" such a war is also less likely than the alternative. But this scenario leaves aside the question of how any such "win" should be credibly defined. It could mean the "defeat" of all Chinese naval, air, and missile assets deployed across the Taiwan Strait; the cessation of Chinese military and paramilitary action against Taiwan; the withdrawal of any Chinese forces from Taiwan; the collapse of Xi's rule; or the collapse of the CCP regime itself as a result of the total loss of domestic political legitimacy that would flow from such a dramatic military failure.

Each of these possibilities brings up a further range of contingencies, such as how the United States could possibly defeat Chinese forces committed to attacking Taiwan without also disabling the core of the Chinese command, control, and communications systems coordinating that attack. That would mean at least partially disabling the line of communication with the Central Military Commission in Beijing—thereby risking rapid and near-total escalation. This brings us to the question of escalation to a larger-scale conventional war with China, including the threat of nuclear confrontation.

The bottom line of this scenario is that given that the domestic political stakes in Beijing to secure victory would be higher than at any time since 1949, and given that the party's number-one priority has always been to remain in power, it is more likely than not that Xi would be predisposed to escalating a military conflict with America once one has begun in order to retain nationalist support. China is also deeply aware of the American public's limited appetite for foreign wars, having observed closely the impact of public opinion on U.S. military engagements in Korea, Vietnam, Iraq, Syria, and Afghanistan. Xi is a keen student of the Chinese action against American forces in Korea, where Washington preferred to leave in stalemate rather than commit ground forces to fight in China.

In Scenario 2, Beijing believes the likelihood of a full American military, economic, and cyber response to an attack on Taiwan is less probable than not.

Xi would therefore likely use whatever means are at China's disposal to make a war with the United States over the Taiwan Strait as long and as costly as possible, enabling him to develop and deploy an effective domestic political narrative that would rally nationalist sentiment and mask any military defeats in the field. Xi is sufficiently realistic to understand that an American victory in response to Chinese military aggression against Taiwan—or even a stalemate that left Taiwan out of Beijing's hands—would be terminal for his leadership. That is because returning Taiwan to Chinese sovereignty has occupied a bigger part of Xi Jinping's political mission and mandate than any of his post-Mao predecessors.

SCENARIO 3: AN AMERICAN WATERLOO

As previously indicated, based on the current balance of forces and published reports of the most recent war-gaming by both sides, an American loss, at present, represents the most probable outcome of a full-scale American conventional military intervention in support of Taiwan. According to military analysts that run regular simulations for the Pentagon, most scenarios would begin with a massive barrage of Chinese missiles targeting Taiwanese and American aircraft, ships, and infrastructure in Taiwan, Okinawa, and Guam, overwhelming American missile defenses. RAND analysts describe projected American losses as "staggering," and say the destruction of basic infrastructure would make it "exponentially more difficult to project power" into the region.

Based on the current balance of forces […] an American loss, at present, represents the most probable outcome of a full-scale American conventional military intervention in support of Taiwan. Whatever form a Chinese military victory over the United States might take, the bottom line is that it would signal the end of the American Century.

While American attack submarines near enough to Taiwan to respond would have an advantage, they would only be able to sink a limited number of ships in China's amphibious invasion fleet, which would aim to land a PLA standing force of some 220,000 soldiers and marines at 15 to 20 different beachheads on the island following lightning attacks by Chinese airborne and helicopter troops. The result: "Team Blue" would have "its ass handed to it for years," according to David Ochmanek, a former U.S. deputy assistant secretary of defense. With the Taiwanese army generally considered to be undertrained, under-armed, and poorly organized, the Americans would likely only have a matter of one to two weeks to rush significant forces to Taiwan's defense and would find defending the island especially difficult without striking the Chinese mainland. The results of recent war-gaming underline Beijing's significant strategic success over the last two decades in closing the military capabilities gap in the theater with the United States, China's growing numerical advantage in weapons systems most relevant to Taiwan scenarios, and the overwhelming value of immediate geographic proximity—as opposed to fighting the war from Guam, Honolulu, and Washington.

But this scenario also presents real risks for China. Military success could only be guaranteed by taking out critical American bases—including Guam—which would constitute an attack on the sovereign territory of the United States. This, in turn, would trigger the likelihood of large-scale military escalation by the United States, turning a Taiwan conflict into a general war in the western Pacific, with the possible participation of America's Asian treaty allies, including Japan.

While the United States has not committed to a no-first-use nuclear doctrine (which would not permit the use, or even the threatened use, of American nuclear forces even in the event of likely conventional military defeat), in practice—given historical evidence—the United States would be extremely unlikely to respond with nuclear force. If Washington declined to use nuclear weapons in Korea, Vietnam, and the Taiwan Strait crises of the 1950s when there was negligible risk of any form of nuclear retaliation, the United States would not do so over Taiwan in the 2020s, when the escalation risks are much greater.

Under this scenario, whatever form a Chinese military victory over the United States might take, the bottom line is that it would signal the end of the American Century—not just in Asia but for the rest of the world. America's treaty allies and security partners would then likely seek varying levels of strategic accommodation with Beijing, as governments across the world would conclude that American military power no longer offered effective protection against the next global superpower. Xi Jinping would be further emboldened to prosecute China's remaining outstanding territorial claims in the East China Sea, the South China Sea, and against India. Europe—historically predisposed toward maximizing its economic interests in China while regarding China's security challenges as an Asian rather than a European concern—would quickly return to its long-running strategic drift toward Beijing. Indeed, Europe may see China as its best long-term strategic leverage against Russia, given that Beijing sees Berlin, Paris, and Brussels—not Moscow—as major economic, trade, and investment partners. Moscow would likely become anxious that a bold and confident China might even try to reclaim what was once Chinese territory lost to the Russian Far East during the czarist period. Beyond treaty allies and partners, the world under this scenario would gravitate quickly toward a global order anchored in Beijing, with global institutions increasingly compliant with Chinese foreign policy interests and values. America's military defeat by China over Taiwan would likely be seen as an American Waterloo, heralding the beginning of a new and uncertain Chinese Century.

The bottom line of Scenario 2 is that given that the domestic political stakes in Beijing to secure victory would be higher than at any time since 1949, and given that the party's number-one priority has always been to remain in power, it is more likely than not that Xi would be predisposed to escalating a military conflict with America once one has begun in order to retain nationalist support.

Scenario 4: Chinese and American Military Stalemate

This is a possible extension of scenario 2 and is drawn from the lessons of the Korean War, which involved more than three years of protracted, seesawing military conflict with large-scale casualties. It is difficult to project what such a stalemate would look like, given that China's military strategy of air-sea denial against American forces would probably tend toward more decisive outcomes in the maritime domain. But some military theorists suggest that continued U.S. investment in similar standoff area denial weapons, this could lead to the region's ocean surface and airspace becoming a no-man's-land, creating something like a maritime version of World War I's trench warfare.

Nonetheless, the political imperatives of survival for the CCP would never allow any formal concession of defeat. The party's deep experience as a revolutionary army, which faced near extinction at various times during its century-long history, would cause it to regroup and continue the fight once strategic circumstances changed. Additionally, its army grew up on guerrilla warfare, in which major battlefield wins are not required to prevail, only wearing down the enemy over time in what Mao called "protracted war." Therefore, for China, a military stalemate is an acceptable—albeit not a desirable—outcome. But it would be difficult to see Xi Jinping surviving for long under such circumstances, even if the party itself did. The same cannot be said for the United States, whose political system and culture is more predisposed toward final resolution and less tolerant of rolling ambiguity or drawn-out conflict, especially after the experiences of Afghanistan and Iraq. Still, American military commanders are likely to have options at their disposal for long-term, lower-level military engagement (such as a blockade on crucial Chinese shipping) that could also deny China a clean victory.

Scenario 5: Washington's Best-Case Scenario

In the best-case scenario for both Washington and the current government in Taipei, it is possible that they could successfully deter China from seeking to take Taiwan for the duration of Xi's reign. This would be achieved through combined economic and technological strength, military preparedness, and diplomacy. It would depend on the United States rebuilding its national economic power in the post-COVID period and sufficiently funding the U.S. military to reassert American dominance in the air-sea gap across the Taiwan Strait. It would also require Taiwan to intelligently upgrade its military weaponry and training (supported, where necessary, by American arms sales) and cyber and civilian defenses in order to present a credible national deterrent against attack or internal subversion by the mainland.

For China, a military stalemate is an acceptable […] outcome. But it would be difficult to see Xi Jinping surviving for long under such circumstances, even if the party itself did. The same cannot be said for the U.S., whose political system and culture is more predisposed toward final resolution and less tolerant of rolling ambiguity or drawn-out conflict.

Such a scenario would require Taiwanese diplomacy toward the mainland to become more dexterous than in the recent past, capable of exploring new forms of long-term political accommodation with Beijing while preserving Taiwan's democratic system and absolute political autonomy. It would also be premised on Beijing becoming more conscious of its constraints in the use of its national hard power. Such constraints might include any weakening of Chinese economic growth, new budgetary limitations on the future growth of Chinese military spending because of competing domestic spending priorities deemed necessary to preserve social harmony, or a failure to keep pace with critical new game-changing military technologies developed by the United States.

However, there is another possibility: that America and Taiwan might succeed in deterring a Chinese military assault but fail to prevent a comprehensive cyberattack that disables much of Taiwan's critical infrastructure. This, in turn, would pose the question of how Washington and Taipei might retaliate in such a scenario while avoiding escalation into a general war. Therefore, a successful deterrence strategy under this scenario would need to prevent the full range of military and paramilitary actions by China and against Taiwan—not just physical armed attack, amphibious assault, invasion, and occupation.

SCENARIO 6: A LIMITED WAR IN THE SOUTH CHINA SEA

Perhaps one of the most likely—albeit unintentional—scenarios would arise from a collision between Chinese and American naval vessels in the South China Sea. There have been a number of near misses in recent years, as Chinese naval commanders have maneuvered within yards of American destroyers at full speed. In each of these cases, the U.S. vessel changed course to avoid a collision. This will not necessarily prevent collisions in the future. While there are bilateral military protocols effective from the Obama period—aimed at both avoiding and managing incidents at sea—future collisions could result in a general escalation between combatants within the wider area.

In the best-case scenario for both Washington and the current government in Taipei, it is possible that they could successfully deter China from seeking to take Taiwan for the duration of Xi's reign.

A second possibility could also involve Chinese vessels deliberately ramming or attacking non-U.S. allied naval vessels conducting freedom-of-navigation operations in the South China Sea. China's unofficial media, such as the *Global Times*, have already threatened that this could happen to Australian naval vessels. While such an attack would likely trigger the mutual assistance provisions of America's formal defense treaties with its Asian allies, China might regard this as a lesser risk than a direct assault on an American naval vessel. Besides, such an attack could be carried out with enough ambiguity that the struck vessel would not be able to prove it was not an accident, making it more difficult for the United States to retaliate. A similar situation could arise in the air, with Chinese military aircraft colliding with American or allied planes—as happened with the 2001 EP-3 incident in the South China Sea.

The proliferation of Chinese coast guard, customs, fisheries, and intelligence vessels engaged in gray-zone activities to consolidate Chinese territorial and maritime claims across the South China Sea presents a growing number of possibilities for future incidents at sea. There are several hundred Chinese vessels engaged in such activities in the region at any one time, meaning the probability of incidents at sea continues to rise exponentially. These could also involve American treaty allies such as the Philippines, which has, together with Vietnam, the largest conflicting territorial and maritime claims against China. For these countries, the importance of these claims is not just theoretical, as they often center on areas crucial to their local fishing industries. Philippine vessels' response to Chinese actions would be less likely to adhere to the level of restraint adopted by the U.S. Navy, which has standing encounters-at-sea protocols in place with their PLAN counterparts. Should the Philippine domestic political climate take a turn toward more anti-Chinese populism, such confrontations between Manila and Beijing could easily escalate.

One further set of possibilities arises if China resumes its efforts to reclaim further "islands" in the South China Sea or continues militarizing the seven it has already built. China's last reclamation exercise began under President Obama when Biden was vice president, and Beijing was delighted it was able to succeed without any real American military resistance. China may be inclined to push the envelope once more. But given the radical change in the political environment toward China in Washington since that time, it is much more probable that the United States would provide a military response.

Perhaps one of the most likely scenarios would arise from a collision between Chinese and American naval vessels in the South China Sea. […] if any [such] incident did result in escalation, the integrated theater command structures governing both the Chinese and U.S. militaries would make fighting a strictly limited war very difficult.

The critical factor in all of these sub-scenarios is that their trajectories and outcomes, beyond the immediate triggering incidents themselves, are all uncertain. It was in an effort to deal with these uncertainties that the Obama Administration negotiated protocols with China on the management of both air and naval collisions referred to above. However, that was possible at a time when the bilateral political relationship, while fraught, was still stable. That is no longer the case. Furthermore, if any of these incidents did result in escalation, including the deployment of weapons systems, while it might be possible to quarantine any ensuing military exchange to combatants operating within the South China Sea, the integrated theater command structures governing both the Chinese and American militaries would make fighting a strictly limited war very difficult. All the political and military variables at play, including the nationalist sentiment, would likely push in the direction of escalating rather than containing any such conflict.

Scenario 7: Fighting Japan & the U.S. in the East China Sea

Under this scenario, the immediate combatants would be the two claimant states to the Senkaku/Diaoyu Dao Islands, located in the East China Sea: China and Japan. However, in the event of a conflict over the Senkaku Islands, Washington has already publicly declared that its mutual defense treaty with Japan would apply. This makes

any incident involving the collision of Chinese and Japanese vessels and aircraft particularly dangerous. The risk of escalation is both real and immediate. If America failed to militarily back Japan in any such conflict against China, it would automatically herald the demise of the U.S.-Japan defense treaty and could trigger a new debate in Tokyo on the need to rapidly increase its relatively constrained military expenditure or even acquire its own nuclear deterrent.

Under [Scenario 7], the immediate combatants would be the two claimant states to the Senkaku/Diaoyu Dao Islands, located in the East China Sea: China and Japan. In the event of a conflict over the Senkaku Islands, Washington has already publicly declared that its mutual defense treaty with Japan would apply.

Nonetheless, China is wary of Japan's current military (and particularly naval) capabilities, even in the absence of American intervention—as it would be politically catastrophic for the CCP to find itself in a war with its old foe Japan and not win decisively. Given the historical role Japan and its navy played in China's Century of Humiliation, failing again would destroy the CCP's legitimacy in the eyes of the people, especially given the decades of triumphalist propaganda. Japan's expanding naval and air capabilities, combined with the real risk of American military intervention are likely to continue to act as an effective deterrent against any preemptive Chinese military action.

Despite this, the scope and intensity of Chinese and Japanese naval, air force, coast guard, and other deployments have been increasing and are considerably greater than those between China and the U.S. in the South China Sea. China has ramped up the pace and scale of its incursions near the Senkaku/Diaoyu Dao Islands, with a total of 88 Chinese vessels entering Japanese territorial waters in 2020. By November 2020, Chinese coast guard vessels entered and operated inside Japan's contiguous zone for a total of 283 straight days in 2020, setting a new annual record. Japanese officials emphasize that this pattern of behavior continued to accelerate, oblivious to the state of diplomatic engagement between Beijing and Tokyo at any given time.

Moreover, while Chinese strategists may regard the East China Sea as only their third-most important territorial claim, Senkaku/Diaoyu Dao is still referred to in Chinese strategic literature as one of China's core interests. In an ideal world, at least from Beijing's perspective, the East China Sea problem with Japan could wait until after China demonstrated the finite limits of American power over Taiwan and the South China Sea, assuming that American failures there would lessen Japanese resolve. However, the history of international relations tells us that crises are rarely resolved in such a neat and linear sequence.

Chinese strategic thought normally cautions against provoking incidents across several fronts simultaneously, but China's decision in 2020 to increase the tempo of its activities across all its disputed boundaries (the East China Sea, the South China Sea, the Taiwan Strait, and the Indian border) as well as domestically (in Xinjiang, Inner Mongolia, and Hong Kong) provides a cautionary tale to us all. Indeed, the experience of 2020 points to a more fundamental factor at play in Chinese politics and geopolitics: if the party believes it is under threat at home, its default instinct is to demonstrate resolute strength abroad.

History also suggests that any incident in Sino-Japanese relations is capable of rapid political escalation, and the toxicity in the relationship dating from much of the twentieth century is still capable of triggering raw, nationalist responses on both sides. The bottom line is this: while the Sino-Japanese dispute over the East China Sea may receive less public attention in Washington and the West than Taiwan and the South China Sea simply because it is relatively well managed, the East China Sea remains inherently volatile. And if war were to erupt there, the global consequences of a likely involvement of the world's three largest economies would be profound, potentially sending Asian economic growth into a tailspin for a decade.

Scenario 8: A U.S.-China Conflict over North Korea

This may seem a remote possibility, but the absence of sustained international media attention on the future of the North Korean nuclear program since the 2018 Trump-Kim Jong-un summit in Singapore does not mean that the problem of North Korea has disappeared. Nor should we forget that the only time Chinese Communist forces have fought American troops was on the Korean Peninsula, when China judged that its immediate national security interests were at stake. From Beijing's perspective, there are immutable principles of strategic geography to consider when it comes to the Korean Peninsula, including a deep neuralgia about any adversary being able to threaten its continental territorial integrity. These concerns are reinforced by China's historical view that Korea lies within the ancient Confucian world—and now within China's legitimate modern sphere of influence. For these reasons, Beijing likely retains a series of redlines regarding any new American strategy toward North Korea.

But now that Trump's rolling circus act with Kim Jong-un is over, China may seek to help the U.S. apply further pressure on Pyongyang to dismantle its nuclear and/or missile program. However, if North Korea refuses, China will not apply any effective energy supply sanctions against the North to force any policy change. Beijing refused to do so in the past when Xi's relationship with Kim was in bad repair. And after several years of improved interpersonal relations between the two leaders, Xi will be even less likely to do anything dramatic that would worsen his hard-won relationship with Kim. Xi's bottom line is that as long as Kim does not point his missiles at China, his weapons program doesn't fundamentally harm China's wider national security interests. A North Korean nuclear capability would likely be exclusively targeted at China's strategic adversaries: the United States, Japan, South Korea, and even Australia. Complicating these countries' threat environment may enhance China's overall interests rather than the reverse.

In particular, China is adamantly opposed to the idea of a unified Korean state on its borders. With the possible exception of Russia, Beijing does not see any of its neighbors as sufficiently strong to challenge China's national security, foreign policy, or economic interests. China has no interest in changing the political status quo on the peninsula, even if it resulted in a neutral Korea and certainly not if it involved a pro-American, unified Korea. China's view would be unlikely to change even if a unified Korea was no longer formally allied to America. China may seek to position itself as South Korea's best security guarantee against any nuclear threat from the North, with Beijing working to limit Pyongyang's nuclear expansion in exchange for continued economic support for the regime. Ironically, China, rather than the United States, would then become South Korea's nuclear guarantor.

For these reasons, in the absence of any other negotiating leverage applied by Washington toward Beijing or any political implosion in Pyongyang, the Biden Administration will discover that, on the central question of the elimination of North Korea's existing nuclear arsenal and missile program, Xi Jinping is unlikely to be helpful. In fact, given the general deterioration in the U.S.-China relationship since 2018, Xi may actively seek to hinder any progress through his newfound warmer relationship with Kim Jong-un. This would represent a further setback in the U.S.-China relationship, but would be unlikely to result in any form of confrontation on the peninsula.

However, should Kim recommence his nuclear and/or long-range missile testing program, the U.S.-North Korea relationship would immediately be thrust into a new crisis. The United States would have to confront the reality of allowing North Korea to become a full-fledged nuclear weapons state, able to threaten nuclear blackmail against South Korea, Japan, Australia, and potentially other allies including the United States itself. This, in turn, would trigger regional debates across Asia on the need to develop independent nuclear deterrents in case the American nuclear umbrella proved insufficiently reliable—a different sort of strategic nightmare for China. Any such decision by the North could thus trigger several unforeseen consequences across Asia.

An alternative scenario would be for the United States to militarily preempt any such effort by North Korea to secure a full-blown nuclear and missile capability. However, if this happened, it would likely result in large-scale military action by the North against the South, risking a second Korean War. Once again, direct Chinese military engagement could result in support of the North against the South—including the South's principal ally, the United States. In early 2020s, such scenarios may seem fanciful, but that is based on the absence of a genuine North Korean effort to achieve a full nuclear break-out and produce nuclear-tipped missiles in large numbers. Any resumption of hardline American diplomacy toward North Korea could prompt just that. Biden's imperative is therefore to convince Beijing to forestall any such action by Pyongyang.

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Scenario 9: Xi's Optimal Plan

Under this scenario, by decade's end and in the lead-up to the 22nd Party Congress in 2032, Xi would have achieved all his major domestic and foreign policy objectives to the point of establishing China's regional and global preeminence. This would be accomplished without China facing any major political or economic setbacks or having to fire a shot. This is certainly Xi's optimal plan. To achieve it, the United States and its Asian and European allies would need to conclude that the sheer critical mass of China's strategic, economic, and technological weight had given it unstoppable momentum and that to arrest or even slow down its ascension would require a crippling expenditure of blood and treasure.

What would Xi's definition of success be under this scenario? Certainly, Xi's political position would be as secure as Mao's had been during his last decade in power, having "rectified" all his potential opponents within the party and having established a watertight surveillance state. Xi's economic model—while delivering suboptimal economic growth—would have still managed to stay sufficiently high, through rising private consumption and public investment, to narrowly avoid the middle-income trap and create the largest consumer market in history, drawing the rest of the world into its economic orbit. Xi's China would have achieved an early peak in carbon emissions by 2025 without upsetting domestic economic output and established a trajectory for reaching carbon neutrality as soon as 2050—becoming a leader on global climate-change action. Hong Kong would have been calmed and made compliant through the National Security Law, while its economy would have been absorbed as but one part of a Greater Bay Area economic zone incorporating Shenzhen and the rest of the Pearl River Delta. Xinjiang would also have been pacified, with no tangible response by the West.

> *Under [Scenario 9], by decade's end and in the lead-up to the 22nd Party Congress in 2032, Xi would have achieved all his major domestic and foreign policy objectives to the point of establishing China's regional and global preeminence.*

Taiwan would have concluded that America would not defend it, and Taiwanese domestic politics would include those conducting secret negotiations with Beijing on some form of greater Chinese confederation in the face of a China prepared to make a decisive move to take the island before 2035. On the South China Sea, China would have concluded its code-of-conduct negotiations with ASEAN and operationalized its first major joint maritime resource extraction projects with individual Southeast Asian states, thus securing de facto control of the South China Sea. China would also have declared an air defense identification zone over the South China Sea of the type it declared in the East China Sea in 2013. These combined actions would have increasingly rendered future freedom of navigation operations in the area futile in the eyes of regional states, as they became increasingly resigned to China's overall maritime and territorial claims. In the East China Sea, partly because of Japanese political and military resilience and despite the continued escalation in Chinese deployments to Senkaku/Diaoyu Dao, an uneasy status quo would have been maintained without conflict. South Korea would have moved more into China's strategic and economic orbit, creating even deeper splits in South Korean politics between right and left, while Xi Jinping would have succeeded in persuading North Korea to refocus its military threats away from Seoul and toward Tokyo and Washington. North Korea would have achieved its independent nuclear deterrent without an American preemptive strike. Center-left governments in Seoul would also have requested a reduction in American forces on the peninsula. Xi would have cut a deal over the Sino-Indian border with India's then leader, perhaps leveraging the threat of full-scale military action to secure the border on China's terms. China would then turn India into a new mass consumer market for Chinese goods and services while opening the Chinese market to India through a new free trade agreement. This would finally wean Delhi away from its strategic engagement with the United States, Japan, and Australia.

Taiwan would have concluded that America would not defend it [under Scenario 9], and Taiwanese domestic politics would include those conducting secret negotiations with Beijing on some form of greater Chinese confederation in the face of a China prepared to make a decisive move to take the island before 2035.

China would have become the largest economy in the world by a large margin, thereby accelerating its international acceptance as the next global economic superpower. China would also have secured military dominance over the United States across East Asia and the western Pacific, having sustained the pace of its military modernization program, completed its regional reorganization, and sustained its naval expansion plan. More broadly, across Asia, China would have leveraged its influence to succeed in joining the CPTPP trade agreement, while the United States continued to languish on the outside due to continuing protectionist political sentiments. By decade's end, Xi would also likely have given the green light to liberalize the Chinese capital account, including the floating of the Renminbi and the full and open circulation of the digital Renminbi globally, putting it on a path to become the preferred currency for global digital commerce. Xi would have scaled back the financial scope of the Belt and Road Initiative, turning it into a more sustainable infrastructure investment program.

In Europe, China would have built on its 2020 China-EU Investment Treaty (by then unfrozen and successfully ratified) with a comprehensive free trade agreement as it continued to peel the continent away from the United States on trade, investment, technology, capital markets, and ultimately digital commerce. As for the rest of the world, Africa would have progressively become China's long-term source of needed commodities and its next big consumer market after India. Brazil would be developed as China's long-term supplier of its iron-ore needs, Beijing having concluded that Australia was no longer secure because of its umbilical security relationship with Washington. Perhaps Afghanistan and Central Asia, successfully kept stable, would also contribute their vast mineral reserves to the Chinese economic machine. And finally, in what remained of the UN and the Bretton Woods institutions, China would have become the single largest source of finance for much of the global multilateral system, which would have become increasingly compliant with Chinese interests and values. Consequently, the UN Human Rights Commission would have been redirected toward American and Western failures rather than examining the political excesses of authoritarian states, and China would have succeeded at entrenching its set of global human rights norms that privileged collective economic development over individual rights.

What is the likelihood of such a scenario coming to pass? On the balance of probabilities, Xi's current prospects for success appear reasonable. However, this outcome depends on three critical variables. First, the success or failure of Xi's adjustment of China's domestic economic model in generating sufficient long-term, sustainable growth while avoiding social instability and also funding China's large-scale military needs. Second, the success or failure of China's new national technology strategy in closing the gap between Beijing and Washington on the critical technologies of the future—particularly artificial intelligence, semiconductors, and quantum computing. And finally, the (in)ability of the American system of divided democratic government to successfully rebuild American power at home and harness the collective energies of American allies abroad in order to meet the China challenge.

The jury is still out on the first and second of these. On the third (at least for now), the odds appear to lie with China. America and much of the rest of the collective West appear to have lost confidence in themselves, their mission, and future. The danger of this loss of common purpose is highlighted when contrasted with the ruthless discipline of China's Leninist state and the softening economic seduction of access to the world's largest market. In many respects, the greatest asset the CCP has is its ability to bluff the rest of the world into believing that China is much bigger, more powerful, and more fiscally solvent than it really is. In doing so, China successfully masked many of its domestic failures, weaknesses, and vulnerabilities from the rest of the world. To some extent, this masking strategy continues to succeed today, always capitalizing on a residual Western gullibility. Now, however, the gap between the image and the reality of Chinese power is much narrower than it was before, although a significant gap still exists.

Scenario 10: A Defeated and Humiliated Xi

It would be easy to assume that this scenario is simply the reverse of the previous. To some extent, that is true. But it would also involve Xi being judged harshly for failing on a wider set of domestic and foreign policy objectives. This would include an outbreak of factionalism within the party as a reaction to the series of party purges Xi has instigated since 2013. But more importantly, it would be defined by economic stagnation and static income levels, rising unemployment, and a once-vibrant entrepreneurial class now on a private investment strike. One further liability would be China's long-standing problem of its financial system stability, given a total debt-to-GDP ratio already standing at around 300 percent. Slowing growth would compound the problem of unsustainable corporate debt, and bank liquidity and the capacity of the system to sustain the collapse of financial institutions would be insufficient. This has long been the ticking time bomb within the Chinese financial system, fueled by debt-driven growth, threatening those whose projections for the future of the Chinese economy have always been naively bullish. Such a financial crisis would cause governments around the world to reappraise the scale and sustainability of the Chinese economic miracle, on which a raft of foreign policy and security policy judgments are being made. Furthermore, if China's political leadership continued to balk at the prospect of liberalizing the capital account and allowing its currency to be freely traded before decade's end, it would undermine China's efforts to replace the United States as the recognized center of the global financial system. Another major blow to Xi would be a significant forced retrenchment of the BRI, were it to become financially unsustainable, given that it is one of Xi's longest-running signature personal projects.

If China's political leadership continued to balk at the prospect of liberalizing the capital account and allowing its currency to be freely traded before decade's end, it would undermine China's efforts to replace the United States as the recognized center of the global financial system.

In foreign and security policy, Xi's ambitions would fail as a result of America's comprehensive international strategy that would respond effectively to Chinese pressure and include all Washington's major treaty allies and economies, such as India, Indonesia, and Mexico—a situation that the Biden administration took a step closer to achieving in June 2021 with a closer alignment on China through the G7. Under those circumstances, Xi would be critiqued internally for being too assertive too soon in China's development, thereby inducing a strategic reaction before China was able to prevail. Any movement to transform the Quad into a full-fledged quadripartite security treaty, resulting in Chinese strategic encirclement, would be criticized in the same terms among Chinese political elites. But as disastrous as that would be, any rapprochement between Russia and the United States would create the greatest levels of alarm in Beijing, given that China's freedom of strategic maneuver has, for decades, been predicated on the security of its long northern border. On human rights, failure would come from China being indicted before international tribunals for its treatment of its many ethnic minorities but particularly in Xinjiang. This would be seen as a major loss of face for both the party and the country. Further failure would result from large-scale protests in Hong Kong or elsewhere and any bloody repression of such unrest.

In foreign and security policy, Xi's ambitions [c]ould fail as a result of America's comprehensive international strategy that would respond effectively to Chinese pressure and include all Washington's major treaty allies and economies, such as India, Indonesia, and Mexico.

But the ultimate failure for Xi Jinping, as noted above, would arise from a military crisis with the United States that resulted in any form of Chinese defeat. This would be especially terminal if it occurred over Taiwan, as Xi's colleagues and competitors would round on him for producing a political and strategic catastrophe. The same would likely apply over any disastrous escalation of a crisis in the South China Sea. That is why any decision by China to escalate would probably be deeply calibrated against the likelihood of Chinese success and/or American retreat. The consequences for Xi's serious miscalculation in this regard would be career-ending. It is impossible to attach any degree of probability to this Xi-fails hypothesis. There are multiple permutations and combinations of what such a failure might consist of. And at this stage, comprehensive failure would appear to be more of a possibility than a probability. It is, nonetheless, one that haunts all Chinese political leaders, given the stark consequences that flow from it.

Four Additional Factors

None of these scenarios are definitive. It is not possible to predict which of these scenarios may come to pass during the decade ahead. There are simply too many moving parts in the overall strategic equation. But if there is no sustained counterstrategy from the United States over the next several administrations that effectively rebuilds American power, reenergizes alliances, and creates a credible global economic alternative to the long-term gravitational pull of the Chinese market, the overall trend lines appear to favor Xi's China.

The ultimate failure for Xi Jinping [...] would arise from a military crisis with the United States that resulted in any form of Chinese defeat.

However, of all the moving parts at play in these scenarios, there are four in particular that should be analyzed most closely: three domestic economic factors and one external, where the policy settings lie largely in Chinese rather than American hands. The first remains the long-term sustainability of the emerging Chinese economic growth model, given Xi's move to the left on Chinese economic policy, and the uncertain effects this will have on private-sector business confidence. The second is the extent to which China's rapid demographic decline brings about earlier-than-anticipated impacts on domestic consumption, labor market cost, and government finances. The third is whether China can succeed in closing the semiconductor manufacturing gap between itself and America and its allies, given that silicon chips underpin the future drivers of the global digital economy, military technology, and the artificial intelligence revolution. Finally, it remains to be seen how China will resolve its current internal dispute between its rising wolf warrior generation and its older traditional cadre of professional diplomats on how Chinese diplomacy should be conducted. How this is answered will determine whether Beijing continues to unite the liberal-democratic world against it or whether a return to an earlier, more positive pattern of global diplomatic engagement will allow China to fracture that coalition. Taken together with the future trajectory of American strategy toward China, these five factors will do much to determine the outcome of the great strategic race between Washington and Beijing over the course of the next decade.

The problem for all of us around the world is that five of the ten scenarios outlined here involve one form or another of major armed conflict. Wars radically change the course of human history, often in radically unpredictable directions. For example, the collapse of three global empires with world war and the rise of fascism and Bolshevism as a result. The international anarchy of the interwar years came with the absence of any effective international system, leading ultimately to World War II and then the rise of the U.S.-led order following World War II and its triumph in the Cold War over the Soviet Union. International developments of this scale were not in any way predictable beforehand, determined instead by the chaos of the battlefield.

Such profound geopolitical and military unpredictability should therefore weigh heavily on the minds of decisionmakers in both Washington and Beijing. As should the unknowable human and financial costs of war. For these reasons alone, it would be worthwhile for leaders to consider what measures might be available to manage the deeply engrained competitive impulses of China and the United States, thereby maximizing the prospects for continued peace.

A COP OF ACTION, A COP FOR ALL

Sultan Al-Jaber

CLIMATE change is an existential challenge. It threatens the global economy and the natural world. It creates and compounds national security risks, forces migration, and degrades human health. At the same time, climate action is a profound opportunity with immense economic, environmental, and social benefits. As the world continues to experience increasingly severe climate-related impacts, and as the positive benefits become only more apparent, the imperative for bold climate action has never been greater. The science, and the economics, are clear.

If the world is to change course, it needs to rethink, reboot, and refocus the global climate agenda. Global policymakers have convened 27 times over the last three decades for the UN Conference of the Parties to the UN Framework Convention on Climate Change (UNFCCC) to negotiate climate action. While these COP convenings have achieved progress, most notably through the Paris Agreement, the world is still a long way from its net-zero goals, and the urgency to act is growing by the day. Emissions must be halved by 2030 to remain on target. We only have another seven years to meet that goal.

The COP28 climate conference—to be held in the UAE in November 2023—must be a different type of gathering. The world is in a 'make or break' decade for global climate action. And the decisions and policies that governments put in place in the next seven years will have a profound impact on the world's ability to avert the worst impacts of climate change.

As host of COP28, the United Arab Emirates is acutely aware of its responsibility to bring diverse communities together at this consequential moment. We recognize that the low-carbon energy transition will be both an enormous challenge and a massive economic, environmental, and social opportunity. The UAE has learned a great deal since it successfully launched Masdar, the UAE's leading renewable energy company, in 2006. We will draw on our experience in pivoting towards renewables to help drive support for accelerated action. We are committed to an ambitious agenda that is grounded in pragmatism, results, and reform. Nothing less will be needed to put the planet on a more sustainable path. Fortunately, the world is past the point of debating whether to drive towards a decarbonized global economy. Now, the question is how to get there faster and together.

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Photo: Gulliver Image

Dr. Sultan Al-Jaber

A Bold and Pragmatic Transformation

The international community needs to embark on the global energy transition with speed and scale, but also with a greater sense of realism. Policymakers need to be clear-eyed about the nature of the challenge and the dangers of a disorderly transition. And they need to grapple with some uncomfortable realities about the road ahead.

The *first* reality is that the world is not on track to meeting its climate goals. The Paris Agreement established the goal of holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C. However, if all of the existing climate pledges, or Nationally Determined Contributions, filed with the United Nations Framework Convention on Climate Change (UNFCC) are met, temperatures will still rise by about 2.5 degrees. Governments need to raise their ambitions and, more importantly, turn ambition and words into action. Investments and concrete projects are needed to deliver on pledges.

> *The world is in a 'make or break' decade for global climate action. And the decisions and policies that governments put in place in the next seven years will have a profound impact on the world's ability to avert the worst impacts of climate change.*

The *second* is that the energy transition will be the most difficult industrial transformation in history. It will require a rapid and fundamental rewiring of the global economy, demanding changes to nearly every aspect of modern society. Every nation will need to rethink how it grows food, manufactures products, generates electricity, heats and cools buildings, and provides transportation—all for a global population that is expected to grow to over nine billion by 2050.

While each of these systemic changes is in itself a major undertaking—with clear upfront costs—the benefits in the long-term far outweigh the costs in the short-term. Innovation spurs economic growth, creates jobs and livelihoods, and boosts productivity.

The transformation of the global energy system will not happen at the flip of a switch. And policies that aim to pull the plug on the existing energy system before a new one is built is a recipe for future energy crises. Consider that in 2019, over 80 percent of the world's energy came from fossil fuels, according to Our World in Data. By comparison, wind produced 2.2 percent, and solar produced just over 1 percent of the world's energy. To be clear, the world needs to be increasingly powered by renewables—solar, wind, geothermal, tidal, and biomass. And this change is already underway, with growth in renewables far outpacing investments in other areas year upon year. But there is a lot of ground to be covered as renewables catch up to and overtake hydrocarbons. Even under the most ambitious energy transition scenario, the world will still need some oil and gas, potentially for decades to come.

A *third* reality is that governments need to do more than just scale already-green industries like electric vehicles and renewable energy. They also need to clean up the high-emitting and hard-to-abate sectors, like cement, aluminum, steel, petrochemicals, and fertilizers. In many cases, these sectors are inherently carbon-producing, and there are no easy, cost-effective means to decarbonize them. Therefore, these sectors all need greater incentives for greener (if not necessarily green) activities. It will also be crucial to mobilize the industrial and infrastructure expertise of the energy sector. We need the oil and gas giants of today to invest in the energy systems of tomorrow, leveraging their vast networks, experience, resources, and reach in the process.

> *The energy transition will be the most difficult industrial transformation in history. It will require a rapid and fundamental rewiring of the global economy, demanding changes to nearly every aspect of modern society.*

For this to be possible, however, these players need to have a seat at the table. Energy companies and other high emitters need to remain engaged in global climate talks. After all, these companies will have an outsized impact on the speed and trajectory of the transition. They will play a much more constructive role in the energy transition if they are not restricted or discouraged from participating. Of course, energy companies must do more to earn the public's trust on climate. They cannot simply issue empty words that deflect from their responsibility to take action. They need to make concrete commitments and develop transparent plans for how to implement change.

The *fourth* reality is that the world is going to experience climate-related weather shocks for many years to come because of the greenhouse gasses that have already accumulated in the atmosphere. This would be true even if emissions were cut to zero tomorrow. What this means is that governments need to double down on adaptation and resiliency efforts, like water conservation measures, weatherizing power lines, and reinforcing sea walls to protect coastal communities. The Global Commission on Adaptation also estimates that investing $1.8 trillion in adaptation over a decade will generate over $7 trillion of net long-term benefits.

This will be especially important in the Global South, where many developing economies are disproportionately threatened by climate shocks due to lower levels of economic development and weaker infrastructure. In Pakistan, for example, the unprecedented flooding last year—which affected 33 million people and killed over a thousand—was made much worse because of old drainage and sewerage systems. Rich countries have a special responsibility to rectify a fundamental injustice—that those least responsible for climate change are bearing its worst effects—through Loss and Damage support.

For the energy transition, the focus on adaptation and resilience must be baked into investments and actions. As we roll-out new infrastructure projects, the threat of climate impacts must be factored into consideration and accounted for. The UAE's recent investment in Antigua and Barbuda, resulting in hurricane resistant renewable energy systems, is a good case in point. Only a few years ago, the island of Barbuda was devastated by Hurricane Irma. With many small islands residing in storm-prone regions, such resilient infrastructure will only be more important going forward.

The Climate Opportunity

There is no doubt that unabated emissions will create new and serious risks. But while it is essential to acknowledge and deal with the dangers of a warming world, it is equally important to recognize and harness the opportunities that will arise from the energy transition. Businesses, governments, and civil society all have an important role to play.

Increasingly, CEOs understand that climate risk is material, and that embracing sustainable business practices means getting ahead in a net-zero world. Companies that act now—investing in low-carbon solutions, reconfiguring their supply chains, and holistically re-examining how they do business—will gain a strong competitive advantage over those that sit on the sidelines.

We need the oil and gas giants of today to invest in the energy systems of tomorrow, leveraging their vast networks, experience, resources, and reach in the process. For this to be possible these players need to have a seat at the table.

The global energy transition will ultimately be a multi-trillion-dollar opportunity that will create new jobs, new firms and entirely new industries in response. These jobs will span sectors from electrical efficiency, automotives, and grid modernization.

Governments also have an opportunity to achieve broader economic and social benefits from the energy transition. For example, governments that design and implement carbon pricing systems have the potential to raise significant amounts of revenue. In 2020, governments raised over $50 billion from such schemes. This money can ultimately be channeled to investments in public priorities, like education and infrastructure.

The energy transition also has the potential to dramatically improve the world's health. If governments are able to meet the goals of the Paris Agreement, roughly a million lives a year could be saved worldwide by 2050 through air pollution reduction alone, according to estimates by The World Health Organization. In addition, meeting the Paris goals could, over the long term, reduce the spread of vector-borne diseases, such as malaria.

The global energy transition will ultimately be a multi-trillion-dollar opportunity that will create new jobs, new firms and entirely new industries in response.

Lastly, there is an opportunity to reduce the growing trend of climate-induced weather shocks and the instability that can follow. Increasing climate finance to countries, particularly in the Global South, will protect some of the world's most vulnerable populations and spread the benefits that will result from the global energy transition.

Pragmatic Decarbonization & Energy Transition in the UAE

The UAE is acutely aware of the need to transition to a more sustainable economy for all. Its experience and record can help to show the way for other countries to develop low-carbon solutions—innovating the climate technologies of the future and offering a model for other oil-producing nations to follow.

Take its efforts on renewable energy. The UAE began initial investments in the renewable energy space over 16 years ago. Today, it operates three of the largest and lowest-cost solar plants in the world. To date, the UAE has invested $50 billion in renewable energy in over 70 countries and has pledged to invest over $50 billion in clean energy projects at home and abroad over the next decade, especially in the Global South.

Or look at the country's efforts to incorporate nature-based climate solutions. The UAE is investing in a significant expansion of the country's mangroves, which have the triple benefit of preventing coastal erosion, encouraging biodiversity protection, and serving as natural carbon sinks that capture roughly four times more carbon per hectare than rainforests, because they capture carbon day and night as opposed to only daytime. The UAE is well on its way to the goal of 100 million mangroves planted by 2030.

Another way that the UAE is leading is through investments and innovations in new zero-carbon fuels. For example, the country is a pioneer in the exploration of hydrogen—a fuel that currently has a limited market, but that could form a significant segment of the energy system within the next 20 years. The UAE has six hydrogen projects worth $1.7 billion under development, and is on track to significantly increase its market share of the world's low-carbon hydrogen.

To date, the UAE has invested $50 billion in renewable energy in over 70 countries and has pledged to invest over $50 billion in clean energy projects at home and abroad over the next decade, especially in the Global South.

With these investments in emerging technologies, the UAE aims to become a competitive global supplier of hydrogen and expand the hydrogen value chain. Already, the UAE has delivered demonstration shipments of low-carbon ammonia to Germany, South Korea, and Japan.

In addition to promoting inherently green sectors, the UAE is leading groundbreaking efforts to decarbonize the high-emitting sectors. For example, the UAE developed, Al-Reyadah, the region's first commercial-scale carbon capture, utilization and storage (CCUS) facility, which captures and processes some 800,000 tons per year of CO2 from Emirates Steel Industries.

These efforts, combined with geographical conditions, mean that the UAE's hydrocarbons are among the least carbon-intensive in the world. The carbon intensity of its crude grade (Murban) is less than half the industry average, and the UAE is committed to reducing the carbon intensity of its operations a further 25 percent by 2030.

The UAE's efforts are guided by an understanding that the climate challenge will be solved not by empty promises, but by technological progress, engineering breakthroughs, and practical solutions that reduce emissions. The UAE has always seen climate action as an opportunity. And that opportunity will present itself in historic form this year at COP28.

Vision for COP28

COP28 will mark the conclusion of the first Global Stocktake of the Paris Agreement. While we cannot prejudge the final outcome, all current metrics show major gaps between stated ambition and current reality. How the world responds to this assessment will define success or failure in this crucial decade for the climate and will build momentum for future progress.

The UAE will use the COP28 Presidency to respond to the Global Stocktake with a pragmatic, solutions-oriented and science-based approach. This will be a COP for Action and a COP for All, built on a foundation of scientifically backed, innovative solutions, and built on the principles of pragmatism and inclusivity.

Ultimately, the world must move from an era of global pledges to one of national and local implementation. This will include the energy transition, but also solutions geared toward food and land use systems reform.

The UAE's vision is five-fold. *First*, we will work to create a more inclusive process, and a more accessible conference. COP28 will leverage the diverse views of the various stakeholders across government, the private sector, and civil society. It will incorporate voices and expertise from youth activists and indigenous communities to NGO leaders and corporate CEOs. It will solicit input and solutions from the Global South as well as the rich industrialized nations, and work to build consensus among all parties.

Second, we will push for mitigation solutions to reduce the world's emissions. COP28 offers an opportunity to raise ambitions and deliver on the promises of previous conferences, and an imperative to prevent countries from backsliding. It is critically important for governments to develop enhanced emissions reduction commitments ahead of the conference. But ultimately, the world must move from an era of global pledges to one of national and local implementation. This will include the aforementioned energy transition, but also solutions geared toward food and land use systems reform.

Third, we will create the conditions to deliver the Global Goal on Adaptation and help to ensure that the world is prepared for the warming that is already here. We aim to accelerate the doubling of adaptation finance, from $20 billion to $40 billion. As climate-related weather shocks become more frequent and more damaging, adaptation and resilience efforts will become ever more essential.

Fourth, we will advance the operationalization of the 'Loss and Damage' Fund that was approved at COP27. In November 2022, governments agreed to set up a dedicated fund to assist vulnerable countries respond to the impacts of climate change—those that cannot be addressed by adaptation efforts alone. Now, the task is to operationalize these commitments with financing mechanisms and technical support.

Fifth, we must ensure better, more efficient, and more equitable access to climate finance. Transforming the global energy system will demand trillions every year and require governments to answer the call of the international community for inclusive reform of the multilateral financing system. Finance will be the key that unlocks many of the technological breakthroughs and climate solutions needed to change course. It will unlock the mitigation efforts that help countries transition to clean sources of energy. It will unlock the adaptation policies that prepare for the warming world, and the loss and damage money to support the most vulnerable populations. Governments, international financial institutions, and private finance will all play a key role.

If the world can raise ambition and accelerate action, it will represent a real sign of progress for the planet—yet one that is ultimately inadequate to the challenge posed by climate change. If, on the other hand, the international community can come together with higher ambitions, a clear way forward and the political will to implement, then the planet can truly be put on a better and more sustainable path. The COP28 promises to be the moment for just that. And the UAE intends to deliver.

CAUTIOUS OPTIMISM AT TURTLE BAY

Richard Gowan

IN December 2022, something unusual happened to me in Seoul, Korea. I was briefing a longstanding diplomatic contact about the impact of Russia's war on Ukraine on the United Nations. After I praised some of the ways that UN officials were trying to handle the fall-out of the war, my contact chuckled: "You have become an optimist about the UN," he smiled.

I have not often been accused of optimism about multilateral affairs. Having worked on UN affairs in New York since 2005, I have had the misfortune of watching the organization stumble unhappily through a worsening series of crises. The Security Council has struggled to deal with wars from Syria to Ethiopia. It has done little better dealing with challenges ranging from the 2021 coup in Myanmar to a recent surge of criminal violence in Haiti. UN peacekeepers are struggling to contain insurgents in countries such as Mali and the Democratic Republic of Congo.

It has been hard not to react to these trends with gloom. "If there is one thing that diplomats at the United Nations in New York can agree on," I wrote in these pages five years ago, "it is that the Security Council is in an unholy mess. They simply cannot agree on who is to blame."

For many observers, Russia's full-scale invasion of Ukraine in February 2022 looked like a final nail in the UN's coffin. The Security Council held a series of urgent meetings in the run-up to the offensive, but while Kenya's ambassador warned that multilateralism was on its "deathbed," Russian diplomats ignored other members' calls for restraint. Once the invasion was underway, Moscow predictably used its veto to block any criticism of its aggression. This did not stop Ukraine's allies using the forum as a platform to denounce Russia—the Council held roughly 50 meetings on Ukraine in 2022—but in so doing, they

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Photo: Gulliver Image

The United Nations headquarters at Turtle Bay, New York

highlighted its innate impotence in a conflict involving one of its five permanent members. Speaking to the Council by video-link in April 2022, Ukrainian President Volodymyr Zelenskyy told the assembled diplomats that they should dissolve the body if it could not restrain Russia. The challenge stung badly.

THE ROOTS OF (CAUTIOUS) OPTIMISM

So how could anyone find reasons to be optimistic about the state of the UN? There are three basic answers to this question. One is that, despite the Security Council's paralysis, solid majorities of UN Member States have used other parts of the multilateral system—most notably the General Assembly—to criticize Russia firmly and repeatedly. Secondly, UN officials including Secretary-General António Guterres took concrete steps to mitigate the effects of the war both inside Ukraine and globally, culminating in the UN-Turkish mediation of the Black Sea Grain Initiative, which has allowed Kyiv to ship food supplies to world markets. Third and last, despite its profound rifts over Ukraine, the Security Council has managed to keep working on other major challenges, such as the humanitarian crises in Afghanistan and Syria.

It could have been worse. On the eve of Russia's offensive in February, it was not clear that UN members would rally behind Ukraine with much conviction. In 2014, Ukraine tabled a General Assembly resolution rejecting Russia's takeover of Crimea but could only persuade 100 of the body's 193 members to back it. Diplomats interpreted this narrow majority as a de facto defeat for Kyiv, especially as a bulk of non-Western countries did not endorse the initiative. While the Assembly passed annual resolutions reaffirming Ukraine's sovereignty over Crimea between 2015 and 2021, the number of states backing them dwindled to between 60 and 70. Writing in January 2022, I predicted that a larger number of UN members would express support for Ukraine in the case of a full-scale Russian invasion, this support would again fade away fairly quickly. Moscow, I thought, would simply shrug off the criticism.

It was also far from certain in early 2022 that Secretary-General Guterres and other UN officials could or would play a significant role in the event of war. Since taking office in 2017, Guterres has developed a reputation for taking a cautious approach to crisis management. He faced particular criticism from Western diplomats in 2020 and 2021 for taking a risk-averse approach to the civil war in Ethiopia, which has claimed hundreds of thousands of lives. The UN chief initially seemed inclined to take a similarly hands-off approach to Russia and Ukraine, making cautious calls for calm in the first weeks of the year. Western officials complained that Guterres failed to use the opportunity of a meeting with Russian President Vladimir Putin at the Beijing Winter Olympics to address the threat of war. UN officials grumbled that their boss seemed passive.

Despite the Security Council's paralysis, solid majorities of UN Member States have used other parts of the multilateral system—most notably the General Assembly—to criticize Russia firmly and repeatedly.

As for the Security Council, many diplomats—inside and outside the forum—predicted that a Russian offensive against Ukraine would render diplomacy over other crises unfeasible. It was true that the Western powers and Russia had managed to prevent earlier crises—including the Syrian war and Moscow's initial intervention in Ukraine in 2014—from derailing cooperation on other issues such as peacekeeping in Africa. Some believed that this so-called "compartmentalization" could continue. But others predicted that a no-holds-barred Russian offensive, and ensuing Western sanctions, would inflict more fundamental diplomatic damage. It seemed probable, for example, that a breakdown between Russia and the West would make it impossible to agree resolutions on situations—such as Libya or Bosnia and Herzegovina—where East-West friction was already a regular feature of UN negotiations.

The war thus had the potential to do widespread harm to large parts of the UN system, and UN political and humanitarian efforts well beyond Ukraine. Why was the damage limited?

In the General Assembly and other UN forums, such as the Human Rights Council, Ukraine and its allies moved quickly to gather support for early condemnations of Russia. Ukrainian and Western officials had learned the lessons of 2014, and were well-prepared to mount what one European official described to me as a "Palestinian" strategy (referring to the Palestinians' ability to muster large majorities for resolutions in the General Assembly, despite Israel's military superiority on the ground). At the beginning of March, 141 UN members backed a resolution condemning Russia's aggression in the General Assembly. A condemnation from the Human Rights Council soon followed. This was in part because UN members from all parts of the world were genuinely shocked by Russia's actions. Many had previously assumed that Putin was bluffing about a potential offensive (as, UN officials admitted, had Secretary-General Guterres). But the level of backing for Ukraine was also a product of a huge push by European and American officials, up to and including U.S. President Joseph Biden, who worked the phone with at least one head of state to secure their vote for this resolution.

This was an impressive diplomatic effort, but it is arguably more impressive that Ukraine and its allies managed to maintain a solid level of support at the General Assembly throughout 2022. Many of the delegations that voted to condemn Russia in March may have thought this was a one-off display of moral principles, and that the war would end (most likely on Moscow's terms) sooner rather than later. As the war dragged on longer than expected, Western diplomats detected evidence of "Ukraine fatigue" among their African, Asian, and Latin American counterparts, who wanted to avoid serially condemning Moscow. Only 93 General Assembly members backed a resolution suspending Russia from the Human Rights Council in April 2022. Non-Western officials also started to question why Ukraine appeared to be overshadowing other priorities, not least the global food price crisis and climate change. G20 members China, India, and South Africa notably avoided voting against Russia at the UN.

Yet, when Putin announced Russia's "annexation" of parts of eastern and southern Ukraine in September 2022, Kyiv and its allies were once again able to pull together a strong majority in the General Assembly—this time 143 members—to back a resolution declaring the move illegal. This success was in part a reflection of Russia's brazen disregard for the UN Charter, which declares that the principles of sovereignty and territorial integrity are sacrosanct. But it was also the product of smart Western efforts to allay some non-Western concerns. The United States and the EU, for example, invested heavily in diplomacy around global food issues through the summer, emphasizing that they could focus on Ukraine and global problems simultaneously. This was still not enough to win over some countries—such as India and South Africa—which Western officials had hoped to bring on board. But it was sufficient to undercut President Putin's claims to be leading an "anti-colonial" bloc against the West.

It is sadly obvious that these General Assembly resolutions did little to shape Russia's military operations in Ukraine (nor had their sponsors expected them to). But these displays of global opprobrium for Moscow's actions have helped define international narratives about the war. In November, G20 leaders agreed to a delicately worded communique at their annual summit in Indonesia, citing the General Assembly's position against Russia's invasion of Ukraine. Even Russia, which could have torpedoed the statement, acquiesced the text. While the General Assembly remains a talking shop, it can still shape global conversations about war and peace.

> *It is sadly obvious that General Assembly resolutions did little to shape Russia's military operations in Ukraine. But these displays of global opprobrium for Moscow's actions have helped define international narratives about the war.*

Secretary-General Rises to the Occasion

While also expressing outrage over Russia's breaches of the UN Charter, Secretary-General Guterres has found more practical ways to mitigate the war. It took time for Guterres to get a hearing in Moscow and Kyiv in the early phase of the war (reinforcing concerns among UN officials that the body was marginalized) but he was able to visit both capitals in late April. He scored an early diplomatic win by persuading President Putin to accept an agreement, previously prepared by Red Cross officials, to allow the evacuation of civilians from the besieged Azovstal steelworks in Mariupol.

He also appears to have used this trip to sow the idea of the Black Sea Grain Initiative—under which Ukraine has been allowed to ship grain from Odesa and other ports still under its control despite a Russian naval blockade—although this did not come to fruition until late July. The implementation of this bargain, which included a side-deal under which the UN committed to help Russia export its own agricultural products and fertilizers to global markets, has been contentious. Moscow briefly withdrew after a Ukrainian attack on the Black Sea Fleet. Kyiv has accused Russia of exploiting technicalities to slow the passage of cargo ships through Bosporus. Nonetheless, by the end of 2022, over 550 grain shipments had taken place, and Secretary-General Guterres could claim to be one of the few figures to have secured some meaningful concessions from Moscow in the course of the war.

However, this was not the Secretary-General's success alone. The grain initiative would likely never have come together had Türkiye not been involved in the mediation process (President Putin has at times framed the deal as a bilateral bargain between Moscow and Ankara, perhaps because he does not feel it is fitting for a big power to rely on UN assistance). The Secretary-General himself has repeatedly rejected suggestions from optimistic UN member states that he could leverage the deal to mediate a political solution to the war. Nonetheless, UN officials and diplomats agree that Guterres and a small circle of his advisers played an important role in hashing out the grain agreement, getting unusually involved in details of issues like maritime insurance. In so doing, he has partially shaken off his previous reputation for caution.

> *While the General Assembly remains a talking shop, it can still shape global conversations about war and peace.*

Beyond Guterres and his inner circle, many UN officials and agencies have also found ways to serve Ukraine as best they can. There have been over 1,000 UN staff in Ukraine throughout the war, including some in Russian-controlled regions. Some of their work—most obviously the efforts by the International Atomic Energy Agency (IAEA) officials to avoid a disaster at the Zaporizhzhia nuclear plant—have been well-publicized. Other relief efforts, such as a program to get cash aid to vulnerable Ukrainians, has been overshadowed (quite justifiably) by stories about how the country's civil society has worked to help those in need. Relations between the government in Kyiv and UN agencies have not always been smooth: Ukrainian officials have been resolute in insisting that they have the authority to give the UN instructions, not vice versa. That may have been a surprise for some UN staff used to dealing with weaker and more pliable national authorities. Nonetheless, at an October 2022 meeting of UN agencies in Italy, I was struck to hear about the variety of issues—ranging from urban reconstruction to labor relations—on which parts of the UN system were assisting Ukraine.

If Guterres has been able to navigate the Russian-Western split over Ukraine, it is in part because the Secretary-General has a pragmatic sense of how power and national interests shape diplomacy. The importance of interest-based diplomacy has also been on display in the Security Council, where Russia and its geopolitical opponents have not allowed their differences over Ukraine to stop them from compromising (albeit grudgingly) on other situations.

Deadlock Prevention (and its Limits)

Contrary to predictions that Russia's assault would bring the Council as a whole to a halt, the body has kept up its previous practice of "compartmentalization" between crises. One very brief statement of support for Guterres in May aside, the Council has not been able to agree anything on Ukraine in 2022. By contrast, it has managed to pass resolutions on other problems—such as maintaining UN support to Afghanistan under Taliban rule, stabilizing Somalia, and sanctioning criminal gangs in Haiti—at roughly the same rate as it did in 2021.

Russia only used its veto twice on issues other than Ukraine in 2022, once on North Korea and once on Syria. While the Russians have often pointedly abstained on other initiatives they dislike, they have seemed keen to avoid completely cutting off diplomatic discourse with the Americans and other Western powers at the UN. China has encouraged the Russians not to act as spoilers on issues such as Afghanistan, where Beijing sees its own national interests at stake. France has played a similar role on the Western side, counseling the U.S. and UK not to force Russia into more vetoes than necessary. The Council's elected members have also urged their permanent counterparts not to trash the body's reputation. Overall, it appears that all the Council's members—large and small—see some reason to show that UN diplomacy can still work.

Weary Council diplomats warn against overestimating the body's resilience. They admit that the body has largely sidestepped addressing some of the hardest problems on its agenda—such as how UN peacekeepers can halt the deteriorating security situation in Mali—while devoting time and energy to arguments over Ukraine. The war has also sparked widespread calls for reforms to the institution. President Biden surprised other leaders by calling for Council reform in his annual address to the General Assembly in September 2022. This was a smart move, as it captured a broader sense of discontent among the UN membership. But it may presage trouble ahead, as it is very unlikely that the United States and its allies will be able to agree on a formula for Security Council reform that China and Russia will also agree to (all five permanent members must ratify reforms to the UN Charter before they come into effect). Even if the Security Council has weathered the first year of Russia's war on Ukraine better than seemed likely, it would be foolish to argue that the Council has not suffered a significant quantity of reputational damage along the way, and may yet suffer much more.

Any morally serious account of the war to date must recognize that Russia has demonstrated the innate weaknesses of the UN Charter through its invasion, and that the UN has in many ways failed the Ukrainians.

If there are reasons to feel optimistic about the state of the UN at the start of 2023, it must obviously be a very cautious and caveated sort of optimism. Any morally serious account of the war to date must recognize that Russia has demonstrated the innate weaknesses of the UN Charter through its invasion, and that the UN has in many ways failed the Ukrainians.

Keeping One's Hopes in Check

If I have found myself sounding uncharacteristically upbeat about the UN's performance, as my Korean interlocutor noted, it may be because my expectations for the body were never that high to begin with. If you watch the UN for the best part of two decades, you learn to keep your hopes for multilateralism in check. In a paper on "major power rivalry and multilateral conflict management" for the Council on Foreign Relations published in December 2021—but completed largely before Russia's plans for Ukraine started to become clear in the public domain—I argued that competition between China, Russia, and the United States was already curbing the potential of bodies like the UN. But I also posited that "these institutions still have a role to play in limiting and mitigating major power competition in acute crises and providing frameworks for limited but useful cooperation elsewhere." This diagnosis has held up fairly well over the last year. The UN has found ways to mitigate and contain the impact of Russia's war on Ukraine—such as the Black Sea Grain Initiative—while still offering a framework for China, Russia, and the

Western powers to find a minimum of common ground on situations like Afghanistan. Without the UN to act as a clearing house for this sort of imperfect compromise and cooperation, the war could have created even more suffering.

This may sound like a weak defense of the UN to those who, quite rightly and laudably, demand more from the organization. But it echoes the famous phrase often (although perhaps inaccurately) attributed to the organization's second Secretary-General Dag Hammarsjköld: "The UN has not been created in order to bring us to heaven, but in order to save us from hell." The UN has not saved Ukraine from hell. We cannot be confident that there is not worse suffering ahead. But the UN has at least offered a degree of relief to many vulnerable people—from the civilians evacuated from Azovstal to those facing hunger due to high food prices in Africa—despite Russia's war on Ukraine. That is no reason to feel complacent. It is a good enough reason to feel slightly optimistic about the United Nations.

Tough New Beginnings

The EU's Bold Leap Towards a Better Energy Future

Susi Dennison

ENERGY ministers in the European Union have a tough job this winter. They face at least three daunting challenges: continuing to reduce energy dependence on Russia, and avoiding EU member states being tempted back to former Russian supply lines in a tight economic environment; building new partnerships with third countries around green tech and critical raw materials, to protect European energy security in the long term; and implementing the measures in the Fit for 55 package that can bring the European Green Deal to life. All three challenges are closely related to higher energy prices in Europe and require significant investment in their own right: in infrastructure, in welfare support to help struggling households and businesses, and in political and diplomatic commitment.

When the European Commission launched its International Energy Strategy in May 2022, its big—if not the main—takeaway was the inclusion of the REPowerEU plan. The plan set out an ambitious narrative that the EU can have it all—a climate transition away from fossil fuels, an energy transition to diversify its suppliers, and manageable energy prices. It centers on the five goals of energy efficiency, geographical diversification of the EU's energy dependencies, an accelerating transition to clean energy, smart investment, and increased preparedness for future energy shocks.

Aside from energy efficiency (which relies on reductions in consumption within the EU), these goals will only be achievable through a transformation of the EU's relationships with countries

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Photo: Gulliver Image

Green energy and activism gaining ground in the European Union

in its neighborhood. Accordingly, they will redefine the union's foreign policy priorities. If EU energy ministers are to meet the challenges they face, they will need to work with their foreign ministry colleagues: all the external arms of the EU—in all the relevant institutions in Brussels and member state capitals—should engage with REPowerEU.

Even if the EU does not impose further sanctions on Russia's energy sector, the new plan will have major implications for its relationships with key energy suppliers. The eventual fall in demand for fossil fuels resulting from Europe's transition to renewables will have an impact on global oil and gas markets, reducing energy exporters' revenues in the long term.

A greener Europe will also be more dependent on imports of the products and raw materials that serve as inputs for clean technologies. For example, rare-earth elements, of which China is the largest producer, are essential to battery production.

The EU needs a foreign policy strategy to manage all these efforts, to build the political resolve to manage the geopolitical dimension of the European Green Deal, and to use diplomacy to guide sustainable financing for climate adaptation and resilience. European leaders should urgently work with their counterparts in the EU's neighborhood to develop a concept of energy security focused on clean and transition fuels, as well as industrial transformation. For example, actors such as China, Turkey, Russia, and the United States are all competing for access to Africa's minerals and clean energy resources. If the EU takes too long to strengthen its partnership with the African Union, this will heighten the risk of African economies falling prey to an extractive model that hampers the green transition even as the rest of the world profits. The EU also urgently needs to understand REPowerEU's implications for the dynamics of cooperation between member states and their key energy suppliers.

The new plan will have major implications for its relationships with key energy suppliers. The eventual fall in demand for fossil fuels resulting from Europe's transition to renewables will have an impact on global oil and gas markets, reducing energy exporters' revenues in the long term.

Initiatives to implement the plan are currently limited by European institutional capacity and a lack of collaboration between EU entities. This includes coordination between EU institutions in Brussels and member state capitals, as well as that in third countries between EU delegations and national embassies, to ensure that energy and climate diplomacy is central to the promotion of European interests abroad. The EU needs to increase the number of personnel who work on the implementation of a green grand bargain within ministries of foreign affairs and the European External Action Service, and should ensure that European diplomats who work on energy and climate issues understand the economics of green development. Brussels and member state governments should reinforce these efforts with contributions from all relevant departments, including those responsible for energy, the environment, finance, trade, agriculture, transport, and development.

The vision set out in REPowerEU is only the first step in transforming the EU's energy strategy. Its implementation will require a wholescale renovation of European leaders' approach to climate and energy diplomacy. As such, REPowerEU should help shape the structure of the next European Commission (which will take office in 2024)—and should push the European Council to ensure that member states are engaged and empowered in this new way of working. The stakes are high: Europe needs a form of diplomacy that can support sustainable energy security. Should it fail to address such a pressing need in turbulent times, its citizens will question its value.

The Endangered Green Agenda

While the REPowerEU plan set out the EU's ambition for a broader definition of energy security with clean energy at its core, the prospect of widespread energy deficits as a result of Russia's willingness to weaponize energy, have prompted a focus away from green ambitions in the near term and towards short term measures to secure like for like energy sources—fossil fuels from non-Russian sources in the near future.

The headline proposal from the June 2022 G7 meeting was the first commitment to explore the possibility of a global cap on the price of Russian oil. Designed to prevent Russian firms from selling oil to countries that have not imposed sanctions on Russia, the measure was intended to hamper the Kremlin's ability to replenish its war chest in Ukraine. The proposal capitalized on the public mood in Europe. In a June 2022 public opinion survey the European Council on Foreign Relations conducted in ten European countries, 70 percent of respondents supported further sanctions on Russia, with 63 percent favoring an end to all imports of Russian fossil fuels.

This feeling may even have grown since the poll took place—due to a growing number of Russian atrocities in Ukraine. But, for the price cap to fully work, many nations outside the EU and the G7 would need to enforce it. And many countries in the global south and elsewhere continue to undercut Western efforts to sanction Russia. One challenge, then, is how to get them on board.

For the oil price cap to fully work, many nations outside the EU and the G7 would need to enforce it. And many countries in the global south and elsewhere continue to undercut Western efforts to sanction Russia. One challenge, then, is how to get them on board.

Furthermore, the G7 communiqué reflects Western states' focus on protecting their short-term energy security through continued reliance on fossil fuels. This was evident in German Chancellor Olaf Scholz's push to include investment in the gas sector as an "appropriate temporary response" in the G7 communiqué—undoing months of efforts to remove gas from the EU's taxonomy of clean investments. It is also clear from the fact that Austria, the Czech Republic, Germany, Greece, the Netherlands, and Poland are some high profile examples of having recently extended the life of their coal-fired power plants.

By contrast, through 2022 EU leaders appeared relatively unfocussed on the need to immediately scale up clean-energy investment and production capacity, in line with the RePowerEU plan, in order to keep on target for their decarbonization goals by 2030 and 2050. Their shared understanding that this will be fundamental to Europe's long-term energy security seems to have given way to panic about possible energy shortages.

EU member states will need to back up their words with the level of funding needed to rapidly develop clean sources of energy. Furthermore, they will need to do this collectively, by creating a next-generation energy union that benefits from economies of scale.

Clean energy investment has not been a major theme of EU energy and environment ministers' meetings through 2022. They of course made some progress in their ambitions for, and commitments to, the climate agenda in other areas. The energy policymakers set higher targets for energy efficiency and renewables under the Fit for 55 package, while the environment ministers confirmed that, by 2035, only zero-emissions vehicles would be sold in the EU.

But, to make these targets achievable, EU member states will need to back up their words with the level of funding needed to rapidly develop clean sources of energy. Furthermore, they will need to do this collectively, by creating a next-generation energy union that benefits from economies of scale. They will also need to address the tricky issue of how to finance this—possibly including by borrowing to invest. Finally, they will need to invest in their diplomatic relationships with a range of countries to access the resources and technologies essential to the green transition. Member state have yet to really engage with these challenges.

The fate of the European Green Deal amid heightened geopolitical tension will have implications far beyond Europe. If the EU is true to its word on climate issues, it will show other regions and states that decarbonization is possible—even in a highly competitive geopolitical environment. This would help the union regain some credibility as a leader by example on climate. Given that many countries in the global south are disappointed with the EU's approach to vaccine nationalism, debt relief, and climate financing—as well as the resonance of the Chinese and Russian narrative that Western sanctions on Russia are behind the growing international food crisis—principled climate leadership could begin this healing process.

Tackling Geopolitical Hurdles

Images of ministers in perma-meeting on the energy crisis and emerging bleary-eyed from talks—exhausted but still convinced an agreement is possible—are becoming all too familiar. Yet something is shifting under the surface—European leaders are coming to terms with the long term reality of the changed geopolitical landscape.

Given that many countries in the global south are disappointed with the EU's approach to vaccine nationalism, debt relief, and climate financing principled climate leadership could begin the healing process.

The context of the last couple of months of meetings is different from that during the summits immediately after Russia's full-scale invasion of Ukraine. Back then, discussions among European leaders reflected a mindset that the need to cut off cooperation with Moscow would be relatively short-lived. This resulted in temporary fixes to replace the 40 percent of the EU's gas that it imported from Russia. However, given that this reality of an aggressive Russia, which has declared war on the Western-led international order, is here to stay, the deals they are making now need to give mind to the way they want to shape their energy dependence over the longer term.

This brings a new layer of complexity to European leaders' deliberations. They can no longer labor under the illusion that there is a 'short term'—during which they can make interim deals on fuels such as gas on the way towards decarbonization—and then a 'long term', in which they fully implement the European Green Deal. Instead, their current responses to the crisis are already shaping their long-term energy outlook.

The EU's gas suppliers, from Norway to the United States and Canada, are seeking to renegotiate their terms in line with the new realities of the energy market. Representatives from supplier countries in the southern Mediterranean report in private that they feel much more relaxed about the possibility of their fossil fuels becoming stranded assets than they did a year ago. And all suppliers are including infrastructure commitments in their deals to scale up the amount of gas they can send to the EU. The talks between German Chancellor Olaf Scholz and Canadian Prime Minister Justin Trudeau during the summer of 2022 were just one high-profile example of this trend.

Governments need to be able to justify every penny of this investment to their citizens. People are fearful about rising living costs, and they need reassurance that their leaders are making cost-effective deals that genuinely contribute to sustainable energy security. This has provided increasing momentum to the idea of joint gas purchasing—through which EU member states can secure better deals collectively due to economies of scale. But governments also need a clearer picture of the myriad ways in which the agreements they are currently making lock them in for the long term.

Europeans are clearly facing some tough decisions to get through the next few winters. But EU member states should incorporate plans to massively scale up renewables into the third-country relationships they are cementing now.

Analysis shows not only that Europeans are actively seeking alternative energy suppliers to diversify away from Russia, but also that they are looking for them in very different places. Alongside Norway, the United Kingdom, the United States, Canada, and Australia, Europeans are reaching out to Middle Eastern and North African producers (such as Qatar, the United Arab Emirates, Algeria, Libya, and Egypt) and suppliers in other parts of Africa (including Angola, the Democratic Republic of the Congo, and Benin), as well as Azerbaijan and Israel—with both Brussels and member states taking the initiative in different instances. Several of the deals would require new infrastructure, such as liquefied natural gas terminals or new pipelines. And only a minority includes any component on renewables.

Europeans are clearly facing some tough decisions to get through the next few winters. But EU member states should incorporate plans to massively scale up renewables into the third-country relationships they are cementing now. They should ensure that they future proof their energy strategy for turbulence in the energy supplier relationships they are becoming dependent on. The current tensions within EU member states about how to respond to the anti-competitive elements of the U.S. Inflation Reduction Act, at a time when we are reliant on the United States not only for security guarantees, but also increasingly liquified natural gas, is a case in point. This is how the EU can guarantee its energy security in a sustainable way: by building up a strong energy and climate diplomacy that will underpin the co-innovation, development, and supply of technology for the EU renewables industry. Indeed, this diplomacy would also help secure supplies of clean energy to supplement what the EU can produce in the post-fossil fuel era.

The EU should not allow geopolitics to delay the process of decarbonization. Instead, it should use it as a spur to take the difficult decisions that the transition requires. In a tight economic environment, with citizens worried about how they will cope during the impending recession, governments simply cannot afford too many sunk costs. European leaders have been expecting a 'winter of discontent,' with disagreements across member states on how to handle the increasingly difficult choices that Putin lays before them. To bind the European public into a firm EU response to his abhorrent war against Ukraine, leaders will need to be clear that only a sustainable energy strategy can bring long-term security. They should therefore prioritize the ambition set out in the RePowerEU initiative to speed up the expansion of clean energy. And they should do so now—sticking determinedly to the path they chose with the launch of the European Green Deal.

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JEREMIĆ, LOMPAR AND PROTIĆ DISCUSS

UKRAINE WAR, WORLD ORDER

The Center for International Relations and Sustainable Development (CIRSD) organized a Horizons discussion entitled "The Return of History: Serbia at a Crossroads," at the 'Aeroklub' in Belgrade on November 9th, 2022. CIRSD President Vuk Jeremić said today that the war in Ukraine is "the first armed conflict within the strategic confrontation (between the U.S. and China) which will be happening in the coming decades."

"The clash between the U.S. and China will largely determine our lifetimes. They are the two most consistent forces in economics, science, and technology. The U.S. is already a military superpower and China will become one in the 21st century, "Jeremić said.

"The War in Ukraine is the first armed conflict of many that we will witness in contemporary history in which two of

HORIZONS
Discussion

the most consistent players of the 21st century, the U.S. and China, will directly or indirectly take part. Much like in the 20th century, when two superpowers clashed for the first time and came to the brink of a direct conflict over an island in close proximity to one of them (Cuba), the 21st century could see similar events play out around Taiwan," Jeremić said.

Milo Lompar, a professor at the University of Belgrade, said that from 1945 until today, most wars, coups, and government overthrows were orchestrated by the U.S., which "perceives friendships as orders and agreement as dictation".

"The U.S. did not continue its policies that made them win the Cold War. Its policies were a combination of pressure and ideological shaping of the public. So, it did not patiently try to get to a world that is different. Maybe this shows that the U.S. faces a crisis within itself," Lompar said.

Historian Milan St. Protić said that the war in Ukraine is the beginning of an attempt to re-establish the Soviet Union.

"Unfortunately, no one in Moscow understood how wrong and pernicious the Soviet Union's policies were. They were holding under its military authority the whole series of people and countries in Eastern Europe, who rushed to join NATO and the European Union, looking for salvation from the danger […] from the East," Protić said.

"The attack on Ukraine shows that Ukraine made a mistake by not using the opportunity when it could to join NATO. If it had been part of it, this would not have happened. Russian history until 1917 is one thing, and quite another from 1917. There is no continuity in anything because the empire and its elements were eliminated at the roots and they never recovered. This today is the same Soviet, Red Army mentality, which attacked Ukraine at the end of World War I and ended up defeating it," Protić said.

The event took place before a capacity audience that included diplomats, media personalities, and prominent representatives of Serbia's intellectual elite.

QUO VADIS EUROPE?

István Gyarmati

IN 1991, Europe appeared to have become an island of peace and democracy in the world. American political scientist Francis Fukuyama predicted the end of history and we all—with the possible exception of Samuel Huntington and a few of his believers—wanted to believe that this was true. Even the dreadful events in Yugoslavia—which through a bloody process of dissolution displayed what a fall of the concept of the multiethnic, multicultural, and multireligious state could look like—did not shake this common conviction.

The first event that fundamentally changed this rosy picture was the terrorist attack on the World Trade Centre and the Pentagon on September 11th, 2001—followed by similar terrorist attacks in Madrid in 2004 and London in 2005. For the first time, we were forced to think what that really meant. Was it a one-time event, an exception to the rule that would not fatally question the victory of democracy, and undermine peace and stability in Europe? Or was this something else? As these events were followed by additional rounds of terrorist attacks that compelled the world to start fighting back, declaring "War on Terror," it became clear that terrorism would stay with us for years to come and influence our lives around the world, including in Europe. We were forced to stand up against this danger, build up political resolve, and upgrade our capabilities—military or otherwise—in order to protect our societies and people against this threat. This was a legitimate political objective, for every state needs to be responsible for the security of its citizens and develop the necessary means to fulfil this goal. With the benefit of hindsight, we can now safely say that, while the danger was not overblown and the measures taken were unavoidable, we had made a number of serious mistakes.

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Photo: Guliver Image

Too much or too little commitment? Ursula von der Leyen and Volodymyr Zelensky

UNDERESTIMATED THREATS

First, by not being precise enough in determining the source of danger and examining the real root causes of terrorism, we ended up concentrating much of our effort on the wrong target.

Second, by being half-hearted in developing an adequate environment to protect ourselves against terrorism in most countries. This is understandable, because this meant, and continues to mean, that we needed to introduce measures that in "peacetime" would have been unacceptable—especially with regards to how basic human rights and privacy were affected for the sake of increased security.

Third, these justified and necessary efforts had weakened our instincts. We failed to concentrate on more traditional threats such as the defense of territorial integrity and use of military in the event of traditional aggression against our countries. Although significant lip service was paid to new emerging challenges such as cyberthreats, the steps taken were very far from being adequate and sufficient.

Fourth, the resurgence of Russian imperialism was strongly underestimated. On the contrary, appeasement became again the game of the day: we failed to recognize that the

Putin regime was not a "normal" occurrence in the process of getting a "failed Russian state" back on its feet. Instead, his reign has been a clear attempt to establish a centralized power structure, state control over the economy, and an authoritarian regime that inevitably evolved into a full-fledged dictatorship. Even strong signs, like the 2007 Putin speech at the Munich Security Forum and the 2008 Russian aggression against Georgia, were not enough to make us seriously think about future consequences. Worse yet, the response has been the continued appeasement of Putin—of which the famous "reset" policy of the United States and the establishment of the Russia-NATO council are prominent examples. Even the Russian aggression that led to the occupation and annexation of Crimea in 2014 was not enough for us to significantly change our policies towards Russia. While some sanctions were introduced, and our policy had started to change, this can only be described as half-hearted, at best. The hope that these changes in Russia were limited, and that Moscow would soon "return" to a more-or-less West-friendly policy, continued to prevail. The Russian aggression against Eastern Ukraine caused more change in Western policy, since it became impossible to pretend that Russia would soon become a strategic partner again. But our reaction to this was also very limited. The West basically hesitated to help Ukraine. Weapons deliveries did not start until the full-fledged aggression of Russia against Ukraine on February 24th, 2022. It is easy, if not even lazy, to blame it all on former U.S. President Donald Trump. It would also be untrue. As important as the Trump-effect was, the economic interests of Europe—short-sighted as they were—displayed primarily through the European oil and gas dependence on Russia, made it possible for Putin to blackmail us.

We failed to recognize that the Putin regime was not a "normal" occurrence in the process of getting a "failed Russian state" back on its feet. Instead, his reign has been a clear attempt to establish a centralized power structure, state control over the economy, and an authoritarian regime that inevitably evolved into a full-fledged dictatorship.

Fifth, we did not recognize that the rise of China, and the fact that it is becoming a superpower in many respects, has also had a significant effect on the world, including on Europe's security. Unsurprisingly, the Americans took the lead in this case too, but on this issue, they were not able to establish an effective working relationship with Europe. It looks like we are playing the "good cop, bad

cop" game, but this is unfortunately not a strategy. Nevertheless, this is how events have played out. That being said, this could easily develop into a coordinated strategy of the United States and Europe, and we can be cautiously optimistic about its success in the near future.

Sixth, we failed to recognize that the effects of such threats combined with the COVID-19 pandemic and other social factors would lead to a new wave of extreme nationalism. Furthermore, we did not foresee that it would lead to the strengthening of authoritarian features throughout the world, including in some democracies. Democracy as a word must stand alone. All adjectives that one could add to democracy are in some way limiting. Today, we see a proliferation of "different democracies" around the world. Let me say very clearly: all these "different types "of democracies serve as a disguise for limitations on democracy. They only lead to "hybrid" systems, where the proportion of the elements that comprise them determine whether the system is still a democracy or if it has crossed the threshold from which it becomes an authoritarian system.

We did not recognize that the rise of China, and the fact that it is becoming a superpower in many respects, has also had a significant effect on the world, including on Europe's security.

The culmination of these failures was the Russian aggression against Ukraine on February 24th, 2022. Much has been said about this that does not need repeating. But it is clear that this signals a new era in European security. This is the first time that a (nuclear power) state launched a large-scale attack against a sovereign state—one that it recognized in its current borders and to which it provided security guarantees more than once. Russian imperialism is back and it is again supported by an aggressive ideology: the ideology of "*Russkiy Mir*" (the Russian World).

Our Security Response

All this continues to pose a serious threat to democratic states and societies—in our case, in Europe. It is fashionable to suggest that the United States and Europe, and their supranational and security institutions—especially the European Union and NATO—failed to offer an adequate response. I believe this is not really true. Of course, it depends on what one thinks is—or would be—an adequate response.

Let us start with NATO. One of the points that critics could make—although not too many do—is why did not NATO respond as an organization. Why did it not leave it to member states to stage a response? Why were no "NATO troops" sent to Ukraine to fight against the Russian aggression? We believe the answer is fairly simple. In legal terms, since Ukraine is not a member of the Alliance, NATO was not obligated to react. Moreover, it is questionable, whether the Alliance would be legally authorized on the basis of the Washington Treaty to stage a collective response. This issue did not emerge earlier and there were no real discussions about it within NATO. Perhaps the time has come to have such a discussion, but at this point we cannot be sure. More importantly, however, the argument that prevailed was that engaging NATO would not really serve the purpose of the organization. Even more importantly, it would unavoidably lead to a degree of escalation that might (and very likely would) end in a direct confrontation with Russia, most probably nuclear war. This was, quite rightly, what NATO wanted to avoid—unless it was forced down that path by further Russian escalation steps, like a direct attack on a NATO member state.

> *NATO and its member states should continue their current policies as determined by the Strategic Concept 2022: yes to all support for Ukraine that is realistically possible, no to a direct involvement in the conflict.*

A more widespread accusation, shared by some very competent experts, is that it was a mistake not to maintain "strategic ambiguity." In other words, we should not have declared that we would not engage NATO troops in Ukraine, but should have rather maintained an ambiguous approach. This is a legitimate and realistic question. In most cases, ambiguity helps to deter further escalation. But for this ambiguity to succeed, it needs to be credible. The enemy must be convinced that in the event deterrence through ambiguity fails, we would be ready and able to use any means necessary—or in this case: deploy NATO forces to Ukraine. We must admit this was not a realistic option. Many NATO members would have opposed it. The possibility of unanimously adopting a resolution in the North-Atlantic Council that would entail invoking Article 5 was zero. And this remains to be the case.

NATO and its member states should continue their current policies as determined by the Strategic Concept 2022: yes to all support for Ukraine that is realistically possible, no to a direct involvement in the conflict.

The case of the European Union is more complex. When analyzing its response to the Russian aggression, we must take into account that the EU does not yet have a unified and effective foreign or security policy—let alone a defense policy. And there is also enough reason to believe that with NATO playing a major role of security guarantor, having the EU take on robust security responsibilities would also not be the best choice. European autonomy in these areas would be required, if and when the conflict directly touches upon European interests, but not the interests of the United States. At present, this is clearly not the case. Once Russia is involved, American interests automatically become involved, and Europe would not be able—even if it wanted to—to respond to such a challenge alone, without the United States. For this and other reasons, the best choice for the EU remains to act through sanctions.

> *Sanctions never stop conflicts immediately. sanctions almost always hurt those who impose them.*

SANCTIONS & NEGOTIATIONS

Let me tell a few facts about sanctions. First, sanctions never stop conflicts immediately. Secondly, sanctions almost always hurt those who impose them. Third, the heated discussions and disagreements on the sanctions within the EU do not mean that the Union is a lame duck. The EU is an institution composed of democratic states and its decisionmaking reflects it. Decisionmaking in the European Union is also a democratic process, which means that different interests are reflected and taken into account.

That being said, I believe the EU's reaction was adequate and remains within its realistic abilities. Of course, coming up with more effective steps that hurt the EU less while having faster effect would be very much welcome. But at this point, we do not see what those could be. Even the most outspoken critics of the sanctions were not able to offer realistic alternatives.

Of course, the calls for early negotiations and ceasefire are understandable. But in this case, they are premature and immoral. Think about it: an early cease-fire and a simple freezing of the situation on the battlefield would not only mean that the Russian aggressor keeps the results of the aggression, but also gets the chance to prepare for the next step: a large-scale offensive in the spring.

Negotiations are necessary. There can be no end to this conflict without them. But as long as negotiations for Russia mean that the Ukrainians accept 20-25 percent of Ukraine remaining under Russian control—and without Ukraine receiving any meaningful security guarantees—this should not be accepted. Yes, at the end of the day, Ukrainians will also have to make concessions. But such concessions can only be made if the *quid pro quo* is visible, which is also not the case at this point.

What remains are the sanctions, which work. Their impact is not as immediate and effective as some would hope, but they work over the long term and hit specifically the most sensitive parts of the Russian economy—the high-tech and oil and gas industries. Yes, they hurt Europe too. But Europe is much more resilient and while the effects of sanctions will cause some pain, this is no disaster. In the long term, they will lead to a radical reduction of Europe's dependence on Russian gas and oil—a change that we should have pursued a long time ago.

The calls for early negotiations and ceasefire are understandable. But in this case, they are premature and immoral.

The critical question for Europe is: will we be able to maintain this policy over the longer term? The odds are that we will. But this is not to be relied on in perpetuity. It requires a lot of work to succeed.

While all of it is true, we must also see and admit the mistakes we have made. This is unavoidable in order to be able to correct them. And correction is an absolute necessity, as failure to do so could easily undermine the achievements described throughout this essay. Many of them were late. We chose to wait for crises in order to make steps that were necessary much earlier. This especially relates to the new concept of the EU taking loans together for concrete purposes. We need more seriousness on enforcement of treaty obligations by member states, the implementation of those principles and practices by all member states, and serious thinking about the decisionmaking processes within the European Union.

EU Enlargement

Here and now, I want to mention one such issue in more detail: enlargement. One might ask as to why we think enlargement is important at this point, since it has been dragged on for many years unsuccessfully. I believe that under the current circumstances, the situation in the Western Balkans has become very important once again. The first reason is that the "powder keg" is again warming up. If we do not solve the open issues, it might easily come to an explosion. Yes, even a new armed conflict—or indeed, several new ones—cannot be excluded. In the absence of some meaningful events, the situation is and will remain explosive, even without the use of arms. The Western Balkans resembles an anti-Clausewitz situation: in some respects we see the "continuation of war with other (relatively) peaceful means."

For many years we believed—and then pretended to believe—that EU membership is *the* solution. This might still be true. But membership as an unquestionable objective for all Western Balkan states—reinforced and firmly promised during the 2003 Thessaloniki Summit—remained an unfulfilled promise. Now, exactly 20 years on, unfulfilled promises and hopes could easily turn into their polar opposites. And that's what we see today in Belgrade, Priština, Podgorica, Sarajevo (and Banja Luka), Skopje, and indeed, in Brussels. Hope has been replaced by fatigue. While remaining reluctant to do so openly, some in reality started to look for alternatives. Small steps, like offering candidate status to Bosnia and Herzegovina recently, will not do the job. This is especially true after Ukraine was granted EU candidate status without real preparations, "just" because of the war that it is fighting against the Russian aggression.

In the absence of some meaningful events, the situation is and will remain explosive, even without the use of arms. The Western Balkans resembles an anti-Clausewitz situation: in some respects we see the "continuation of war with other (relatively) peaceful means."

Let me make it very clear: I am convinced that granting candidate status to Ukraine was the right step. It should, however, mean that similar bold steps are also needed vis-à-vis the Western Balkan states.

In this situation, the EU must live up to the high expectations that it has itself created. The promise of membership is a very important goal and an effective instrument as well. This means that the European Union could make two huge mistakes. One, if it takes in states that are not prepared for membership. This could do a lot of harm to the Union, but also to the states concerned. The other mistake could be to do nothing, or similarly, to keep pretending by doing something without real substance.

What then should be the next steps? First, a realistic roadmap should be created for each state. The essence of the roadmap is not timing, but substance. That being said, I suggest, that a new element should be introduced: proposing an approximate timetable for each step. Should the state in question fail to fulfil the timetable, the EU should seriously consider suspending not only the negotiations, but also the "rewards" that were introduced earlier for progress in other areas. Should serious progress be made, the benefits of membership should gradually become available to candidates.

Secondly, the proposal of French President Emmanuel Macron to create a new European Political Community should be implemented expeditiously.

This community could bring together the members and candidates. This would mean that while further strengthening cooperation on foreign and security policy among its members, the EU should include its candidates in this scheme. Active and productive participation in a Political Community should be a prerequisite for the continuation of the enlargement process. This would also offer a chance for the resolution of problems like maintaining strong ties with Russia, implementing sanctions, cooperating with China, fighting climate change, and others. This would also demonstrate that candidates substantially accept the values of the Union and share common interests with its members.

> *[EU]membership as an unquestionable objective for all Western Balkan states […] remained an unfulfilled promise. Now, exactly 20 years on, unfulfilled promises and hopes could easily turn into their polar opposites. Hope has been replaced by fatigue.*

Third, the European Union should address its internal problems seriously. In this respect, a unified approach towards the Western Balkans is an absolute necessity. We can no longer pretend that internal disagreements do not harm our abilities to act. One of the most important open issues is the creation of a unified approach towards Kosovo. It is entirely unfair vis-à-vis both Serbia and Kosovo to push for a solution between them while the European Union cannot resolve the same problem internally. Moreover, this makes the EU much less credible and its approach less effective.

Bureaucratic barriers should be removed. This process is essentially political and should be governed by overwhelmingly political considerations. That, of course, does not mean that the requirements for membership in all areas of the economy and other spheres of life would not play a decisive role. But these considerations are in all cases subject to political considerations, and those should drive the process—as it is of the utmost importance to the EU that progress be made quickly.

I recognize that this would require serious shifts in current EU policy. But change is necessary in many other areas as well. Moreover, it is inevitable if the Union wants to remain or become an even more important player in the world.

The old Chinese curse "may you live in interesting times," has been placed upon us. We do live in interesting times. Full of danger, but also full of opportunities. It depends largely on us, how we will manage the situation. We might end up being the losers, or winners. Nobody wants to be a loser. Europe is no exception.

EUROPE TURNS OVER A NEW LEAF

A VIEW FROM LUXEMBOURG

Jean Asselborn

ON the international stage, the year 2022 began on February 24th, the day on which Russian tanks rolled across the Ukrainian border early in the morning and the first missiles fell on Kyiv. What none of us had thought possible, what none of us could believe, became brutal reality: Despite all the efforts to maintain peace, Europe was to experience war again in the twenty-first century.

There were, of course, the terrible Yugoslav wars in the 1990s, the aftermath of which is still being felt in the region. There was also the war in Georgia and, of course, before February 24th, 2022, there was also February 2014, when Russia began to annex Crimea.

But it is clear to all of us that the military attack that began on February 24th has surpassed anything this continent has experienced since World War II in its scale, brutality, and global consequences. We must be aware of one thing: this war is not just Russia attacking Ukraine, it is a confrontation between two political systems, between two worldviews. This is above all about values, and it is our common responsibility to uphold the universal values of freedom and independence. We thought that there could never be another war in Europe. Now we must do our utmost to ensure that this is the last time that the force of the international law cedes to the lawlessness of military force.

For years, Russian President Vladimir Putin had consistently suppressed any democratic opposition in his country and systematically expanded his power. Now he is trying to impose his ideology of the "*Russkiy Mir*" with brute force. We here in our part of Europe had long believed that we could somehow integrate Putin's Russia into our community of values, or at least integrate it into the rest of Europe in such a way that peaceful coexistence on the

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Photo: Guliver Image

Strength through solidarity: Ukrainian refugees reach the EU

European continent would be possible. That is obviously not the case.

Putin wanted this war. History will prove that he decided this already more than a year ago, in autumn 2021. All efforts undertaken up until December 2021, either by the EU, NATO, the NATO-Russia Council or the OSCE, to tell Putin that the "West" is ready to take into consideration and listen to Russia's viewpoint on the European security architecture—and to give diplomacy a chance to find solutions—were in vain.

However, who knows whether Putin would have carried out this criminal action if he had known where he would be standing politically, economically, and above all militarily almost a year after the beginning of the attack.

Russia has been brutally trampling on international law for more than 11 months now. All these crimes committed by Russia, which have also been condemned by the UN, cannot be ignored. There can therefore be no neutrality in this war. Not condemning Russia means supporting Russia, means accepting that the strongest is right. If Putin were to win his war, it would be nothing more and nothing less than the death sentence of the international world order as we know it and as we have helped to build it after World War II.

The war in Ukraine has changed many things. There is often talk of a paradigm shift in geopolitics. The war that the people in Ukraine have been suffering has had consequences at all levels, in Luxembourg, in Europe, and around the world.

The military attack that began on February 24th has surpassed anything this continent has experienced since World War II in its scale, brutality, and global consequences.

Ukraine needs all the help we can provide it to defend itself against Russia's murderous aggression. Article 51 of the UN Charter says it clearly, and I quote it here:

> Nothing in the present Charter shall impair the inherent right of individual or collective self-defence if an armed attack occurs against a Member of the United Nations, until the Security Council has taken measures necessary to maintain international peace and security. Measures taken by Members in the exercise of this right of self-defence shall be immediately reported to the Security Council and shall not in any way affect the authority and responsibility of the Security Council under the present Charter to take at any time such action as it deems necessary in order to maintain or restore international peace and security.

Article 51 also puts its finger firmly on the wound that war has torn into our world order: The UN Security Council, where Russia has a veto power, is currently completely incapable of playing its role for international peace and security. It is therefore up to all of us to act within the framework of international law, which is particularly close to our hearts as a smaller country.

Solidarity with the Ukrainian People

Luxembourg reacted quickly and decisively with its European and international partners immediately after February 24th and has been resolutely committed to supporting Ukraine ever since. Now it is important not to become despondent, not to tire in our support for Ukraine. If we do not resolutely oppose this aggression, where would Putin—or another Putin—invade next?

We have taken decisions in Luxembourg and in the EU that would have been unthinkable just a few months earlier. Luxembourg has supplied weapons to a war zone for the first time in our history. Luxembourg has so far delivered weapons and equipment worth more than €74 million to Ukraine. This corresponds to more than 16 percent of our defense budget. These weapons help to make a difference on the ground. As an EU member, we also make a financial

contribution to the joint effort under the European Peace Facility, which has so far allowed six times 500 million to be made available for arms deliveries and other equipment, with more to follow.

One must not make the equation that military aid to Ukraine would mean more war and, conversely, that no more military aid to Ukraine would bring peace closer. This is a false conclusion that would basically give Putin a blank cheque to completely destroy Ukraine. Yes, without military aid to Ukraine, the war would be over. With the consequence that there would be no more Ukraine and hundreds of thousands of Ukrainians dead.

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Shortly after February 24th, the first people who had to flee the war started to arrive here in Luxembourg. Here too, Luxembourg has accepted its responsibility and offered direct protection to the people who had fled Ukraine. Since the end of February 2022, we have granted temporary protection status to around 5,450 people, some 3,700 adults and 1,750 children. The status, initially valid for one year until March 2023, has recently been extended for another year. Until March 2024, the people who had to flee can live in our country under this status, work, and send their children to school. In other words, they can lead a normal life as far as this is possible when one is driven out of their own country by war.

Seeing how Russia is escalating its brutal war against Ukraine, it may well be that more people from Ukraine will come to the EU and Luxembourg. We have to be prepared for that, and that is why we are continuing to work on further increasing the number of beds in the relatively short term. This is not only for people arriving from Ukraine, but also for people applying for international protection in Luxembourg. There, too, we have seen a new influx since the end of summer 2022: many people are arriving here again.

I will not attempt to hide it: it is a great challenge that we continue to face with all the actors and partners concerned in order to offer people the best possible reception conditions. In this context, we must remain grateful to numerous actors. First and foremost, our fellow citizens who—on a voluntary basis—have welcomed or are still welcoming many people to their homes. The municipalities, the many NGOs—above all the Red Cross and Caritas—and the ministries and administrations with whom we work closely. The staff of the Office national de l'Accueil (ONA), have efficiently set up, in record time, a new parallel reception and accommodation system for people who have fled Ukraine. The first point of contact takes place at the Guichet Unique, a one-stop shop where all services, (i.e. immigration, ONA, health, education, and police) have been brought together so that requests can be processed as quickly as possible. The state services have done a good job there and have shown great responsiveness and flexibility, together with the partners who support the people with temporary protection status through the structures.

As seen in the management of the Ukraine crisis, an EU-coordinated response on migration policy is possible. We managed to take in more than 6 million Ukrainian refugees across Europe in a very short time.

As seen in the management of the Ukraine crisis, an EU-coordinated response on migration policy is possible. We managed to take in more than 6 million Ukrainian refugees across Europe in a very short time. It was the first time that the Temporary Protection Mechanism was activated by the European Commission, and we see every day how valuable this status is because it allows us to act in a non-bureaucratic, quick and thus humane way.

Since the migration crisis in 2015-2016, the EU has failed to show an image of unity in this area. Fortunately, this time, however, the EU has shown that joint action is possible if the political will is there. This does not mean that a distinction should be made between Ukrainian and other migrants. Such a distinction would not be acceptable. The EU must remain a place that offers protection to persecuted people. All over the world, we must stand for solidarity with those who have to leave their homes in order to survive.

Energy Transition & Climate Action

We are facing profound changes in the way we live together on our continent. It is the biggest upheaval in Europe since 1989, the medium and long-term consequences of which are still unknown. As is so often the case, such developments contribute to accelerating already existing trends. In this case, the tragic events in Ukraine will help to reduce our dependencies on Russia much faster than was thought. We must all move in the same direction in the coming months. In solidarity with Ukraine, in solidarity with those who are fighting on the front lines for their freedom and for our common values.

To all those who believe that there is an alternative to sanctions, I would say this: you do not do business with a country that so cynically and brutally opposes international law and human rights. That would be against our values and against everything we stand for in Luxembourg and in the EU. We are here in solidarity and ready to pay the price so that this cruel war and the terrible suffering of the people in Ukraine comes to a swift end.

To all those who believe that there is an alternative to sanctions, I would say this: you do not do business with a country that so cynically and brutally opposes international law and human rights.

There is much more at stake than facing temporary economic and financial hardship in our countries. Luxembourg stands on the right side of history, as a reliable, credible and serious partner in the international community of States that is prepared to take responsibility even in difficult times. This is what our diplomacy and our government stand for.

The government takes its responsibility and helps the people here in Luxembourg to cope with inflation, the rise in energy prices and other consequences of the war.

The current conflict has also thrown the European energy market into disarray. Russia, like the Soviet Union before it, was until recently always a reliable energy supplier, regardless of the tensions and differences that existed over the various decades. This was also obvious when you look at European geography. But in this area, too, we are currently undergoing a paradigm shift; in this area, too, the crisis is an accelerator of change.

The task now is to become independent of Russian fossil fuels as quickly as possible. Reducing our energy consumption is the first and best solution in case of energy shortages: in the short term, we can adapt our habits in terms of mobility and heating, at home and at work. In the long term, we need to invest massively in the thermal renovation of buildings, but also in more efficient industrial processes that do not rely on fossil energies.

Luxembourg has been promoting European measures to reduce energy consumption; the “Save Gas for a Safe Winter” plan is a key element to solve the current situation. In this context, the Commission has proposed measures and recommendations to reduce our gas consumption by 15 percent in a coordinated way.

At European level, Luxembourg is also committed to accelerating the expansion of renewable energies in line with the REPowerEU plan.

If we see that the price of gas is now stabilizing, or even falling, in any case on the gas market, this shows that there is movement in a good direction. The EU has taken measures in order to prevent extreme price fluctuations while at the same time preserving the integrity of the energy market. Alternative suppliers have been found. LNG capacities are being expanded. Energy and electricity market mechanisms are being scrutinized. The energy crisis is far from over—the winter has arrived, and winter will keep coming year after year. But Europe has managed in a short time to act decisively and present solutions. That is not always easy. What counts is the result.

I would like to underline our support for the Fit for 55 package, in order to implement the EU's climate targets. It is one of our best responses to the climate crisis and the current energy crisis.

But in a few years' time, we will look back and see that the energy transition in Europe really took off in 2022.

In the context of energy security, I would like to underline our support for the *Fit for 55* package, in order to implement the EU's climate targets. It is one of our best responses to the climate crisis and the current energy crisis.

With regard to the fight against deforestation, we hope that the recently election of President Lula in Brazil will allow better progress on the major climate issues. Lula's election is good news for the rest of the world, which now has one less autocrat. Furthermore, it is good news for the Amazon and for our joint efforts against climate change.

The Single Market

Certainly since the COVID-19 pandemic, the importance of the European Single Market, which now celebrates its 30th birthday, has once again come into focus. Based on the four fundamental freedoms, the Single Market is undoubtedly one of the most fundamental prerequisites for our European unification since 1992 and a guarantor of our economic success—within Europe and out in the world.

But the whole truth is that the potential of the Single Market is still not fully realized and further deepening is urgently needed. The integrity of the common market, which came under severe pressure during the pandemic, and the current disruptions in value chains underline all the more the need for a deeper and more integrated single market. When we talk about the resilience of the European economy, we need to talk about the Single Market.

The particular situation of my country—geographically, socially and economically—has traditionally made Luxembourg one of the greatest advocates of a well-integrated Single Market in Europe.

The potential of the Single Market is still not fully realized and further deepening is urgently needed.

Entrepreneurs in Luxembourg and the Greater Region are aware of the potential of the border regions and how important a functioning internal market is for cross-border trade and the labor market. Especially for small and medium-sized enterprises, it is an enormous effort to comply with 27 often diverging national legislations.

For years, Luxembourg has been advocating maximum harmonization and mutual recognition. That is why we want more efficiency and less additional cost through fewer national derogations that restrict market access for providers. As part of our Benelux Presidency in 2022, we fought for a further reduction of territorial restrictions on supply in the Single Market.

Together with some other member states, we are also resisting the increasingly frequent attempts to erect new barriers. Within the EU, Luxembourg was the country with the highest share of intra-EU exports in 2020: 80 percent of Luxembourg's goods exports stayed within the EU.

For Europe to act on the international stage, we need an open and sustainable economic model, based above all on a strong network of international trade partnerships and thus also on a strong internal market. This is the only way in which we can strengthen the resilience of the European economy and reduce our dependence on strategically important products.

The Covid crisis in particular proved how much the Union depends on a functioning internal market and on open internal borders. Our cross-border cooperation has also emerged significantly stronger from the crisis through cooperation and solidarity, with the well-being of the citizens as our primary concern.

AUSTRIA'S BRIDGE-BUILDING & THE THREE SEAS INITIATIVE

AVENUES FOR IMPROVEMENT

Velina Tchakarova & Lívia Benko

RUSSIA'S war on Ukraine has made the role of the Three Seas Initiative (3SI) more pivotal than ever before, as the security of Central and Eastern European (CEE) energy, transportation and digital infrastructure became a geostrategic matter. Against the backdrop of the ongoing war in Ukraine, Russia has been striving to become an indispensable power, without which neither the United States nor China would be able to win the system competition against each other in the future. To achieve this, Moscow seeks to extinguish Kyiv and the Ukrainian state in order to build and consolidate a geopolitical "sphere of influence" based on a union between Russia, Ukraine, and Belarus, which would help Moscow become a major player with significant power projection in Eastern Europe, the South Caucasus, and Eurasia. If Russian President Vladimir Putin manages to subjugate Ukraine, this would fulfil Russia's geopolitical ambitions to revive a post-imperial state as a great power with a significantly improved position in global politics while abolishing the European security order from the last 30 years.

Given the changing geopolitical realities, Austria occupies a unique position within the 3SI because of its geographic location as well as historic background. The Alpine republic has often pursued a bridge-building approach between the traditional members in Western Europe and the new members of the European Union from the former Soviet bloc in

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Photo: 3s I o.org

The territorial extent of the Three Seas Initiative

the CEE. In fact, Austria is the only 3SI member that was not part of the Warsaw Pact or Yugoslavia during the Cold War, and thus plays an exceptional role within the framework of the initiative. In this context, Vienna is regarded as a spoiler but also a multiplier of the 3SI synergy effects depending on its future role and contribution.

ENERGY SECURITY

Energy has always been the lynchpin of geopolitics. Due to the historical legacy of the Soviet Union, east-west infrastructure has been more developed than north-south linkages, which presents a significant obstacle that hinders Europe's efforts to achieve energy independence. Russia has achieved a substantial leverage over the EU due to its gas, oil, and coal supply. With the present energy crisis and Russia's aggression against Ukraine, it is more important than ever to reduce the energy dependency of the CEE countries on Russia. The sixth EU sanction package sought to impose an oil embargo. Meanwhile, the EU members together with the G7 agreed on a price cap for Russian oil starting with December 5th, 2022, and the EU is currently discussing price cap on Russian gas as well. The EU Energy ministers have also reached a political agreement on a Council regulation that establishes a mechanism to correct the market in order to safeguard both citizens and the economy from excessively high gas prices.

Furthermore, Russia's war on Ukraine has accelerated a major energy supply crisis. European gas markets are in disarray and supplies from Russia in the first quarter of 2022 were 30 percent lower than in the same period of 2021. Policymakers are even discussing the possibility of a complete stop to Russian gas flows to the EU that may lead to a six-fold gas price increase compared to the previous year. Greater competition for liquified natural gas (LNG) supplies is inevitable, thus a lasting solution to the current energy challenges would be to accelerate energy efficiency improvements among the member states and direct the transition away from fossil fuels towards low-carbon sources of energy.

Austria does not always share the same geoeconomic interests as the other 3SI members, particularly on key energy and infrastructure issues.

According to the European Commission President Ursula von der Leyen, the EU must become independent of Russian oil, coal, and gas, and cannot rely on a supplier that explicitly threatens member states. The European Commission's proposal is known as RePowerEU, which highlights the importance of developing renewable energy sources in line with the bloc's climate policy. Moreover, reducing consumption, improving energy efficiency, and promoting the use of green hydrogen is high on the agenda. It also unveils a plan to invest in sourcing alternatives to the 150 billion cubic meters of natural gas the EU was importing from Russia each year. The European Commission announced that the dependence on Russia can be reduced by two-thirds, or 100 billion cubic meters, by the end of 2022 by importing more LNG. The EU could import 50 billion cubic meters more LNG annually. Further improvement could be achieved by diversifying pipeline sources, which could bring another 10 billion cubic meters of annual savings in Russian gas imports. The goal is to reduce gas supplies from Russia by 2030. The problem, however, is that Russia supplies about one-third of Europe's gas and stopping energy imports from Russia would cause inflation to rise sharply and plunge the EU into recession. Another major obstacle on the path to a diversified energy portfolio is the fact that the Visegrád Four (V4) countries and several other European countries, such as Austria and Germany, still rely heavily on Russian gas, which means their diversification would take time.

The LNG infrastructure in Central Europe is also underdeveloped, which exacerbates the problem. The Russian invasion of Ukraine provided the impetus to make such investments to compensate for the lack of infrastructure. Germany, for example, is aware of the urgent need for LNG infrastructure. Shortly after the Nord Stream 2 cancellation, German Chancellor Olaf Scholz announced plans to build LNG terminals, but meanwhile the third floating LNG terminal has arrived in the country. The Visegrád Group are also actively seeking to connect to the LNG infrastructure.

Contrary to other members such as Poland and the Baltic states, Austria has not diversified its energy supply away from Russia, nor did Vienna see any incentive to participate in the 3SI as a way of reducing the EU's dependency on Russian oil and gas imports prior to Russia's war against Ukraine.

The situation in the energy sector has been escalating throughout the year. Russia imposed its will on some European countries and companies, demanding that Russian gas must be purchased in its currency. Russian energy producer Gazprom halted gas supplies to Bulgaria and Poland when they failed to pay for gas in rubles. Russia also gradually curtailed its gas supplies to Europe through 2022, halting deliveries via Yamal-Europe and Nord Stream and sharply reducing exports via Ukraine.

The war in Ukraine has highlighted the necessity for initiatives that aim at promoting energy connectivity in CEE. Austria, however, does not always share the same geoeconomic interests as the other 3SI members, particularly on key energy and infrastructure issues. For example, many Eastern European countries, which were under Moscow's domination for decades, feared Russia's growing influence in the region and opposed the completion of the Nord Stream 2 gas pipeline. Incidentally, they also favored LNG imports, including those from the United States, which are increasingly expected to reach Europe via Poland's Baltic coast. The gas interconnection between Poland and Lithuania (GIPL), aimed at boosting energy security in the region by connecting the Baltic and Finnish with the Polish markets, proved to be a smart investment. The interconnector was launched under the framework of 3SI and already allows Lithuanian LNG to flow to Poland, which is a significant success for diversification in the current geopolitical context.

Contrary to other members such as Poland and the Baltic states, Austria has not diversified its energy supply away from Russia, nor did Vienna see any incentive to participate in the 3SI as a way of reducing the EU's dependency on Russian oil and gas imports prior to Russia's war against Ukraine. The main reason for the lack of interest in energy issues within the 3SI lies in the fact that the country has established itself as an energy hub for Russian supplies to the European market over many decades. Moreover, Austria considered Germany's most recent energy project, the Nord Stream 2 pipeline, with participation of the state company OMV, primarily as a 'commercial project' rather than a geopolitical instrument of Moscow. Following the beginning of the war in Ukraine, the dependence on Russian gas supply became increasingly problematic given the debates between all EU members regarding the possible embargo on Russian energy deliveries. OMV also had to book a €1 billion ($1.1 billion) negative value adjustment item on the South Russkoye venture in the first quarter of 2022 because of its stake of almost 25 percent in Severneftegazprom together with Russian gas giant Gazprom, which is developing a field in West Siberia. Furthermore, OMV cannot sell its share because of changes in Russian legislation. OMV also had to write down its €1 billion loan to Gazprom's Nord Stream 2 because the pipeline's operationalization was put on hold. Furthermore, OMV signaled that it was still considering the demands from Gazprom, which according to OMV's chief executive office Alfred Stern required his company "to switch to a new payment method for Russian gas that the company imports under its long-term contract to Austria and Germany, running until 2040." Stern then admitted that Austria was "painfully dependent on the supply of raw materials from Russia."

Austria is significantly invested in the energy, banking, and commodities sectors of Russia and is aware and willing to diversify away from Moscow sooner rather than later.

In contrast to other member states of the initiative, Austria maintains a relatively good relationship with Russia, their energy partnership is particularly tight, as Austria was 80 percent dependent on Russian gas at the beginning of 2022. In the last months, however, the country was able to reduce this dependency to 50 precent. Austria is significantly invested in the energy, banking, and commodities sectors of Russia and is aware and willing to diversify away from Moscow sooner rather than later. This shift could be sped up by Austria's more intensive cooperation with the other countries from 3SI and Ukraine under this format's umbrella.

Many countries are looking around for alternatives. Austria is currently interested not only in green hydrogen from the UAE, but also in LNG. The 3SI may provide workable solutions for Austria which is on its way towards renewable energy sources and a circular economy. Austria is highly interested in the so-called BRUA project, a large gas pipeline project from Romania to Austria. This pipeline is meant to supply natural gas to customers in Bulgaria, Romania, Hungary, and Austria in the future. In the construction of the pipeline, the 3SI could be of decisive help. Austria consumes around 8.5 billion cubic meters of natural gas a year, four-fifths of which is sourced from Russia via pipelines. If this gas were to be replaced by LNG, around 80 tankers would be needed for Austria alone. The country could purchase LNG in reverse flow via a pipeline from Italy. In the future, LNG could be transported from the terminal of Krk in Croatia to Austria. However, adequate import infrastructure does not yet exist. It would be in the Austrian interest to develop this energy connectivity within the 3SI.

Austria takes a positive view of the 3SI-led connectivity projects for closer cooperation in CEE, but nevertheless opposes possible 'duplication' due to other EU-funded projects. For this reason, Vienna insists on the EU's leading role in this framework.

Another 3SI member, Hungary, has a considerable amount of unconventional gas resources. A future 3SI project may evolve around the extraction of unconventional gas aimed at decreasing the Russian dominance in energy supplies between Hungary, Austria, Slovakia, and Romania. The necessary investment would be more than $200 million. The extraction of these unconventional gas resources could decrease the Russian dominance over these countries' gas supply, but this project has not secured the necessary funding yet.

Reliable, Sustainable, and Inclusive Connectivity

The 3SI platform has a very high potential and aims to build a coherent and integrated infrastructure in CEE. It also strives to help the region overcome development gaps that were historically instigated—as they were under the Iron Curtain after World War II, which severely affected the countries' economies.

In general, Austria takes a positive view of the 3SI-led connectivity projects for closer cooperation in CEE, but nevertheless opposes possible 'duplication' due to other EU-funded projects. For this reason, Vienna insists on the EU's leading role in this framework. Austria wants to avoid an overlapping of European structures, funding instruments and approaches based on EU participation. From Vienna's perspective, the initiative offers a good opportunity to support EU efforts to strengthen cohesion and reduce existing regional disparities, for example by expanding infrastructure and improving connectivity.

One of the most significant arguments in favor of 3SI is that Austria could contribute to the development of the transport and digital north-south infrastructure due to its know-how and experience in transport infrastructure. The $80 billion high-capacity rail and road corridor is being considered to link the ports of Gdansk and Świnoujście with those of Trieste, Ravenna, and Ancona, after crossing heavily industrialized areas such as Warsaw, the Upper Silesian coal basin, Vienna, and the Po Valley. Austria plays an important role in the Baltic-Adriatic Corridor and the Trans-European Transport Network Corridor (TEN-T). The projects within this framework are planned to be implemented over the period between 2016 and 2030. It is estimated that the implementation will lead to an increase in GDP over the same period of €489 billion in total. The Baltic-Adriatic Corridor connects major transport nodes such as urban ones but also ports, airports, and other transport terminals through key rail, road, maritime, and air transport connections from the north to the south between Austria, Czechia, Poland, Slovakia, and Slovenia. Italy also participates in this project as a non-3SI country.

> *Investment in transport infrastructure within the 3SI is estimated at €290 billion, while the energy sector is expected to reach €88 billion and the digital sector €160 billion.*

Another relevant project is the construction of a second railway track to ensure capacity and reliability of traffic to and from the Slovenian port of Koper. The railway line is part of the Mediterranean and Baltic-Adriatic TEN-T core network corridors, which serves all Central European countries (Austria, the Czech Republic, Slovakia, and Hungary). It connects the port of Koper with these countries, and it represents the main port for Austria and Hungary and is an important port for others as well.

The country sees the added value of contributing to the implementation of already existing plans in the EU, for example in the areas of infrastructure, energy, and digital connectivity. One of the 3SI's priority projects is Fairway Danube. The project will modernize hydrological data processing, measuring, and alarm systems of the Danube waterway in the sections connecting Austria, Slovakia, Hungary, Croatia, Bulgaria, and Romania. It has been announced that the cooperation

between the 12 participating countries will be expanded to include digital connectivity in addition to transport infrastructure and the energy sector by 2030. Investment in transport infrastructure within the 3SI is estimated at €290 billion, while the energy sector is expected to reach €88 billion and the digital sector €160 billion. Digital connectivity in CEE is one of the three pillars of the 3SI.

Government and business professionals from the Three Seas region increasingly consider the risks and opportunities of the current digital transformation, security challenges, and their impact on the future of cybersecurity. One of the major advantages of 3SI is the effective cooperation among all the services and institutions working with cybersecurity platforms in this region, which has experienced a significant rise in cyberattacks. Cybersecurity is more than just a fight against disinformation—it is also essential in building resilient supply chains and protecting markets. Possible cooperation with Ukraine through the 3SI was discussed and the President of Ukraine Volodymyr Zelensky was invited to the 2022 summit in Rīga. Due to the war in Ukraine, the main topic on the digital connectivity agenda was the security of the supply chains. The situation in Ukraine is a clear indicator to the Three Seas region that supply chain security is of the utmost importance. Examples of the latest successful cyberattacks that have been going through supply chains were shared. For instance, the LMT mobile telecommunications operator joining forces with a high-tech production company Mikrotik was a positive signal in this context.

The establishment of a network of data centers throughout the investment region of the Three Seas Investment Fund (3SIIF), including in Austria, is another focus of 3SI. However, it too has not received funding yet. The project aims to ensure secure and efficient cross-border connectivity through the acquisition of various regional data centers. A similar project is envisioned with regards to the development of an optical fiber network in the entire investment region of the 3SIIF. The project is meant to achieve cross-border connectivity services throughout the region, as part of the Digital Highway Project. The goal is to enable better and more secure data transfer from the north to the south of the region and bridge the gaps in the communication infrastructure.

Economic Growth and Resilience

The 3SI is known as a commercially driven platform aimed at improving connections within the 12 EU member states located between the Baltic, Adriatic, and Black Seas. The 3SI states are some of the fastest-growing economies in Europe. Austria can contribute significantly to the economic growth and resilience of the 3SI region, because its "economic development and infrastructure are relatively more advanced compared to the other member states," as Valerie Kornis accurately points out in a February 2022 piece for Friedrich Naumann Foundation. The initiative brings 112 million people together in one of the world's most dynamic markets following the COVID-19 pandemic. By 2030, the economy between the Baltic, Black, and Adriatic Seas is expected to grow by 35 percent.

Poland was behind a declaration signed by 11 EU states on the need to establish a source of financing at the EU level for the costs of medical services for Ukrainian refugees. The declaration included virtually all 3SI countries except for Austria, which should try to avoid such scenarios in the future if it cares about not missing opportunities.

3SI can also play a supportive role in post-COVID recovery, as investments and new projects under the 3SI in post-COVID Europe will be highly needed. The EU has agreed to provide funding for about half of the planned projects under the 3SI. However, more funds are needed given that the financial means required to modernize the CEE region are enormous and to date present approximately €600 billion.

The 3SIIF provides economic support to the initiative in developing the region's infrastructure. The Fund was registered on May 29th, 2019, in Luxembourg. Its initiators were Poland's development bank Gospodarstwa Krajowego (BGK) and Romania's national EximBank, which were also the first investors. On April 16th, 2020, Estonia became the third country to join the 3SIIF, contributing €20 million. Poland contributed with $875 million and Slovenia with $28 million. Bulgaria, Croatia, Hungary, Latvia, Lithuania, and Romania have also made large contributions. These investments will hopefully help the positive progress of the 3SI projects, providing support for the post-pandemic recovery as well.

As of April 2021, nine of the 12 3SI countries have contributed, amounting to about €1 billion ($1.2 billion). The fund's current aim is to raise from €3 billion to €5 billion ($3.6 billion to $6 billion). One of the main sources of financial support regarding connectivity and other regional development initiatives is the EU. Around €150 billion (about $180 billion) was allocated to the member states under the EU's 2014-2020 budget framework for regional development and cohesion funds. The Connecting Europe Facility (CEF), a €30 billion (about $36 billion) EU funding instrument also shares the 3SI's emphasis on strategic investments in large-scale transport, energy, and digital infrastructure networks. The United States provides not only political but financial support to the 3SI. The co-founder and largest shareholder of the Investment Fund, the Polish development bank BGK, announced an increase in contributions of €500 million from €250 million. In early February 2021, banks from Lithuania and Slovenia joined the 3SIIF. The 3SIIF aims to support the region in catching up with Western European countries, but also to keep up with their pace over the long run. The 3SIIF combines public and private funds to invest in commercial projects. While there are now many projects in which the Fund could participate, the end amounts are still not sufficient to invest in all valuable projects. Against this background, Austria has not yet joined the 3SIIF and remains reluctant to engage with investors within the initiative.

Moreover, Poland was behind a declaration signed by 11 EU states on the need to establish a source of financing at the EU level for the costs of medical services for Ukrainian refugees. The declaration included virtually all 3SI countries except for Austria, which should try to avoid such scenarios in the future if it cares about not missing opportunities and regional cooperation initiatives.

Geopolitics

The 3SI is one of the boldest and most ambitious geopolitical projects of modern times, aimed at radically changing the destiny of CEE. The initiative is geostrategic in nature because it promises to further integrate and connect this region to Europe's major energy, transportation, and communications networks. This will ultimately create new opportunities for the EU to act as a coherent geoeconomic actor in the region and to promote its further modernization. The objectives of the 3SI are fully in line with the EU's priorities in areas such as digital transformation, improved connectivity, and the rebuilding of economies after the COVID-19 crisis.

The 3SI is one of the boldest and most ambitious geopolitical projects of modern times, aimed at radically changing the destiny of CEE.

The format is increasingly attracting attention, even though it is designed and implemented at the political level of ministers and is not that much politicized. Austria occupies a geostrategic position not only in Europe but also within the 3SI initiative. Furthermore, Vienna is a major multiplier due to hosting multilateral forums and international organizations, which may turn out to be beneficial to the 3SI initiative in terms of cooperation with third partners.

As far as multiplier effects are concerned, the Alpine republic also pursues a geopolitical agenda. If there is a geopolitical role that fits Austria's ambitions in Europe to a great extent, it is the role of 'bridge-builder,' which Vienna has been eagerly exercising since the EU enlargement waves of 2004 and 2007. The EU accession of the CEE countries moved Austria from the periphery to the center of the EU's borders, combined with a great potential to benefit economically from the new markets in the East. Austria is a strong supporter of the EU enlargement to the Western Balkans, and plays a positive role in promoting the importance of Ukraine's European integration among the more skeptical EU members as well as in Brussels.

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In addition, Austria expects the 3SI to raise political awareness of this regional dimension of the European integration. Thus, Vienna will continue to support the 3SI as a framework for the definition, development, and implementation of common objectives of the countries of the CEE region, which is of utmost strategic importance for its geopolitical and geoeconomic interests. Furthermore, important announcements were made at the 3SI summit held in Rīga in June 2022. One of the topics discussed was the admission of Ukraine to the 3SI, with Latvia already making such a proposal. The same is true for the Republic of Moldova and Georgia, who in the past have also experienced Russian aggression.

The growing mistrust towards Russia following the war on Ukraine has led to a shift in Austrian politics. Austria will turn increasingly towards other external actors to diversify its energy, economic, and trade ties. The majority of 3SI countries strive for deeper cooperation with the United States, an approach which Vienna views favorably. Given that the EU and the United States will intensify their bilateral cooperation in various fields such as energy, trade, technological transfer, or security, the 3SI is emerging as a useful platform for diversifying Austrian bilateral and multilateral relations with the Atlantic allies and partners in CEE.

In this context, the 3SI reveals the overlap of geoeconomic interests

between Brussels, Washington, and Berlin. Their interests overlap not only in terms of coinciding geopolitical calculations, but also in terms of building a solid counterweight to China's own Belt and Road Initiative and the 14+1 initiative in CEE. The China-Europe Land-Sea Express Route includes Hungary, Serbia, North Macedonia, and Greece, and connects to the Chinese-owned port of Piraeus. This is a key project of China's infrastructure connectivity in Southeast Europe. Meanwhile, the three Baltic countries left the China-led 16+1 format, calling on the EU to move from a divisive 17+1 format to a unifying and therefore much more efficient 27+1 format. The EU is strongest when all 27 member states act together with the EU institutions.

Facilitating the geoeconomic nexus between the north (the Arctic region)—where the northern transport route is expected to significantly shorten the global flow of goods—and the south in the Mediterranean region—where member states are seeking new connectivity opportunities with North Africa—is of strategic importance to the EU, the Franco-German engine of European integration, and the United States. As a result of these realities, 3SI members also emphasize the need for better communication by strengthening political and economic cooperation within the region and within the framework of the EU itself. The 3SI could help erase the traditional division of Europe into West and East and overcome this stigma, which would also benefit EU integration and cohesion towards a unified CEE. Increasing integration could also improve the overlapping interests of these countries, which in the long run will strengthen their position in the EU itself.

The majority of 3SI countries strive for deeper cooperation with the United States, an approach which Vienna views favorably.

Against this background, one cannot but expect major systemic shifts and second-order effects from the pandemic as well as Russia's war against Ukraine. A major manifestation of these systemic shifts in international relations is the bifurcation of the global order in a way unseen since the Cold War. The global system has recently entered a new transitional period with the formation of two centers of power—the United States and China. Countries from the Anglosphere, the Quad, and 3SI have all pushed for infrastructure projects, supply chain reconfiguration, and military interoperability, in contrast to China's global Belt and Road Initiative and the 14+1 Initiative in CEE. In this context, the 3SI should develop into a geopolitical and geoeconomic project of both the EU and the United States, aimed at creating north-south connectivity corridors along transportation, energy, and infrastructure routes. This will be necessary for expanding the EU-North Africa and EU-Indo-Pacific links and containing the influence of the "DragonBear" (China and Russia). Most geopolitical experts still see Russia and China as separate threats, but systemic coordination between Beijing and Moscow increasingly represents a complex "threat multiplier." The extent to which this relationship will increasingly shape the global system will depend on whether China continues its economic rise and successfully helps Russia avoid a default like the one in 2014 following its war against Ukraine. It is in the interest of both countries to give the impression to the outside world of a stable and resilient relationship against the West. However, the geopolitical rapprochement appears to be more tactical than strategic.

> *Most geopolitical experts still see Russia and China as separate threats, but systemic coordination between Beijing and Moscow increasingly represents a complex "threat multiplier."*

The CEE region has suffered far too long from its satellite role within the Soviet Union during the Cold War and is now in danger of becoming a 'buffer zone' squeezed between Western Europe on the one hand, and assertive regional players such as China and Russia on the other. The western flank of Russia, which is the eastern flank for NATO's European members, remains one of the most important geostrategic flashpoints due to the concentration of Russia's population in this area. Russia is slowly but surely shifting its center of gravity from an interdependence with Western Europe to Eurasia, South Asia (India, Pakistan, and Afghanistan), and even the Indo-Pacific region. For this reason, Putin is eager to close the chapter on the "sphere of influence" in Eastern Europe by reshaping the European security architecture once and for all.

Against this background, the race for new infrastructure, transportation, and digitalization connectivity between the main competitors could lead to more incentives for the EU and the United States to engage more actively on the old continent. This, in turn, will have a positive impact on the balance of power in this part of Europe. The 3SI region's track record could become a key factor in preventing a new division among NATO's European members based on their prioritizing relations with the United States and the United Kingdom over the Franco-German group.

A Roadmap for Austria

In the past, the 3SI, and its potential for enlargement, appeared vague. However, the Russian aggression has highlighted the importance of the initiative's mandate and the need for a concrete strategy to connect all the Black Sea states. The surrounding countries have to be engaged to help mitigate the current and future threats. Moreover, engaging non-EU member countries in 3SI projects can benefit the EU, especially when developing transport corridors and supporting the much-needed energy diversification. Achieving this would shift the power dynamic in Europe and weaken Russia's geopolitical position.

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The initiative encompasses the most dynamic region in the EU and consists of members that are among the strongest and most vocal supporters of Ukraine. Cooperation formats within 3SI are more important than ever and it is recommended that Austria seizes the opportunity to become a more active member in order to capitalize on emerging synergy potentials.

First, Austria should financially contribute to the 3SIIF and upgrade its political profile within the format. A total of €600 billion needs to be invested in 3SI infrastructure by 2030 to tackle the imbalance between CEE and Western Europe. The total value of trade of all 3SI countries exceeds €225 billion. It generates about 20 percent of the GDP of the entire EU community. The 3SIIF aims to support the region in catching up with Western European countries, but also to keep up with their pace in the long run. While there are now many projects in which the Fund could participate, the end amounts are still not sufficient to invest in all valuable projects. Against this backdrop, it is in Austria's interest to engage with investors within the initiative. The 3SI is highly decentralized and project-based, which suits Austrian interests similar to the Central European Defence Cooperation. The 3SI should be developed into a practical platform for private sector investors to initiate and pursue infrastructure development projects. The initiative's success would be increased by building private-public partnerships driven by concrete business interaction. So far, Austrian participation in the 3SI has been rather low-profile, whereas other 3SI members tend to send state ministers or even heads of state to the summits. However, the fact that Austria expressed high interest, and explored business opportunities at the 3SI summit in Rīga, shows an increased will to cooperate under the 3SI in the near future. A clear recommendation for Austria in this regard remains for the country to upgrade its financial contribution and increase its presence at business forums.

Second, Austria should continue the diversification of gas supply away from Russia by using existing and potential projects under the 3SI. The diversification of energy supply and the reduction of the dependency on Russia has never been as urgent as in 2022, and will continue to be a high priority on the government's agenda in 2023. Austria should speed up its gas diversification efforts, and the 3SI is a platform that could greatly help in this regard. The 3SI can play a vital role in facilitating the much-needed cooperation in energy and connectivity, independent of Russia's influence. This should be enhanced accordingly, with America becoming a more proactive anchor investor in the initiative. In the best-case scenario, the 3SI could develop into a viable transatlantic alliance, but only with consistent commitment from Washington and Brussels. The upcoming period will likely be the decisive point that will reveal whether the 3SI remains a diplomatic agenda driven initiative or can develop into a serious, practical collaboration project. The October 2022 conference in Riga and its focus on 3SI issues demonstrated that Austria is highly interested in this format. Dr. Thomas Oberreiter, Director-General for Europe and Economic Affairs at the Austrian Federal Ministry for European and International Affairs highlighted that Austria has supported the Initiative from the very beginning. It is thus no coincidence that Austria has been a 3SI member since 2016, as Oberreiter pointed out. Austria has continuously emphasized the importance of 3SI's complementarity with EU goals and the Green Deal program. Austria finds the role of energy sector and its future development crucial, especially in the context of security.

Third, Austria should urgently catch up on digitization and draw on the experience of some of the 3SI frontrunners. The country is lagging behind in the field of digitalization and can benefit from more participation in such projects. Investment in the digital sector is expected to reach €160 billion as one of the three pillars of the 3SI. Austria should draw from the experience of government and business professionals from the Three Seas region dealing with the risks and opportunities of the current digital transformation, security challenges, and their impact on the future of cybersecurity. One of the major advantages of 3SI is the effective cooperation among all the services and institutions working with cybersecurity platforms in this region, which has experienced a significant rise in cyberattacks. Cybersecurity is more than just a fight against disinformation, it is also essential in building resilient supply chains and protecting markets. Austria should also contribute to the development of the transport and digital north-south infrastructure due to its immense know-how and experience in transport infrastructure and the construction sector.

Finally, an urgent recommendation for Austria would be to change its general stance on the initiative in geopolitical but also geoconomic terms. Obviously, Austria was not convincing with its bridge-building function between the West and the East while actively engaging with Russia. However, Vienna could develop a new formula to connect the 3SI countries with Ukraine and the rest of Europe in Brussels and the West. The Alpine republic should not miss this opportunity to diversify its 'bridge-building' role towards the north-south connectivity corridors, instead of sticking to its outdated east-west approach following Russia's war in Ukraine. To maintain the Three Seas-Ukrainian alliance, the 3SI should become not only the main advocate of Ukraine's EU accession but also a reliable guide through this process. The 3SI can share with Ukraine its best regulatory practices, implement cross-border infrastructure projects, and help Ukraine on its way towards EU membership. Eventually, this format could be opened to other states aspiring to join the EU, particularly Moldova, Georgia, and the Western Balkans, which would clearly be in Austria's interest.

From the Winter of Broken Rules to a Spring of Restoration

Tanja Fajon

TODAY, watching the news can be very disturbing. One cannot avoid the feeling of anxiety and insecurity, an overwhelming feeling that the world is crumbling all around us.

We are witnessing the undermining of the very foundations of international rules-based order and the expansion of security risks. The Russian aggression against Ukraine is not only destabilizing the European continent. Instead, its impact has had global ramifications. There are profound effects on global and national economies, with energy crisis driving the prices up. In an effort to secure energy supply, the old-fashioned, environmentally damaging sources are back in use, most notably coal. This, in turn, is driving us all further away from effectively fighting climate change. Global food security has been brought into question, due to both rising fuel prices and disturbed supply chains.

These challenges come on top of the existing geopolitical fractures and other regional conflicts and tensions, all while the world is still recovering from the effects of the COVID-19 pandemic. Again, the most vulnerable countries and social categories are hit the worst.

In recent years, there has been a growing need for the international community to address new threats to international security, including in the Security Council. Against the backdrop of traditional threats to international peace and security—which are of the utmost concern and require urgent attention—our focus also needs to be on issues such as climate change, the health crisis, environmental degradation, biodiversity loss, as well as water and food security. All this has proven to have significant impact on the security of nations, regions and—as we can witness nowadays—the entire globe.

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Photo: Guliver Image

Bringing fair play to the big game: Minister Tanja Fajon at the UN

Current global trends do not paint an optimistic picture of the future. They rather tell a story of an accelerated fragmentation in the global arena and an increased competition between global powers. All this goes directly against maintaining an effective multilateral system capable of addressing global challenges.

The world's regions are growing apart, not together. The role of international organizations is replaced by informal settings like G20 or G7. In institutional terms, the UN Security Council is essentially blocked. So is the OSCE in Europe.

The basic proposition behind the UN is the need for a system of cooperation among nations that facilitates peace, stability, and prosperity. Despite its shortcomings and existing divisions, it is a system that is as indispensable today as ever before. Multilateralism and solidarity are more important than ever. As exasperated as we often are by the lack of efficiency and results, the fact remains that we can only tackle multiple crises together. Global challenges, such as climate change and pandemics, have made unilateralism obsolete. They know no borders.

What Should We Do?

We must fight for the UN and the spirit it represents. That means we have to defend the purpose and principles of the UN Charter as a legal and political cornerstone of the international order and international relations. We must find ways to reform the UN, including the Security Council, and make it more effective and in line with the changing times.

Being a credible and reliable partner in international community should once again mean pursuing individual interests in dialogue with others, but most of all about taking one's own share of responsibility to ensure stable functioning of the international community.

Being a credible and reliable partner in international community should once again mean pursuing individual interests in dialogue with others, but most of all about taking one's own share of responsibility to ensure stable functioning of the international community. We will never achieve a world we strive for—one that is safe, just, and development-bound—by focusing only on one's rights and entitlements, but by actively and responsibly sharing the burden with all partners and actors.

This international order is meant to provide a universal arrangement and it should be resilient and flexible enough to provide global peace. We should not accept bending agreed international rules and global order to make them more useful for a single state or a single actor. The same goes for establishing alternative organizations and rules when the globally agreed ones do not serve a specific national interest.

Key powers have their own, sometimes specific, interests. And they are competing against each other for prevalence. This is the reality we live in. But even in such a power struggle, the main principles should remain intact: the norms and principles of the UN Charter and the international law are cornerstones of our system and they need to be respected.

So how should we reinforce the existing institutions? The first step would be through identifying our common global concerns and not trying to micromanage the entire international space through the lens of particular national interests. There are common challenges that we need to overcome as a global community—climate change, energy sustainability, water resources—all of which have security implications. We would need to be stronger in devoting our global efforts to these pressing issues. We only have one planet and, in the end, national interests will not matter unless we succeed in guaranteeing the future existence of our planet.

Reviving multilateralism needs to be an inclusive process—one that will engage with the private sector, civil society, and youth. We must also find synergies with regional organizations and place special emphasis on including women in all these processes.

The second step should be adapting the existing arrangements to new realities. We must fix the underrepresentation of whole regions in global mechanisms. In this regard, reforming the UN Security Council remains the most prominent challenge. The multilateral system should evolve and adapt in response to the changes in the international environment. To improve the efficiency and transparency of the UN, Slovenia supports the efforts for reforming the UN system, including the revitalization of the work of the General Assembly and the Security Council reform. It supports the Code of Conduct regarding the Security Council action against genocide, crimes against humanity, or war crimes.

Reviving multilateralism needs to be an inclusive process—one that will engage with the private sector, civil society, and youth. We must also find synergies with regional organizations and place special emphasis on including women in all these processes.

Key players on the international stage are not always states. We absolutely need to take into account the changed global social and economic context and engage the private sector, including major global corporations in existing global arrangements. They do not engage in concrete fields at the same level as states do, but their impact on the social and economic fabric is felt even more.

Despite Slovenia being among the most peaceful countries in the world, we are aware that our security largely depends on the security of all our partners around the world. In addressing a wide range of challenges and threats to international peace and security, the global community must provide an urgent, collective, and determined response, in line with the principles of the UN Charter and international law.

We need political will to achieve progress. It will by no means be an easy task in current polarized climate in the UN, but in any transformation, the biggest challenge tends to be the mindset change. Rebuilding trust and finding common ground may take time. But UN has been built to weather the storms.

What's in It for Us?

For small states, such as Slovenia, today's trends are rather worrisome. We depend heavily on a working international order with established rules that are respected by all, and which can be changed only through political dialogue, cooperation, and trust. We do not have political, economic, or military power to pursue our national interests alone, unilaterally, or in isolation from ongoing processes. We cannot avoid being strongly influenced by external factors. We can only advance our national interests through the pursuit of common good of the whole international community.

Contemporary challenges dictate the need for a strong, rules-based, and inclusive multilateral system with the United Nations at its core. Dialogue, cooperation, and mutual trust can help effectively address those challenges that require collective action.

This is why Slovenia is a staunch and relentless supporter of effective multilateralism. Contemporary challenges dictate the need for a strong, rules-based, and inclusive multilateral system with the United Nations at its core. Dialogue, cooperation, and mutual trust can help effectively address those challenges that require collective action.

Becoming a member of the UN was one of Slovenia's big aspirations on its path to independence. When our flag was finally raised on the East River in New York on May 22nd, 1992, we considered it the final step in the process of becoming an independent and full-fledged member of the international community. We have always been fully and unconditionally committed to the goals and principles of the UN Charter. We consider it a key international legal document and we have made it one of the cornerstones of our foreign policy. To quote the Declaration on the Foreign Policy of the Republic of Slovenia, adopted in 2015 by the National Assembly with a constitutional majority: "The foreign policy of the Republic of Slovenia is founded on the values of Slovenia's independence and statehood, the Constitution of the Republic of Slovenia, the values of the European Union and the principles of the Charter of the United Nations."

We have always found the UN system to be the best and unique forum to pursue our key foreign policy objectives, such as the sovereign equality of states, peaceful resolution of disputes, the self-determination of peoples, high human rights standards, a powerful role of international law, intensified international development and cooperation, humanitarian assistance, and sustainable development. In the UN, Slovenia is a reliable partner, a fair player, and an honest broker. We are prepared to engage in genuine dialogue with the aim to strengthen and accelerate cooperation for the benefit of international peace, security, and sustainable development.

Slovenia actively participates in the UN and other peacekeeping and stabilization efforts with its military, police, and civilian personnel currently deployed in Africa, Europe, and the Middle East. It takes part in the training of personnel in international operations and missions. The support for and promotion of the Women, Peace and Security and Youth, Peace, and Security Agendas are incorporated into Slovenia's activities.

Slovenia is a staunch supporter of peaceful settlement of disputes and mechanisms for conflict prevention, including mediation, arbitration, and international judiciary bodies. We will continue to take part in joint endeavors to identify new approaches promoting collaborative solutions and diminishing the potential risk of future conflicts.

Slovenia has launched several initiatives serving as platforms to strengthen genuine political dialogue and trust. We are proud of our contribution to the stability of the Western Balkans and the efforts to provide assistance in post-conflict rehabilitation, both regionally and globally.

As a State Party to all major international conventions and treaties regarding arms control, disarmament, and non-proliferation, Slovenia will continue to advocate efforts to make these instruments universal and to ensure their implementation.

Slovenia has launched several initiatives serving as platforms to strengthen genuine political dialogue and trust. We are proud of our contribution to the stability of the Western Balkans and the efforts to provide assistance in post-conflict rehabilitation, both regionally and globally.

Since the rule of law is a basic precondition for democracy and well-being, we strive for the progressive development and codification of international law. As one of the founding members of the International Criminal Court and a member of the Core Group for the adoption of the new Multilateral Treaty for Mutual Legal Assistance and Extradition for Domestic Prosecution of the Most Serious International Crimes, Slovenia is committed to the fight against impunity and bringing justice to the victims of atrocities on all levels. These activities have also had a preventive effect and constitute an essential and imperative part of post-conflict reconciliation.

Eradication of poverty, sustainable development, and respect for human rights serve as building blocks for peaceful and resilient societies. In partnership with more than 30 countries, Slovenia's projects promote good governance, equal opportunities, high-quality education, and concrete measures aimed at fighting climate change, particularly by sustainably managing natural resources. Slovenia stands at the forefront of efforts to implement the 2030 Agenda and treats the COVID-19 recovery plans and delivering climate objectives as an opportunity to further commit to the SDGs.

As global humanitarian needs grow at an alarming pace, Slovenia is steadily strengthening its humanitarian aid. It strives to play a meaningful part in the global response to the COVID-19 pandemic and its ramifications. Through bilateral cooperation and contributions to COVAX, Slovenia has thus far donated COVID-19 vaccines in numbers that by far exceed the size of its population.

Slovenia will continue to contribute to the recovery and development of conflict-affected countries through humanitarian demining, victim assistance, stockpile destruction, and mine action management. It will continue to help the children affected by armed conflict through assistance and rehabilitation projects.

Slovenia is committed to the promotion of prosperity, dignity, and a better future for all. Promotion and protection of human rights are at the core of our foreign policy activities, which is reflected in our dedicated work as a member and observer of the Human Rights Council. The focus of our efforts is on the elimination of all forms of discrimination, promotion of equality, empowerment of women, and protection of vulnerable groups. The interrelatedness of human rights, climate change, and environmental degradation is essential to our future.

Slovenia has initiated numerous activities in the UN, such as the resolution on the right to clean, healthy, and sustainable environment, adopted by both the UN Human Rights Council and the General Assembly. This was the first time that this right has been defined as a human right. We promote climate security and global action on water. We are proud that all UN member states supported the Slovenian initiative to declare World Bee Day, underlining the importance of bees and other pollinators for food security.

With a long tradition of investing in science and water diplomacy, Slovenia promotes a comprehensive policy approach to water, its crosscutting nature and relevance for human development, preservation of ecosystems, and climate resilience.

Slovenia advocates inclusive access to, and investment in the building of a digital society. The Slovenia-based International Research Centre on Artificial Intelligence (IRCAI), under the auspices of UNESCO, is dedicated to supporting the development of AI-based solutions to achieve the SDGs. IRCAI is also committed to the promotion of responsible, human-centered and human rights-based artificial intelligence in all spheres, especially education, assistive technologies, waste management, climate change, and circular economy.

Slovenia's credentials in the UN and other organizations are a testament to its dedication, integrity, and experience as an involved multilateral actor, donor, and humanitarian partner.

Slovenia's Pledge

Ours is a world of increasing complexity and challenges to international peace and security. With full commitment to shared responsibility and solidarity, Slovenia presented its candidacy for non-permanent membership in the UN Security Council for 2024-2025.

For 30 years, Slovenia has been a reliable and credible member of the UN family. It has come a long way since gaining independence, international recognition, and membership in all major international and regional organizations. It is proud to have served as a non-permanent member of the UN Security Council in 1998-1999, when it constructively contributed to the Council's work and advocated for its transparency.

Slovenia's credentials in the UN and other organizations are a testament to its dedication, integrity, and experience as an involved multilateral actor, donor, and humanitarian partner.

If elected, we will build on our existing activities and priorities, and adjust to new developments that pertain to the Security Council's main responsibility. We are more than ready to further contribute our share in the maintenance of international peace and security.

Slovenia pledges to be a positive and harmonious driving force for partnership among nations in maintaining international peace and security for all.

GEOPOLITICS VS. GEOECONOMICS

Srgjan Kerim

THERE is endless discussion revolving around the need to deal with today's global challenges—most obviously, security, climate change, nuclear proliferation, global pandemics, and economic globalization. It thus comes as no surprise that an increasing number of political analysts have been mentioning geopolitics as a crucial driver of recent challenges.

It is therefore necessary to underline two crucial moments in this regard. First, the profound crises the world is facing cannot be resolved without thinking about geopolitics as part of the equation. Second, no global challenge, including imminent threats to peace and security, can be resolved unless the world finds a way to overcome the discrepancies between geopolitics and geoeconomics, or, at the very least, narrow the gap between them.

In tackling the difficult relationship between geopolitics and geoeconomics, one must remain mindful of the fact that they do not necessarily go hand in hand. On the contrary, throughout history, they have often opposed and contradicted one another.

Let us take the example of the Soviet Union. While Russian President Vladimir Putin firmly believes the dissolution of the USSR was the greatest geopolitical catastrophe of the twentieth century, in my opinion it represented an inevitable geoeconomic collapse of a military superpower that had both a very weak economic foundation and a rigid political system.

Indeed, the balance of nuclear power between the two superpowers of the Cold War-era—the United States and the Soviet Union—did exist. And whatever shifts in the nuclear balance of power did take place, they clearly did not favor the United States. Neither was NATO militarily superior to the Warsaw Pact. However, the United States could sustain and afford the arms race, which was continuously practiced since the end of World War II, without too much difficulty. The Soviet economy, on the other hand, could not afford to concurrently service the arms race and foster the country's economic development, all while continuing to supply the Warsaw Pact countries with primary products. In other words, the USSR's geoeconomic weakness had fatal implications for its geopolitical position, resulting in a breakup of its entire system—one that Western nations disparagingly called the "Soviet empire."

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Photo: Guliver Image

The author presiding over a UN General Assembly session

Let me try to explain the current global situation by using the same criteria that this valuable lesson from recent history provides. Geopolitics and geoeconomics are confronted like never before. While there are many examples that testify to this being a global trend, what is happening with Germany is perhaps the most paradigmatic example of all. The complexity of this issue requires one to focus on the challenges that stand before the European Union. The decision to stick with one of the two paths will ultimately determine the EU's future and existence.

The challenges are great and the key question that derives from the March 2022 adoption of the Strategic Compass—a guiding document for the EU's security and defense policy until 2030—is whether switching to a security-first model of globalization can be a feasible solution? The answer is yes, but only in the short run, simply because it creates a more expensive economy but ultimately fails to guarantee more security. The danger is that a responsible pursuit of security will morph into rampant protectionism, government-funded job schemes, and hundreds of billions of euros in industrial subsides. This is hardly a winning combination. Instead, reinventing globalization based on a new balance between efficiency and security is the solution in the long run.

The key question is whether a security-first model of globalization can be a feasible solution? The answer is yes, but only in the short run, simply because it creates a more expensive economy but ultimately fails to guarantee more security.

I am by no means suggesting that countries should end up in situations of crippling dependence on external actors. For instance, 12 EU member states have become so dependent on Russian energy, which in turn makes any prospect of adjusting geopolitics and geoeconomics with their national and collective security nearly impossible.

While it goes without saying that Ukraine and its people are the biggest victims of the Russian invasion in February 2022, the EU ranks second on the Kremlin's list of victims. The bloc was staggeringly naïve about Russia's real intentions when it comes to Ukraine. Although the war caused the United States and the European Union to unite after a series of ruptures during the Trump years, the danger is that a long conflict and economic tensions will gradually pull them apart again. Instead of complaining about American economic nationalism and geopolitical rifts that threaten its long-term competitiveness, the EU should quickly come to the realization that the still extant gap between geopolitics and geoeconomics is at the root of its fragile global positioning.

The ongoing energy crisis is the most illustrative proof of the aforementioned gap. Too many EU-based industrial firms (especially German ones) have long relied on abundant energy inputs from Russia. To minimize this risk and damage, the EU should accelerate its transition to more sustainable sources of energy. Its goal should be to expedite the renewables revolution over the long-run and to increase the share of liquid natural gas and other energy sources in the immediate future. Above all, the EU needs to adapt to a new security reality, which will not only involve more spending on defense but also require implementing the Strategic Compass without further delay.

The global supply chain of goods is inextricably linked with China. As a matter of fact, before the outbreak of COVID-19, China controlled more than one quarter of the suppliers for big industries, including chemicals, electronics, automotive, pharmaceuticals, and textiles. Beginning in the 1990s, technology, geopolitical stability, and comparative advantage were powerful forces pulling different actors together. Based on that, trade as a share of global GDP jumped from 37 percent to 61 percent within a timespan of 20 years.

Under the umbrella of globalization, the Belt and Road Initiative is bound to eventually become China's geopolitical tool in its rivalry with the United States and a challenge to the latter's longstanding ambition to maintain its dominance in global affairs.

At its inception, the China-led Belt and Road Initiative aimed to provide a sort of framework to deepen the level of interdependence between the participating economies and China—an obviously asymmetrical relationship that favors China's interests. Under the umbrella of globalization, the project is bound to eventually become China's geopolitical tool in its rivalry with the United States and a challenge to the latter's longstanding ambition to maintain its dominance in global affairs.

One simple example that demonstrates the profound shift in power on the global stage is the state of international financial institutions. The World Bank and the International Monetary Fund, both of which are Western-dominated institutions, are losing ground relative to fast-growing Chinese banks, which now play a significant international role. Only in 2015 and 2016, the state-owned China Development Bank and EXIM Bank extended more than $435 billion in loans to governments and companies all over the world—a figure that significantly surpasses that of the World Bank and the IMF combined.

I get the feeling that Americans are becoming increasingly skeptical about globalization working in their favor. Instead, it seems to me that they have started to believe that China is the greatest beneficiary of globalization. For too many workers in the American manufacturing sector, the products keep coming and the jobs keep going away.

Unlike the United States, the European Union has not yet started a trade war with China. It is still rethinking its position towards China within the scope of the aforementioned problematic gap between geopolitics and geoeconomics.

Nobody can deny the fact that China has sharply increased its economic, political, and military sway around the world over the last four decades—especially in East Asia. Lately there have been growing tensions in the South China Sea between the United States and China, above all over Taiwan. But the rivalry has a much broader scope, including a trade war, which illustrates that the epicenter of collision on the global level is moving more towards the East—more specifically the Pacific—with the United States and China playing the leading roles.

Americans are becoming increasingly skeptical about globalization working in their favor. Instead, it seems that they have started to believe that China is the greatest beneficiary of globalization.

Those who believe in multilateralism as the only appropriate institutional framework for dealing with global challenges must look at the existing multilateral fora and critically assess their present state. Furthermore, they must look at the configuration and the way multilateral institutions function nowadays, as well as think about their real influence in international relations. In analyzing these institutions, one would have to define the scope of their activities, their composition, and the topics with which they are dealing. No one can deny the United Nations was established to serve as a backbone of world order after World War II—especially with global peace and security completely under the control and surveillance of the UN Security Council. In the meantime, however, this body gradually became a hostage of the power wielded by its five permanent members, especially the United States and Russia—neither of which ever shied away from exercising their right to veto draft resolutions presented before that body. While it has not used this right to such excess, China cannot be absolved from responsibility either. The blockade of the Security Council is poisoning the whole ambience of the United Nations, making us witness a permanent erosion of its authority and reputation. A case in point is the Russian aggression against Ukraine, which was widely condemned in a resolution adopted by the UN General Assembly, only for the Security Council to fail in adopting a similar resolution for obvious reasons.

Is there an alternative? At first sight, one could say yes. This could be the G20. However, one does not need to search endlessly for voices that would confirm that G20 definitely cannot play such a role. The November 2022 G20 Leaders' Declaration in Bali says: "Recognizing that G20 is not the forum to resolve security issues, we acknowledge that security issues can have significant consequences for the global economy."

If the 2008 financial crisis was a signpost from which the process of the inevitable transition towards a new economic order accelerated the events of 2022 mark a historical moment in which it became clear that the UN Security Council was no longer capable of resolving security issues that posed a threat to international peace and stability.

When reading this rather controversial statement, one can at least feel a glimmer of hope that world leaders are beginning to recognize the compatibility of geopolitics and geoeconomics. In fact, such a compatibility is the precondition for the realization that there is an urgent need to establish such a multilateral framework, which would be the foundation and cornerstone of a new world order. The necessary steps forward require thinking about the ways to accommodate emerging players in taking on pressing transnational problems. This is one of the key issues when it comes to finding a viable solution for the establishment of such a multilateral framework that reflects the world we live in today.

If the 2008 financial crisis was a signpost from which the process of the inevitable transition towards a new economic order accelerated—one that embraces emerging powers like China, India, Brazil, Turkey, Saudi Arabia, the United Arab Emirates, and South Africa—the events of 2022 mark a historical moment in which it became clear that the UN Security Council was no longer capable of resolving security issues that posed a threat to international peace and stability.

The shift away from the existing framework of international organizations towards new alternatives, which are not yet clearly articulated, marks a period of transition from the world we have known since the end of World War II. What we are witnessing now is what American political scientist Ian Bremmer has called "every nation for itself" behavior, which reflects the obvious global strategic vacuum and represents a serious threat to world peace.

Instead of complaining about the status quo, we should strive for solutions and leadership. The structural bridge to a new world order must be based on an adjustment of geopolitics and geoeconomics, rather than on their discrepancies.

CIRSD HOLDS A CENTRAL ASIA CONFERENCE IN VIENNA

cirsd

The Center for International Relations and Sustainable Development (CIRSD) co-organized a conference on December 7th, 2022, titled "Central Asia: The Age of Reform" at the Diplomatic Academy of Vienna, one of the most prestigious and oldest schools in Europe (1754).

The conference "Central Asia: The Age of Reform", which focused on reforms, (geo) political shifts, and investment opportunities in Central Asia—a region with tangible resource advantages and important connectivity between East and West—was officially inaugurated by Emil Brix, the Director of the Viennese School of International Studies. During the welcome address, Brix addressed the audience at the Festsaal of the Diplomatic Academy. He was followed by Mr. Peter Launsky-Tieffenthal, the Secretary General of the Austrian Federal Ministry for European and International Affairs, who in his remarks outlined the importance of the Central Asian region and its role in the international community.

The welcoming remarks were followed by the reports on Kazakhstan and Central Asia, presented by Svante E. Cornell, Director of the Central Asia and Caucasus Institute at the American Foreign Policy Council, and Stefan Antić, Senior Research Fellow at CIRSD. The reports took the audience on a journey from what prompted the region to initiate social, economic, and political reforms through the trajectory of progress that has been made since. Moreover, Cornell and Antić provided insights on how the reforms could facilitate Central Asia's rise to international prominence.

During the Fireside Chat between Brix and Roman Vassilenko, the Deputy Foreign Minister of Kazakhstan, the latter tackled numerous reform issues and provided crucial insight on the recent developments in Central Asia, with a focus on matters concerning (geo)political, security, social and economic situation in the region. Further, the Deputy Foreign Minister provided insight into what Central Asian governments, especially Kazakhstan, are doing to improve their respective economic climates and attract global investments.

Lastly, the event featured a panel discussion, moderated by CIRSD President, Vuk Jeremić. The panel featured remarks by Iulian Chifu, Foreign Policy, Security and Strategic Affairs Advisor to the Prime Minister of Romania, Aidar Kurmashev, Head of the Department of International Studies at the Kazakhstan Institute for Strategic Studies, Velina Tchakarova, Director of the Austrian Institute for European and Security Policy (AIES), as well as Christine Muttonen, Former Member of the Austrian Parliament and former President of the OSCE Parliamentary Assembly and Special Representative for Central and Eastern Asia.

The event was attended by more than 150 high-ranking Austrian officials, diplomats, top academic experts including Professor Jeffrey Sachs, and outstanding students from numerous prestigious Viennese schools.

CAN TÜRKIYE REMEDY EUROPE'S ENERGY CRISIS?

Gülru Gezer

Towards the end of 2021, Russia had sent nearly 100,000 troops to its border with Ukraine for "military exercises." There were differing views about Russia's true intentions. On February 24th, 2022, however, it launched its "special military operation" in Ukraine. It was soon apparent that Russia's occupation would result in a prolonged war, as Ukraine had significantly fortified and restructured its army. Kiev had no intention of repeating what had happened during the annexation of Crimea in 2014.

After the war in Bosnia between 1992 and 1995, the European continent is witnessing yet another and deadlier battle. Russia's threats ranging from nuclear destruction to cutting energy supply to Europe caused panic, not only in Europe but around the world.

Regardless of the outcome of the war, one thing is clear: the world will not be the same. The events that unfold today will shape the dynamics of the twenty-first century. There are several discussions on a potential division between democracies and autocracies, or how multilateralism will prevail in a multipolar world. Yet, at the very center of each discussion is energy security. The United States has placed energy security at the very core of its national security agenda. Europe has also taken important steps in this direction. That being said, the war in Ukraine has shown just how vulnerable Europe actually is in terms of energy.

Initially, most European countries did not expect relations with Russia to deteriorate to a point where it would affect their own well-being. The situation was much more serious than in 2014, when Europe condemned Moscow for its flagrant violation of international law but refrained from imposing heavy sanctions on Russia. The 2014 sanctions targeted certain sectors and mainly affected Russia, making minimal impact on Europe itself.

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Photo: Guliver Image

A new European lifeline?

At the time, the European Parliament, much like the European Commission, issued several reports stressing the importance of ending the EU's interdependency with Russia. According to a report prepared by the European Parliament's Directorate General for External Policies, an escalation of the conflict leading to reciprocal measures and Russia suspending the gas flow was described as a "disaster scenario."

The European Energy Security Strategy issued by the European Commission on May 28th, 2014, clearly stated the necessity to reduce the EU's external dependency on certain suppliers by diversifying its energy sources, suppliers, and routes. This was reiterated in the June 2015 Council conclusions. Nevertheless, Europe's energy dependency on Russia remained unchanged until 2022.

When the war started, the EU was still importing 40 percent of its natural gas and 30 percent of its oil from Russia. No one expected the war to drag on. By the end of the summer, it became clear that the war would continue. Many European countries were in a state of panic, trying to find solutions to the energy shortages they would be facing during the winter. Until now, the EU has adopted nine sanction packages including heavy measures to cripple Russia's energy sector. In so doing, the EU has tried to prevent Moscow from using energy as a weapon and source of income to finance its war.

In Europe, there is a growing "Ukraine fatigue" and disgruntlement with the United States, which is seen as one of the main benefactors of the prolonged war.

As of the beginning of 2023, the EU's reliance on Russian energy has declined significantly. In this respect, the EU banned Russian oil and coal imports, applied a price cap on Russian oil arriving by sea, placed a ban on exports to Russia of goods and technologies in the oil refining sector as well as a ban on new investments in the Russian energy and mining sector. Russia retaliated by switching off the natural gas to Europe and demanding that payments be made in Russian Rubles. Thus, the "disaster scenario" became a reality.

Thanks to relatively mild weather conditions in most parts of Europe, as well as precautions taken both at the supranational EU and individual member state levels for energy conservation, most countries will be able to power through this winter without facing major problems. Nevertheless, these measures will not be sufficient to ensure Europe's energy security in the short-term.

Cracks in the Euro-Atlantic Solidarity

Furthermore, the energy crisis in Europe has already created fractures in the Euro-Atlantic solidarity towards Ukraine. The United States has continued to support Kiev. In this respect, the visit of the Ukrainian President Volodymyr Zelensky to Washington provided a clear message to Russia and Washington's European allies. In Europe however, there is a growing "Ukraine fatigue" and disgruntlement with the United States, which is seen as one of the main benefactors of the prolonged war.

There are also differing approaches within Europe. Some countries, such as Germany and France, have already started talking about reengaging in dialogue with Russia, while others, such as the Netherlands, have rolled back on the sanctions.

Hungary has pursued a defiant policy with regards to the sanctions regime from the onset of the war, especially when it comes to energy policy. While countries of the former Warsaw Pact—and particularly those who were part of the USSR—have adopted a tougher stance towards Russia, Western European countries, with the exception of the UK as a non-EU state, have been more hesitant in implementing harsh measures that would further aggravate Moscow.

Moreover, Europe is unhappy with the United States exporting LNG at much higher prices to its allies. Nonetheless, in an effort to replace energy supplies previously received from Russia, many countries have turned to the Americans for help. According to the European Council, in the first half of 2022, the United States was the EU's largest LNG supplier, with nearly 50 percent of total imports.

Despite some disagreements on the price, the U.S. will most likely remain as Europe's top LNG seller in 2023. As it has become abundantly clear, Europe has found itself in dire need of alternative sources to meet its increasing energy demand.

France has been the top receiver of LNG exports from the United States. The increasing reliance on American gas has led to anecdotal comments about the Eiffel Tower being lit thanks to the LNG imported from across the Atlantic.

Germany also received its first regular shipment of LNG from the United States on January 3rd, 2023. The tanker arrived at the North Sea port of Wilhelmshaven, where the LNG will be converted back into gas at a special floating terminal that was inaugurated last month by German Chancellor Olaf Scholz. Germany is continuing to build new terminals with the aim of receiving more LNG from the United States.

Despite some disagreements on the price, the U.S. will most likely remain as Europe's top LNG seller in 2023. As it has become abundantly clear, Europe has found itself in dire need of alternative sources to meet its increasing energy demand.

Türkiye's Energy Policy

Over the past four decades, as a country significantly reliant on energy imports (74 percent), Türkiye has taken several strategic steps to meet its steadily growing domestic demand. Türkiye has aimed, first and foremost, to diversify its energy sources. Secondly, its goal is to become a sustainable and reliant center connecting energy rich countries to world markets, hence contributing to regional and global energy security.

Within this framework, a number of gas and oil pipeline projects were completed. More specifically, the Kirkuk-Yumurtalık Crude Oil Pipeline, the

Baku-Tbilisi-Ceyhan Crude Oil Pipeline (BTC), the Iran-Türkiye Natural Gas Pipeline, Blue Stream Natural Gas Pipeline, Baku-Tbilisi-Erzurum Natural Gas Pipeline (BTE), Türkiye-Greece Natural Gas Interconnector (ITG), Trans-Anatolian Natural Gas Pipeline Project (TANAP), and the TurkStream Natural Gas Pipeline.

Türkiye's goal is to become a sustainable and reliant center connecting energy rich countries to world markets, hence contributing to regional and global energy security.

Furthermore, Türkiye has increased the number of its LNG terminals to five. Currently, Türkiye buys LNG from 12 different countries including, but not limited to, Russia, Iran, Azerbaijan, Algeria, the United States, Nigeria, and Egypt. Ankara is continuing talks with other countries such as Oman with an aim to further diversify its natural gas sources.

Moreover, to decrease its import dependency, Türkiye has pursued a rigorous policy in terms of the exploration domestic oil and natural gas reserves over the past few years. Türkiye's first drill ships were bought in 2018 and the first natural gas field in the Black Sea was discovered in August 2020. According to President Recep Tayyip Erdoğan's statement on December 26th, 2022, the natural gas reserves in the Black Sea total 710 billion cubic meters, with a market value of one trillion U.S. dollars. The reserves are initially to be used to cover domestic household needs.

In addition, with an aim to enhance its energy security, Türkiye has taken significant steps in diversifying its energy mix over the past decade. In this respect, according to the Ministry of Foreign Affairs of Türkiye, the country ranks fifth in Europe and 12th in the world in terms of installed capacity in renewable energy, with the share of renewables reaching 54 percent in 2022. That being said, the country still has a long way to go in this field.

Nuclear energy will also become part of Türkiye's energy mix with the completion of the first reactor of the Akkuyu Nuclear Power Plant in 2023. In the near future, Türkiye aims to build two more nuclear power plants in Sinop and the Thrace region.

All of these strategic steps have led Türkiye to become an important natural gas and electricity market in the region.

Europe's Energy Policy

Interestingly, after World War II, it was the European Coal and Steel Community that brought lasting peace to the continent. Yet today, the very

same reason, namely energy, has become a potential threat to the stability of the continent.

Initially, Member States had their own energy policies and the bloc's competence to act on energy issues was limited. Energy cooperation and energy security became particularly important with the oil crises in 1973-1974. Yet, only in March 2007 did the European Council endorse an energy action plan. The plan underscored three challenges: sustainability, security of supply, and competitiveness. From 2007 onwards many decisions were taken at the EU level in order to address these issues. However, these measures did not prevent the EU from increasingly relying on Russian natural gas and oil, both of which were easily accessible and abundant.

As climate change became an imminent rather than a distant threat to the world, Europe has played a pioneering role in the transition from fossil fuels to renewable energy. This would also eventually decrease Europe's dependency on third parties for energy.

In the meantime, as climate change became an imminent rather than a distant threat to the world, Europe has played a pioneering role in the transition from fossil fuels to renewable energy. This would also eventually decrease Europe's dependency on third parties for energy. Making climate security a core aspect of its policies, the EU ambitiously aims to cut greenhouse gas emissions and achieve climate neutrality by 2050.

Despite a return to coal by some countries as a temporary remedy, the war in Ukraine has boosted the pace of the transition to renewables. In this respect, the EU's new renewable energy plan, referred to as "RePowerEU," aims to increase the Union's renewable energy resources to 45 percent by 2030, up from 22 percent in 2020.

A Search for New Partners

Nonetheless, despite all the measures taken, Europe still faces a severe energy crisis in the immediate future. Speaking at a press conference in mid-December 2022, the President of the European Commission Ursula Von der Leyen outlined Europe's key energy priorities for 2023. Von der Leyen underscored that while Europe had withstood Russian blackmail for this winter, it was imperative to adopt new measures swiftly for the coming winter.

That is why the EU has been desperately searching for alternative sources. Within this framework, the EU has signed new agreements with different countries.

Azerbaijan will double its natural gas supplies to the EU by 2027. Norway opened a new pipeline to Poland in October 2022 and has since increased its supply to Europe by 8 percent, becoming the largest supplier of natural gas to the continent via pipeline. Algeria also came to the rescue. In addition to European Council President Charles Michel, many high-level officials, visited Algiers with the aim of signing new agreements with Africa's biggest natural gas exporter. Also, when completed, the Trans-Saharan Pipeline connecting Nigeria via Niger to Algeria will allow not only Algerian but also Nigerian natural gas to reach European markets.

Lacking sufficient LNG terminals and the necessary infrastructure to transmit the LNG to member states, the EU has nevertheless significantly increased its LNG imports from the United States, Qatar, and Nigeria.

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Moreover, new deliveries of natural gas are being planned from Israel and Egypt. Building LNG terminals and infrastructure will take several years. The EU has stepped up and will treat some of the planned investments as EU projects for rapid completion.

Türkiye's Pivotal Role

Türkiye has already proven to be a reliable energy transit country for Europe via its existing energy networks. With the completion of the Trans Adriatic Pipeline (TAP) in 2020, the Southern Gas Corridor has further enhanced the energy relations between Türkiye and the EU. It is through this corridor that the additional natural gas provided by Azerbaijan will reach European markets.

The war in Ukraine has further accentuated the significance of the "Middle Corridor." In this respect, the energy crisis has led to an important development that will eventually alleviate Europe's problems. In mid-December 2022, the presidents of Türkiye, Azerbaijan, and Turkmenistan met at the Caspian Sea resort of Avaza and decided to strengthen their energy cooperation. During the summit President Erdoğan stressed the importance of supplying Turkmen natural gas to the European markets through the Southern Gas Corridor and expressed Türkiye's readiness in this regard.

Until recently, Turkmenistan has acted as a neutral country and declined to take part in any regional initiative. Although it is ranked fourth in the world for its proven natural gas reserves, the country mainly exports its gas to Russia with only a marginal profit. Both Russia and Iran see Turkmenistan as a potential rival and do not want Turkmen gas to reach international markets. It is for this reason that—despite an agreement reached with regards to the Caspian Sea among littoral states in 2018—Iran and Russia oppose pipeline construction from Turkmenistan to Azerbaijan under the Caspian Sea, citing environmental factors as the excuse.

Realizing such a project will doubtlessly provide relief to the European markets in the midterm. It is not certain if any additional pipelines will have to be built for increased capacity. Turkmenistan continues to maintain excellent relations with Russia. Therefore, it remains to be seen whether the project can actually be realized

After the sabotage of the Nord Stream 1 pipeline in September 2022, the Northern Corridor became an overly risky energy route. In addition, the frequent quarrels between Russia and Ukraine were known in the past to disrupt the flow of natural gas to European markets. The war in Ukraine once again demonstrated that alternative routes were necessary.

Shortly after the Nord Stream 1 pipeline incident, Putin floated the idea of Türkiye becoming an energy hub the Russian proposal aims to supply gas to European markets via Türkiye by creating a gas distribution center in Thrace an important development for Türkiye in its bid to become a regional energy hub.

Shortly after the Nord Stream 1 pipeline incident, Russian President Vladimir Putin floated the idea of Türkiye becoming an energy hub during an energy conference in Moscow. The proposal came as a surprise to the Turkish side, and the Minister of Energy and Natural Resources Fatih Donmez who was attending the conference was not able to comment about the project, besides saying that it needed to be thoroughly analyzed.

The matter was later discussed between the presidents of the two countries and both sides agreed to start technical negotiations to determine the parameters of the project. As far as it is known, the Russian proposal aims to supply gas to European markets via Türkiye by creating a gas distribution center in Thrace. This indeed is an important development for Türkiye in its bid to become a regional energy hub. Still, it does not come without challenges.

First and foremost, at a time when Europe has drastically decreased its dependence on Russian energy, who will keep buying the gas? Of course, the non-EU Balkan countries could be potential buyers of Russian natural gas, although most of them are in the process of joining—or have the aspiration to join—the EU and might therefore face pressure from Brussels. At this point it is important to remember that the pipeline of the now abandoned South Stream project that was going to pass through Bulgaria could not be completed due to EU's opposition and Bulgaria's last-minute change of heart.

Since that the capacity of TurkStream is nearly one third of Nord Stream 1 and Nord Stream 2, additional infrastructure will be necessary to supply Europe with enough natural gas.

In addition, TurkStream, consisting of two pipelines, has a total capacity of 31.5 billion cubic meters. The first line, with a capacity of 15.75 billion cubic meters, supplies natural gas to Türkiye. The second line, having the same capacity, carries Russian natural gas to Europe via Bulgaria. Considering the fact that the capacity of TurkStream is nearly one third of Nord Stream 1 and Nord Stream 2, additional infrastructure will be necessary to supply Europe with enough natural gas.

Therefore, if new pipelines are required, the only countries that possess the technology to lay the pipelines in the Black Sea—whose seabed is rather deep—are Japan and certain European states, all of which have imposed harsh sanctions against Russia. Similarly, while Russia is waging a war in the Black Sea, how can it provide security assurances even if companies decide to invest in the project?

Indeed, the project will take years to complete, and there is always the possibility of Europe finding a modus operandi with Russia once the war is over.

What Will the Future Bring?

Will Türkiye's reliance on Russian natural gas curtail Ankara's ambitions to become a regional hub? Turkish officials believe the opposite. Türkiye believes that its strength and comparative advantage in becoming a regional hub stem from its existing energy mix and infrastructure.

It is true that Türkiye receives 44 percent of its natural gas from Russia. However, as this essay repeatedly points out, Türkiye buys natural gas from many other sources, and with its increased gas storage capacity it can create a platform where prospective buyers can meet the sellers. In a recent interview, Minister Donmez explained that Türkiye's Electricity Transmission Corporation (TEİAS) already operates as a market and has the necessary infrastructure to initially function as a natural gas market as well.

It is true that Türkiye receives 44 percent of its natural gas from Russia. However Türkiye buys natural gas from many other sources, and with its increased gas storage capacity it can create a platform where prospective buyers can meet the sellers.

Bulgaria, an EU member state, which until recently used to receive over 90 percent of its natural gas from Russia, signed an important agreement with Türkiye in the latter half of December 2022. According to the 13-year deal signed between Bulgaria's state-owned gas operator Bulgargaz and Türkiye's state gas firm BOTAS, Bulgaria will have access to Türkiye's LNG terminals for cargo shipments, which will allow the natural gas to be transported to Bulgaria via the gas network of BOTAS. According to the agreement, up to 1,5 billion cubic meters of natural gas will be transferred to Bulgaria per annum.

During the signing ceremony Minister Donmez emphasized that the deal would "also be an important step in increasing the natural gas security of the Balkan geography." That is why it is only a matter of time before other countries in the Balkans follow suit.

Attending the Open Balkan Initiative Summit in Belgrade in early September 2022, Turkish Foreign Minister Mevlüt Çavuşoğlu underlined the importance of solidarity in addressing common challenges such as energy and food security. He also stated that Türkiye would do its best to help its Balkan neighbors in meeting their natural gas needs during the winter.

In addition, for the aforementioned reasons, the Southern Gas Corridor will continue to gain importance with its potential to transfer more Azeri and new Turkmen natural gas to European markets. During a mid-October 2022 address to the nation, President of Serbia Aleksandar Vučić expressed his country's desire to connect to the TAP and TANAP natural gas pipelines. This is indeed an important step towards ensuring Serbian and regional energy security.

Last but not least, Türkiye's ongoing rapprochement with Israel, Egypt, and other Arab countries will create opportunities for future cooperation and the efficient, low-cost transfer of natural gas via Türkiye to international markets.

The war in Ukraine has been a turning point for Europe in many respects. But energy security seems to be the most imminent among the issues troubling the old continent. The question of how long Europe can stand united against Russia will indeed determine the future of the continent's stability and the future of the EU itself.

The EU is aware that it must make drastic changes with regards to its energy policy.

This time, the EU is aware that it must make drastic changes with regards to its energy policy. The steps taken over the past year are important but not enough. For the short and mid-term, the EU should cooperate and consult with Türkiye, a negotiating candidate country, on how Europe can solve its energy deficiency problem and guarantee secure and reliable energy sources. The infrastructure is already there, and the recent Bulgarian agreement provides a good example.

For the mid- and long-term, the parties should further their discussions on how to cooperate with regards to the transition to renewable energy. Such cooperation will bring all-around benefit to the EU, Türkiye, and the Balkans.

Charting the Future of EU-Azerbaijani Relations

Beyond Energy Policy & Security

Vasif Huseynov

ENERGY has been one of the major pillars of EU-Azerbaijani relations since the latter's independence in the early 1990s. Situated in the South Caucasus, at the coast of the Caspian Sea, Azerbaijan is a country with rich hydrocarbon resources, and one with great potential to produce and export renewable energy, particularly electricity. Azerbaijan's proven natural gas reserves amount to no less than 2.6 trillion cubic meters, which is sufficient for the country to be able to export natural gas to Europe for the next 100 years. Already exporting oil to the European market since the late 1990s, Azerbaijan started natural gas exports to the same market in December 2020, having completed the Southern Gas Corridor (SGC)—a project worth $33 billion. The established European importers of Azerbaijani gas include Türkiye, Italy, Greece, Bulgaria, Romania, while a few other states in Eastern Europe are expected to soon join this list.

The Ukraine war opened a new chapter in energy cooperation between Azerbaijan and the EU. Along with the agreement to increase natural gas exports from its volume of 12 billion cubic meters (bcm) in 2022 to more than 20 bcm by 2027, the parties also agreed on the electricity exports from Azerbaijan to the European continent. The war also revealed the importance of the Trans-Caspian International Transportation Route, also known as the "Middle Corridor," connecting Europe and Asia and providing an alternative to the Trans-Russia route. These and other developments in Azerbaijani-EU relations carry implications for their future partnership across a variety of fields—

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Photo: Guliver Image

The skyline of Azerbaijan's capital, Baku

particularly in the context of Russia's war against Ukraine. Azerbaijan has so far been the only post-Soviet country in Eastern Europe and the South Caucasus to have successfully maintained balance between the West and Russia. Moreover, it embarked on a number of strategic projects with the EU without causing a backlash from its northern neighbor.

The EU as Azerbaijan's Indispensable Partner

Azerbaijan is part of a dangerous geographic space and is the only country in the world that borders both Russia and Iran. This geographic situation entails a wide range of risks and threats to national security and sovereignty. Russia views Azerbaijan as part of its sphere of influence and expects Baku to act accordingly. One way to do so would be to enter the Moscow-led regional integration projects, most notably the Eurasian Economic Union and the Collective Security Treaty Organization. On the other hand, Iran views Azerbaijan as part of its historical territory and dreams of carrying out a pro-Iranian Islamic revolution in Baku. To make things even more complicated, Azerbaijan's geopolitical position was further exacerbated by the Armenian occupation of 20 percent of its territory in the early 1990s. From

Russia's perspective, this served as a welcome opportunity to exploit the conflict, manipulate events on the ground, and exert influence on Azerbaijan. After Azerbaijan liberated the occupied territories in the Second Karabakh War—from September 27th to November 10th, 2020—Russia managed to preserve its role by deploying its peacekeeping mission to those parts of the Karabakh region of Azerbaijan presently populated by Armenians. Under these circumstances, the EU has been one of the few actors along with Türkiye and the United States that has helped Azerbaijan develop economic independence and safeguard its sovereignty.

Russia views Azerbaijan as part of its sphere of influence and expects Baku to act accordingly. On the other hand, Iran views Azerbaijan as part of its historical territory and dreams of carrying out a pro-Iranian Islamic revolution in Baku.

Azerbaijan's relations with the EU have been evolving along a progressive path since the beginning of their bilateral communication in the early 1990s. Since then, the two sides have made great accomplishments in political dialogue, trade, investment, economy, and culture, among other things. Today, Azerbaijan and the EU are approaching the end of negotiations to upgrade their existing framework of relations, which is currently based on the EU-Azerbaijan Partnership and Cooperation Agreement—signed in 1996 and in force since 1999. The sides are currently negotiating a new framework agreement, which is likely to be signed in the near future.

The EU is Azerbaijan's main trading partner and represents 36.7 percent of the country's total trade with a 51 percent share of its exports and 16 percent of the imports. The EU is also a major investor. One of the latest investment projects was announced in December 2022, according to which the EU is expected to invest €2 billion to further diversify the Azerbaijani economy, create jobs, and promote inclusive rural development.

Relations between the two parties have been reinforced by the EU's robust engagement with the South Caucasus since the Russian invasion of Ukraine in February 2022. During this period, the EU became a major mediator in the Armenia-Azerbaijan peace negotiations, having regularly organized high-level contacts between the two countries, which resulted in some important breakthroughs. The EU's growing role in this process—running in parallel to Russia's distracted behavior due to its war in Ukraine—raised hopes in the South

Caucasus that Brussels could replace Moscow as an honest broker between Baku and Yerevan, possibly leading to more significant breakthroughs. As for Moscow's role in the process, it is widely believed that Russia has been manipulating the circumstances of this conflict for its own benefit and is not genuinely interested in a complete settlement.

The EU has been one of the few actors along with Türkiye and the United States that has helped Azerbaijan develop economic independence and safeguard its sovereignty.

However, this process has also exposed the shortcomings of the EU-led mediation and, more broadly, the EU's policies towards the South Caucasus. Unlike Russia, which has maintained presence in the Karabakh region since 2020, the EU does not have proper access to the region, and has hardly any influence over the separatist regime. Hence, the EU mediation effort encountered trouble when Russia decided to complicate the situation by installing a Russian oligarch of Armenian origin as the de-facto leader of the separatist regime, undermining the implementation of the agreements reached in the EU-mediated talks. Nevertheless, the EU remains an indispensable player for the region's countries, as Armenia and Azerbaijan are unlikely to overcome the obstacles that Russia places before them without the backing of Brussels.

Azerbaijan: the EU's Reliable Energy Source

As Europe intensifies its efforts to reduce energy dependence on Russia, Azerbaijan offers viable alternatives. For example, the ten-point plan to reduce Europe's dependence on Russian gas—proposed by the International Energy Agency in the early months of the Russia-Ukraine war—included Azerbaijan as an alternative source. The effort of the two parties to upgrade their cooperation yielded its initial results on July 18th, 2022, when the President of the European Commission Ursula von der Leyen and Azerbaijani President Ilham Aliyev signed the Memorandum of Understanding on a Strategic Partnership in the Field of Energy in Baku. "Today […] we are opening a new chapter in energy cooperation with Azerbaijan, a key partner in our efforts to move away from Russian fossil fuels," said von der Leyen in a press conference.

Along with gas exports, which are planned to increase to at least 20 bcm by 2027, the two partners have also expressed interest in promoting cooperation on renewable energy and connectivity. The Azerbaijani territories liberated from the Armenian occupation in 2020 have significantly increased Azerbaijan's renewable energy potential. As President Aliyev said, "in the liberated areas of Karabakh and Eastern Zangazur, the potential of solar and wind power plants is 9,200 megawatts, and the potential of wind in the Caspian Sea is 157 gigawatts."

This Strategic Partnership document mentions cooperation on renewable energy as a key pillar of future EU-Azerbaijani relations. Affirming this potential, Ursula von der Leyen stated: "Gradually, Azerbaijan will evolve from being a fossil fuel supplier to becoming a very reliable and prominent renewable energy partner to the European Union." To this end, the parties signed the Agreement on Strategic Partnership on Green Energy on December 17th, 2022 in Bucharest, which opened a new chapter in EU-Azerbaijani relations by enabling the export of Azerbaijani electricity to the EU via an underwater cable in the Black Sea. This cable is expected to link Azerbaijan with Hungary via Georgia and Romania, creating a scheme that will also benefit Ukraine and Moldova—two countries that face serious challenges in the energy sector due to the ongoing conflict with Russia.

The Azerbaijani territories liberated from the Armenian occupation in 2020 have significantly increased Azerbaijan's renewable energy potential.

In the meantime, Azerbaijani natural gas exports play a particularly important role for the energy security of Eastern Europe. Diplomatic traffic greatly intensified between Azerbaijan and Eastern European countries during 2022. Today, Azerbaijan is negotiating with its Eastern European partners on the plans to deliver its gas to the region in larger quantities. For this purpose, Bulgarian Prime Minister Kiril Petkov paid a visit to Baku on July 21st, 2022, three days after the signing of the EU-Azerbaijani gas deal. In early July 2022, following the opening ceremony of the Gas Interconnector Greece-Bulgaria (IGB), Azerbaijani Energy Minister Parviz Shahbazov declared that "Gas exports to Bulgaria in January-June 2022 amounted to 160 million cubic meters (mcm), and it is planned to increase that to 600 mcm by the end of the year. Azerbaijan has been exporting 2.6 mcm of natural gas to Bulgaria every day since July 1st." The IGB connects Bulgaria with the Southern Gas Corridor. Romania, likewise, has begun to bring in Azerbaijani gas in 2023.

Serbia is another country of the region that is currently in talks with Azerbaijan in the hope of reducing its gas dependency on Russia. The mutual visits paid by the Presidents of Azerbaijan and Serbia on November 23rd and December 21st, 2022, respectively, were primarily centered on the gas issue. The two countries are planning on delivering Azerbaijani gas to Serbia through interconnectors that are yet to be jointly built with Bulgaria and North Macedonia.

Azerbaijan also plans to act as an investor in developing a Balkan gas network. Baku proclaimed its readiness to invest in the development of Albania's gas transmission system during the visit of Azerbaijani President Ilham Aliyev to Tirana on November 15th, 2022. "A gas network has still not been created in Albania. Azerbaijan could participate in this area as an investor, and we're ready for that," President Aliyev told Albanian President Bajram Begaj.

Baku is also involved in the negotiations on the export of Turkmen gas to Europe via the Southern Gas Corridor. The expansion of the Southern Gas Corridor or the establishment of a new route to ensure sufficient flow of natural gas over the region may also provide the infrastructure needed to link Central Asia with Europe.

Last but not least, Baku is also involved in the negotiations on the export of Turkmen gas to Europe via the Southern Gas Corridor. The first trilateral summit of the presidents of Azerbaijan, Türkiye, and Turkmenistan on December 13th, 2022 in the Turkmen capital Ashgabat addressed the prospect of transporting Turkmen gas to the European market. Experts have been proposing the establishment of LNG terminals at the shore of the Caspian Sea and carrying natural gas across the sea via ships. This would allow the interested parties to overcome challenges posed by other littoral states—a problem that has long been holding back the establishment of a trans-Caspian pipeline. The expansion of the Southern Gas Corridor or the establishment of a new route to ensure sufficient flow of natural gas over the region—as Turkish President Recep Tayyip Erdoğan stated in Ashgabat—may also provide the infrastructure needed to link Central Asia with Europe.

Azerbaijan is also an important actor when it comes to strengthening Europe-Asia connectivity. Owing to disruptions along the Northern route through Russia, the Middle Corridor has been gaining momentum. Over the last few months, numerous international logistics companies have decided to expand their Europe-Asia operations through the Middle Corridor, whose potential capacity is estimated at 10 million tons or 200,000 containers per year.

Sitting at the center of the Middle Corridor, Azerbaijan pioneered this process more than a decade ago when the EU neglected its potential, choosing instead to rely on Russia for both energy imports and connectivity with Asia via the Northern route. A few years ago, Baku was forced to take on the financial burden of constructing the Baku-Tbilisi-Kars railway, presently an important part of the Middle Corridor, since major international institutions, including those of the EU, refused to support it.

A lot changed in 2022 against the backdrop of Russia's war against Ukraine. Europe is now attempting to eliminate obstacles to connectivity with Asia by bypassing Russia. For the countries of Central Asia and the South Caucasus, this renewed interest of the EU promises new opportunities to develop their connections both within the region and with other significant partners like the EU and Türkiye. Compared to the Western and Northern European markets, the Middle Corridor promises more advantages for countries of Central and Eastern Europe and Central Asia. The opening of the Zangazur corridor between the western part of mainland Azerbaijan and the Nakhchivan exclave via southern Armenia will provide a shorter route between Azerbaijan and Türkiye, further increasing the capacity of the Middle Corridor.

Hence, as part of the effort to bypass Russia, it is of great importance for the European Union to develop connections with the South Caucasus and Central Asia. It is worth mentioning that the EU has become an active investor in the projects along the Middle Corridor. A recent study by the European Bank for Reconstruction and Development concluded that an immediate investment of €3.5 billion is required to upgrade the corridor's infrastructure.

As part of the effort to bypass Russia, it is of great importance for the European Union to develop connections with the South Caucasus and Central Asia. It is worth mentioning that the EU has become an active investor in the projects along the Middle Corridor.

The participating countries created a series of initiatives in 2022 to increase the capacity of the corridor and overcome the challenges posed by limited port capacities, cross-border delays, and transportation costs. On July 5th, 2022, a quadrilateral coordination council was established among Turkey, Bulgaria, Serbia, and Hungary. This council will focus on joint investment and strive to improve cargo capacities and infrastructure that will be critical for the optimization of the route passing through southern Europe. On November 25th, 2022, the Ministers of Foreign Affairs and Transport of Azerbaijan, Kazakhstan, and Türkiye signed a "Road Map for 2022-2027," aimed at the development and operationalization of the Middle Corridor. In early December 2022, the first cargo train from Uzbekistan reached the Black Sea by passing through the Caspian Sea and the South Caucasus, marking the opening of a new chapter in regional connectivity. Building on this momentum, Azerbaijan and Uzbekistan launched their first application of an electronic single transit permit for transport in early 2023, which is supposed to further optimize the corridor.

The Future of EU-Azerbaijani Relations

These developments in relations between Azerbaijan and Eastern Europe bring with themselves greater geopolitical alignment. As President Aliyev stated following the signing of the electricity deal in Bucharest, Azerbaijan's contribution to European energy security creates an important bridge with the EU. The bridge between the two shores of the Black Sea forms a larger security architecture, which increases the resilience of the region's countries in the face of pressing national security challenges.

This cooperation is becoming increasingly important given the uncertainty about the future of the post-Soviet space and the security threats Azerbaijan faces from the north and south. The South Caucasus needs the EU to play a more active role in the resolution of regional conflicts and normalization of interstate relations—especially as this process continues to be undermined by Russia's interventions.

However, it is important for the EU to contain the influence of pro-Armenian propaganda on its policies towards the region, for this threatens the Union's image as a neutral actor. This negative trend started to be felt more in late 2022, as the EU assumed the role of mediator between Armenia and Azerbaijan. As a powerful EU member state, France's involvement in the EU-led talks has had a damaging effect on the peace process. France has always displayed a clear bias against Azerbaijan, mostly due to the fact that the Fifth Republic is home to half a million Armenians. Unsurprisingly, this attitude has earned France a bad reputation in Azerbaijan. It might suffice to note that both chambers of the French parliament recognized the separatist regime established in the Karabakh region of Azerbaijan as an independent state after the 44 Day War—something that even Armenia has never done. Therefore, it should come as no surprise that Azerbaijan deems the attempts by the French President Emmanuel Macron to participate in the talks alongside European Council President Charles Michel unacceptable. Protesting one such attempt, Baku cancelled the

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round of peace negotiations scheduled for December 7th, 2022 in Brussels. The European Union would thus do well to try and protect its image of neutrality in the South Caucasus by making a genuine contribution to the peace process between Baku and Yerevan.

Energy is likely to remain a major pillar of Azerbaijan's relations with the EU in the years ahead. The cooperation between the EU and Azerbaijan in this field is going to be a critical element in ensuring the energy security of Eastern Europe.

Azerbaijan also relies on the EU to preserve its secular system of governance and sovereignty, as well as to resist the threats posed by the Islamic Republic of Iran. Azerbaijan nurtures close relations with the West, including with Israel and Türkiye. The fact that Baku has consistently refused to adhere to the Iranian model of governance continues to enrage the Mullah regime in Tehran. In this context, Iran's narratives resemble those of Russia against Ukraine. In a similar vein, Iranian leaders question Azerbaijan's independence and its ethnic identity, claiming that Azerbaijan is a historical part of Iran and should return to the Iranian control. The EU's support for Azerbaijani economy and political governance will thus continue to be crucial.

All things considered, energy is likely to remain a major pillar of Azerbaijan's relations with the EU in the years ahead. The cooperation between the EU and Azerbaijan in this field is going to be a critical element in ensuring the energy security of Eastern Europe. The benefits will be mutual, since natural gas and electricity exports will play an important role in the Azerbaijani economy. The existing pipeline infrastructure will allow Azerbaijan to meet its natural gas commitments. However, more investments are needed in order to increase the pipeline capacity. According to President Aliyev, "to double the export to Europe is a big deal. We need investments, we need to expand the capacity because our pipeline, which brings our gas to Europe, has a capacity of 10 bcm. So, we need to expand it up to 20 bcm. It needs money, it needs agreement between the shareholders, and all that is a process."

European investment will be required for the optimization of the Middle Corridor as well. The efforts to reduce transport dependency on the Russian routes and improve connectivity between Europe and Asia will play a vital role in the national security of the region. In 2022, the Middle Corridor has seen a sixfold increase in its cargo traffic compared to the previous year. The initiatives undertaken by the participating countries during 2022 suggest that the Middle Corridor will be able to preserve this momentum in 2023.

KAZAKHSTAN'S REFORM AGENDA IN A TIME OF TROUBLES

Svante E. Cornell & Albert Barro

FOR over a decade, Kazakhstan has been accelerating its efforts to implement far-reaching reforms to accelerate the development of the country. The reform efforts that guided Kazakhstan's development since its independence until 2019 were dictated by the personality of the country's First President, Nursultan Nazarbayev. These led on one hand to a clear vision for advancement, but on the other hand, to the citizens' disenchantment with the country's non-inclusive political system and remaining structural obstacles to reform. In 1991, Nazarbayev mobilized Kazakhstan's energy sector to establish an economy independent of the Soviet system, while also kickstarting social reforms that would improve the standards of living of the population. The global financial crisis in 2008, however, revealed the vulnerabilities to which such dependence on fossil fuels exposed Kazakhstan's economy, and under Nazarbayev's leadership, Kazakhstan implemented radical reform to diversify the economy. In 2012, a new vision, "Kazakhstan 2050," was launched with the aim of bringing Kazakhstan into the world's 30 most developed countries by 2050.

This ambitious plan required economic diversification and political democratization; but Nazarbayev was vocal in his intention to bench efforts toward democratization in order to first prioritize advancement in the economic development. This created an internal contradiction in the reform process, as the political obstacles to economic

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Photo: Gulliver Image

The man spearheading Kazakhstan's reform: President Kassym-Jomart Tokayev at his 2022 inauguration

development and diversification were not removed. As a result, criticism of authoritarian rule in Kazakhstan and high-level corruption deepened not only within the international community but among Kazakhstan's citizens. In 2019, Kassym-Jomart Tokayev replaced the First President following his unexpected resignation, and promised to begin making concurrent progress toward both political and economic reform. Despite Tokayev's guarantees, many were skeptical given the lasting, surreptitious influence that Nazarbayev maintained on Kazakhstan's polity through his role as Chairman of the country's Security Council, and the absence of any indication that the First President had changed his attitude toward political reform. These fears, compounded by a perception of widespread corruption within the bureaucracy and dissatisfaction with the pace of political reform, grounded many of the frustrations that Kazakhstani citizens maintained in the early years of Tokayev's presidency.

KAZAKHSTAN 2050

The "Kazakhstan 2050" agenda set out ambitious goals for political and economic reform in the country. The 2012 plan envisioned Kazakhstan's entry into the world's 30 most developed nations by 2050 and it outlined seven separate strategies to achieve that goal, including the modernization of economic policy, entrepreneurial development, social policy, education and professional training, democracy and governance, foreign policy, and Kazakh patriotism. While all these strategies underpin each reform package that has been released since 2012, economic and political reforms maintain the strongest continuity in succeeding reform packages.

President Tokayev, promised in 2019 to accelerate the pace of political reform stating that further economic development of the country is "impossible without political modernization."

Economic policy, entrepreneurial development, and education/professional training each received separate strategies, but ultimately all served the same end goal: to diversify and modernize the Kazakh economy away from fossil fuel exports toward advancement in technology and finance. Specific reform initiatives toward this end have included investment in infrastructure, revitalization of manufacturing industries, development of the agricultural industry, management of natural resources and of state-owned assets, establishment of favorable business and legal environments, and the creation of innovation spaces like the Astana International Financial Center.

The plan for reforming Kazakhstan's polity included an equally comprehensive list of goals: improvement of state planning, decentralization of power, election of rural mayors, developing a professional state apparatus, establishment of a more efficient public-private sector interface, reinforcement of systems towards law and order, fighting corruption, and reformation of law enforcement bodies and special agencies. Like the economic reforms, the political goals laid out here remain central to reform packages that have been released since the 2050 strategy was originally announced. As mentioned, however, Nazarbayev's stated intent to develop "economy first, then politics" hampered the implementation of this program.

It was apparent that Nazarbayev feared the risks to Kazakh statehood (and the political regime) should democratization progress too quickly, leading ultimately to regime collapse. Much of this fear was driven by the experience of "color revolutions" that occurred in Kazakhstan's neighborhood, and which Nazarbayev and much of the Kazakh elite viewed not as encouraging signs of democratic momentum, but as dangerous and destabilizing upheavals. Nazarbayev's plan to pursue the economy first and politics second, was thus an effort to thread the needle, allowing for economic and democratic advancement without destabilizing the country.

Economic Reforms

President Nazarbayev executed on his plans, remaining largely consistent with his guarantee to focus on the economy first. His successor, President Tokayev, promised in 2019 to accelerate the pace of political reform stating that further economic development of the country is "impossible without political modernization." But economic reforms also saw an invigoration of planning and funding when the second President took office. All economic reforms can best be divided into reforms regarding agricultural and industrial development, digitalization of the economy, investment in transportation, management of state-owned assets and support for small-to-medium-sized businesses (SME's).

Kazakhstan's agricultural reforms are centered on the idea of establishing the country as the "breadbasket" of Central Asia, cementing the brand of "Made in Kazakhstan."

Kazakhstan's agricultural reforms are centered on the idea of establishing the country as the "breadbasket" of Central Asia, cementing the brand of "Made in Kazakhstan," as Nazarbayev called it in a 2017 address to the nation. Major reform began in 2015 with the restructuring of agricultural co-operatives, their relationship with the government, and their role in the economy. Tokayev later took additional steps by banning foreign ownership of Kazakh farmland and releasing a five-year plan entitled "National Project on the Development of the Agro-Industrial Complex," with clear goals to gain self-sufficiency in food production, increase labor productivity by 2.5 times, double agricultural exports, and increase the income of one million rural residents through the establishment of seven agricultural ecosystems.

Manufacturing in Kazakhstan shares a similar narrative, focusing on increasing the share of non-commodity exports and producing the goods that Kazakh citizens demand for daily life. Progress is being made, and manufactured goods contributed more to Kazakhstan's GDP in 2020 than did the mining industry for the first time in a decade.

"Digital Kazakhstan" plays a major role in Kazakhstan's economic reforms. It is foundational to establishing a knowledge-based economy and has two forms, involving the digitalization of government and business operations to improve labor efficiency and reduce opportunities for illicit exchanges, and supporting Kazakhstan's tech industry through favorable regulatory environments.

There are a lot of other initiatives intended to support the overall business environment in Kazakhstan, too. For example, President Tokayev committed an additional $16.1 billion in infrastructure development through the Nurly Zhol program. There are also reductions being made in the footprint of state-owned enterprises in Kazakhstan's economy. This has manifested in major divestments from state-owned funds like Samruk-Kazyna and Baiterek Holding in order to promote competition in the private sector. Finally, a number of legal reforms over the past couple of decades have created a regulatory environment favorable to entrepreneurs, and it has earned Kazakhstan the 25th rank in the World Bank's Doing Business Report for 2020.

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Political Reforms

While economic reforms have enjoyed the luxury of support from almost all parts of Kazakhstani society, political reform has been far more complicated. Leaving aside areas where Kazakhstan has rejected foreign partners' urge to conduct reform—such as issues of religious freedom, where Kazakhstan has stuck to a staunchly secularist and restrictive policy—political reforms divide into issues where the government has made significant efforts to follow through on reforms, and those where the pace of implementation has been very slow. Reforms in this latter category tend to be those that influential forces fear will result in social upheaval should they be pursued too hastily, such as further decentralizing government and providing greater freedoms of speech, media, and assembly. Reforms where the government has made good faith efforts toward substantive reform, are reforms that in many cases began well before Tokayev ascended to power in 2019. These had included anti-corruption efforts, reform of law enforcement, and the improvement of women's rights.

Notably, these were reforms that did not challenge the current balance of power, since they aimed at producing a sense of legitimacy among the people by providing better governance.

Anti-corruption efforts began as early as 2003 when the country partnered with the OECD, and included improvements to the recruitment and training of civil servants and judicial officials. Kazakhstan has also more recently partnered with the OSCE and Council of Europe in an effort to adhere to international standards for combating corruption. One closely related reform focuses on shifting the police force away from its Soviet-era role as a "power tool of the state"—as Tokayev referred to it in his state of the nation address on September 2nd, 2019—toward a western-oriented model centered on the responsibility to serve and protect. A third reform in this category is supporting women's rights and has primarily involved the passing of legislation to combat domestic violence. This has been a significant issue and it has only worsened with the pandemic. Prior efforts to combat domestic violence have been criticized as insufficient, but Kazakhstan announced its intention to join the Council of Europe's Istanbul Convention in April 2020 in an effort to implement international best practices, and more initiatives should be expected.

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By contrast, Kazakhstan's leaders have until recently been reluctant to implement reforms promoting greater political participation or freedom of speech, media, or assembly, despite these goals being identified as long-term objectives in the Kazakhstan 2050 program. While President Tokayev has emphasized the importance of political reforms, he too has cautioned that "explosive, unsystematic political liberalization" has been shown elsewhere to lead to the "destabilization of the domestic political situation and even to the loss of statehood." It is no surprise, then, that progress in these areas has been limited.

Reforms dealing with political participation have focused on greater inclusion in parliament, and the democratization of local politics. President Tokayev in 2019 cut in half the number of required signatures to form a political party, and mandated all parties to have a minimum of 30 percent women and youth on their lists. He also guaranteed opposition parties chairmanship of at least one standing committee and the secretary position of two standing committees in the lower house of parliament, as well as the right to initiate parliamentary hearings at least once each session. In his third reform package, Tokayev proposed that the minimum political representation required to gain seats in parliament be reduced from 7 percent to 5 percent in the general election. Regarding the local level of politics, Tokayev sought to introduce direct elections of district and rural mayors in his May 2021 reform package, while keeping the right to appoint regional and city governors. Introducing direct elections for mayors began the process of fostering a democratic culture that can be expanded in the future. Reforms that have been met with trepidation by the ruling elite are those concerning freedoms of speech, media, and assembly. In December 2019, Tokayev made first strides by removing article 130 from the penal code, which criminalized defamation and was often used to persecute oppositional journalists. It remains, however, an administrative offense.

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This provision, along with another one criminalizing the "fomenting" of hatred, was regularly abused by state officials to suppress journalists and government critics. While the wording of these provisions has been changed, it will be seen if that will suffice to prevent such abuses. This same reform package included a new, controversial law on peaceful assemblies in which the mandate for protestors to request permission to hold a demonstration was replaced by a requirement to notify the local government of planned demonstrations. This has nevertheless been criticized by civil society activists as superficial since the government can still reject notifications. Additionally, even under the new law, there are only limited approved spaces to hold protests. That said, officials claim this new law led to a rapid growth in the number of protests conducted in the country.

The June 2022 Referendum

President Tokayev's March 16th, 2022 state of the nation address, entitled "New Kazakhstan: The Path of Renewal and Modernization," was a direct response to the upheavals of January. For the first time, a reform package focused entirely on the political realm, and included nine priorities concerning the powers of the president, the representative branch of government, the electoral system, political parties, the electoral process, human rights institutions, administrative territories, decentralization of local government, and anti-crisis measures.

The first reform priority, "On the Powers of the President," seeks to weaken what Tokayev calls a "super-presidential model of government." This included decoupling the state from the party system and preventing nepotistic practices, among other by legislating a mandate requiring the president to disaffiliate from all political parties during their presidential

term. Similar mandates will be legislated for lower-level officials. The reforms also included a ban on close family members of the president from holding positions as political civil servants or top managers in state-owned enterprises, and the suspension of the right of the president to annul actions of regional and municipal governors, and to remove district and rural mayors from office.

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The second reform priority focused on parliament. The goals are threefold: further reduce the power of the president over parliament, improve the system of checks and balances between the chambers, and strengthen the role of the lower chamber of parliament and local assemblies. To reinforce checks and balances, the Senate will no longer adopt laws approved by the lower chamber, but the reverse, while the Senate gains the power to approve candidates for Chairpersons of the Constitutional Court and the Supreme Judicial Council. As for local assemblies, they will be provided two candidate nominations by the President from which to elect regional and city governors. This has the effect of creating an "indirect election" of these positions.

The third priority was to revise the electoral system, moving away from a proportional toward a more majoritarian model, allocating 70 percent of seats in the lower chamber to a proportional vote and the remaining 30 percent to a majoritarian vote. The same system, but with a 50-50 breakdown, will be adopted in regional assemblies of major cities and regions. Fourth is the expansion and strengthening of the party system, by further reducing the number of signatures to establish a political party to 5,000, and simplifying procedures for party registration. Closely connected to this is the fifth priority, to modernize the electoral process to ensure that elections are as transparent, fair, and secure as possible. This included legalizing campaigning on social media, formalizing the role of election observers, and professionalizing territorial election commissions while also safeguarding against foreign interference in elections through greater financial transparency.

The perhaps most heavy-hitting sixth priority aimed at improving human rights conditions by establishing a Constitutional Court (as opposed to a Constitutional Council as previously), and giving citizens the right to appeal directly to protect their rights and challenge questionable legislation. Other provisions included the abolition of the death penalty, and stepping up the investigation of crimes involving torture by the police and domestic violence against women and children. In addition, steps will be taken to expand the categories of cases that qualify for jury trial, thus ensuring greater transparency and accountability of the court system to the people.

The seventh priority, responding to public demands, focused on realigning Kazakhstan's administrative territories. This will include forming the Abai and Ulytau regions with Semey and Zhezkazgan as their respective capitals; dividing the Almaty region into the Zhetysu and Almaty regions with Taldykorgan and Kapshagai as their respective centers in order to improve the efficacy of public administration, and improve consistency with the proposed reforms to electoral procedure. Connected to this is the eighth priority, which proposes to establish greater independence and autonomy of local governments, including through direct financing of smaller government entities and revising their procurement procedures in a specific law on local self-government.

The ninth and final priority concerns managing financial crises and food scarcity, issues that had been brought into sharp focus since economic sanctions against Russia impacted countries in Russia's neighborhood. Steps included restrictions on export of foreign currency, and requiring second-tier banks to monitor their clients' purchase of foreign currency. Concerning food prices, greater responsibility is accorded to the government and governors, and efforts to de-bureaucratize the state to improve decisionmaking functions.

These proposals were put to a referendum on June 5th, 2022 and were approved by over 77 percent of voters.

Times of Trouble

The accelerated reform agenda under President Tokayev has developed in the context of contradictory pressures on the government from outside powers and from Kazakh society. On one hand, external pressure on Kazakhstan has increased in the both the political and economic realm; on the other, demand for change from Kazakh society grew in an unmistakable fashion in recent years. These contradictory pressures came to a point in early 2022, when the country was rocked by protests shortly before Russia's invasion of Ukraine.

External pressures on Kazakhstan have intensified for over a decade. A key element has been the country's dependence on hydrocarbons, making it highly vulnerable to fluctuations in the oil price, as well as the prices of other commodities that constitute most of Kazakhstan's non-oil exports. This became apparent following the 2008 financial crisis, and as mentioned above, this triggered the urgency of economic reforms. The Ukraine crisis of 2014, and the growing economic warfare between Russia and the West, exacerbated matters further, not least as it coincided with the renewed collapse of the oil price in late 2014 and early 2015. While the oil price recovered somewhat in subsequent years, it mostly remained in the $40-60 interval, much lower than previously. In combination, these forces led to serious currency devaluations of over 20 percent in 2009 and of 19 percent in 2014, followed by an even bigger devaluation in 2015, when the currency was allowed to float freely. This led to tangible declines in standards of living for many ordinary Kazakhs, whereas much of the country's political and economic elite had dollar-denominated assets that shielded them from the hit, thus further exacerbating social inequalities.

The deepening conflict between the West and Russia made it increasingly difficult for Kazakhstan to maintain constructive relations with both sides. Kazakhstan's multi-vector foreign policy has seen its rationale undermined by the pressure from Moscow to align with its priorities, coupled with the relative disengagement of the United States from the region.

Meanwhile, political pressure mounted as the deepening conflict between the West and Russia made it increasingly difficult for Kazakhstan to maintain constructive relations with both sides. Indeed, Kazakhstan's multi-vector foreign policy has seen its rationale undermined by the pressure from Moscow to align with its priorities, coupled with the relative disengagement of the United States from the region, visible most directly with the American withdrawal from Afghanistan. Kazakhstan is linked with Russia through the Eurasian Economic Union and the Collective Security Treaty Organization. But its leaders have worked hard to avoid being lumped with Russia: Deputy Foreign Minister Roman Vassilenko in March 2022 made it clear that Kazakhstan does not want to find itself "behind a new Iron curtain" if one were to descend around Russia, and has taken issue with the suggestion, admittedly fringe at this point, that Kazakhstan should be included in Western sanctions on Russia. Kazakh officials have also made clear they will comply with sanctions on Russia and do their part to ensure the country is not utilized for Russian sanctions-busting schemes. Most notably, only months later, President Tokayev at the St. Petersburg Economic Forum clearly distanced Kazakhstan from President Putin's war in

Ukraine, stating that Kazakhstan had no intention of supporting the separation of the Donbas from Ukraine.

Meanwhile, domestic demand for change has been growing rapidly and become more assertive. The Oxus society for Central Asian Affairs in a 2020 study recorded over 500 incidents of protest in Kazakhstan from January 2018 to August 2020, which constituted the majority of protests identified in Central Asia as a whole. While many of these were related to the presidential election, a significant number was related to welfare provision and women's rights. Other leading sources of protests included Covid-19 restrictions and opposition to Chinese investments in the country.

> *Kazakh officials have made clear they will comply with sanctions on Russia and do their part to ensure the country is not utilized for Russian sanctions-busting schemes.*

Thus, it gradually became clear that a dissonance had emerged between the government of Kazakhstan and its population. The government had for a long time provided highly ambitious goals for Kazakhstan's future, most notably joining the 30 most developed nations in the world.

Meanwhile, it had maintained a restrictive approach to popular assembly inherited from the Soviet era. As for the population, in the past decade many Kazakhs had seen stagnant or declining living standards, which contrasted sharply with the promises of future greatness. The population, particularly an emerging post-Soviet generation, exhibited a much greater tendency to make its voice heard on a considerable variety of issues, which in turn contrasted with the government's restrictive approach to freedom of expression and assembly. This should not be surprising: the connection between a growing middle class and demands for greater political participation has been made since the time of Aristotle. The fact that Kazakhstan's economic development in the 1991-2008 period was so successful almost guaranteed that the new urban middle class would begin to express its demands both on specific issues, as well as more generally toward greater political voice—as John C.K. Daly accurately pointed out in a 2008 study entitled *Kazakhstan's Emerging Middle Class*. This was exacerbated by the shocks of the past decade and the socio-economic implications they have had.

Importance of Social Issues

There is no doubt that political and economic concerns animate much of the frustration that is being expressed through protests in Kazakhstan. But there is a strong case to be made that local, social concerns are front and center in the minds of the population. General notions of fairness and justice certainly

animate the population of Kazakhstan, and technological progress has made it possible for instances of injustice and corruption to be widely publicized and circulated. And in an economic sense, it appears that the sense of relative deprivation as opposed to an absolute decline in standards of living has also played an important role in the social frustration that has grown in Kazakhstan's society: visual evidence of the lifestyle of a small elite clearly resonates more strongly when large sections of the population are not seeing any tangible improvement in their own lives. This, in turn, generates support for political change. That said, for the wide swathes of society that may be less politically engaged, it is likely that attention is focused, besides economic development more generally, on key social issues. These are education, healthcare, and social protection issues. As anywhere else in the world, the emergence of a middle-class society enables people to focus not solely on putting food on the table and shelter over their heads, but on the future. Foremost among their minds will be the future of their children and families. This means the most important issues of concern will be the education of their children—a key factor in enabling their offspring to have a better living standard—the availability and quality of healthcare, and the development of social protection.

> *There is a strong case to be made that local, social concerns are front and center in the minds of the population. General notions of fairness and justice certainly animate the population of Kazakhstan, and technological progress has made it possible for instances of injustice and corruption to be widely publicized and circulated.*

These areas all have in common that they consume enormous resources, both capital and human. They require a very large chunk of the budget of any post-industrial state, but they also require functioning administrative and management systems, accountable institutions, and skilled personnel.

All this, of course, takes time to develop—or reform, in the case of Kazakhstan, where the collapse of the Soviet system led to a sharp decline in all three sectors. They also require prioritizing, because a state will not be able to do everything at once. And a landlocked country like Kazakhstan that is already exposed to a "distance tax" must carefully consider how much to raise taxes to provide social services, which in turn will increase the burden on the economy. Still, leaders in Kazakhstan have long decided that social reform must be a priority, and that they will strive to build a social state that spends significant resources taking care of its citizens.

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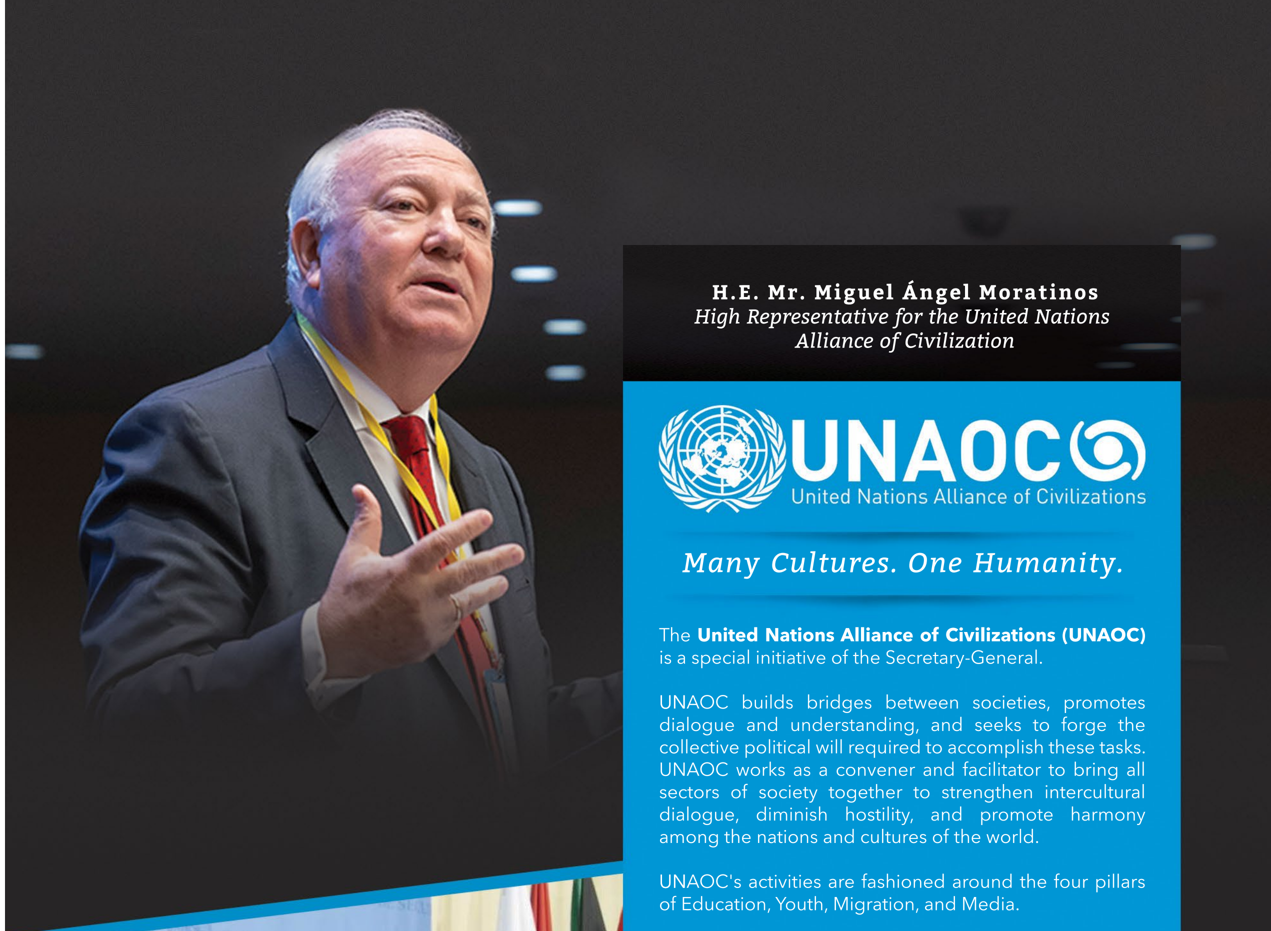

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THE HISTORY AND FUTURE OF EDUCATION

Jacques Attali

WHAT would we be without all those who, in one way or another, transmitted values and knowledge to us? And without all those who have kept our curiosity and willingness to learn alive? What has become of all those who have not had the chance to live in societies that place great importance on children or parents in a position to transmit love, values, and knowledge? What was the fate of those who did not meet inspiring teachers or benefit from fair and peaceful conditions to study?

For my part, I owe everything to a few people. First, my parents, who passed on their values to me and who, although self-taught, idolized knowledge and school so much that they sacrificed themselves to provide it to my sister, my brother, and myself. Then, my magnificent teachers who shall not be forgotten.

None of them knew the pedagogies of today. All they had at their disposal were only textbooks and exercise books. Only one thing brought them together: the passion to transmit knowledge. And, later, what would I be without encounters with some great minds who illuminated my journey during private conversations: Joseph Kenneth Arrow, René Thom, René Girard, Fernand Braudel, Henri Atlan, André Leroi-Gourhan, Michel Serres, Henri Laborit, Joël de Rosnay, René-Samuel Sirat, Matthieu Ricard, Yves Stourdzé, Edgar Morin, François Mitterrand and so many others?

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Photo: Guliver Image

Will AI cement the existing privileges or sow the seeds of equitable education?

Finally, what would I be without some of my students, who helped me clarify my thinking? It is by teaching and writing that I believe to have acquired my best intuitions. It is by transmitting that we discover what and how to transmit.

What would humanity have become without all those who, for thousands of years, have transmitted knowledge and works of art? What would we be if the Bible, the Upanishads, the works of Plato and Aristotle, the mathematics of Al-Khwârizmî, the poetry of Villon and Rûmî, the music of Bach, Mozart, Indian songs, disappeared? Most of the cultures that we summarily call "prehistoric" or "archaic" have already disappeared; like, for example, the Mazdean culture and the sublime Gathas, of which we know almost nothing, despite their founding role in the construction of Eurasian civilizations? Finally, what would we be if peasants and craftsmen had not succeeded in transmitting, from generation to generation, the techniques of fallow land, the manufacturing of bronze, iron, glass, and so many others?

And what about tomorrow? Can we dream of a free society, healthy and caring people, a preserved climate and nature, if all humans are not trained to build and protect such a future? Will women ever have, after so many millennia of oppression, as many means of training as upper-class boys today have in their own societies?

What do you want to convey? Will there be a universal corpus taught to all the children of the world? Will ancient cultures be wiped out because they are the products of civilizations with other values? Will we still need to learn to read, write, count? Will we be able to give everyone an equal chance? Will the training of humans be reduced even more than today, essentially, to making a work force operational, to disciplining citizens, to imposing an ideology or a faith? Will we have at least tried, if not succeeded, to convey a rejection of envy, hatred, violence, and the death drive? Will there be a place for transmission, to everyone, of the importance of freedom, curiosity, doubt, courage, art, sharing, truth, loyalty, and empathy? Will we succeed, will we want to help everyone find what makes them unique? Will we be able to make education a means of saving nature and life?

> *Two nightmarish futures are possible. In one, three quarters of humans will soon be deprived of school and knowledge. In the other, most transmissions will be by digital and then genetic means to solitary individuals. ducation, today one of the least energy-consuming human activities, would become a major threat to the climate.*

Who will transmit this knowledge? Should it be families, teachers, businesses, associations, or social networks? Can we imagine schools disappearing one day, as have the laundry places, landline telephone and all the trades that accompanied them? Will memory cease to be useful? Will it always take the same number of hours to learn a language? How will one get effort from a student? How about focus or motivation? Will we ever be able to compensate for the inequalities of early childhood? Will corporal punishment and abuse of all kinds shatter the lives of countless children for a long time to come? Will we be able to constantly update the knowledge of billions of adults? What should the classroom the day after tomorrow look like? Will education finally be seen as an essential common good of humanity?

The Role of Transmission

To answer these questions, and so many others, we must begin by telling the long history of the transmission of knowledge, cultures, ideologies, techniques, rites, and mores. We must understand why, and when, humans realized this need: whether they did it only to get help from their children, or also so that their children could have a better life than them. It is also necessary to understand what processes of transmission have best aided the still incomplete liberation of women, oppressed social classes, minority groups, and economic, social, and political progress; how transmission shaped the course of agricultural, industrial and technological development; how it has influenced power relations as well as geopolitical developments.

To summarize in a few lines my answer to all these questions, I will say that the transmission of the knowledge necessary for the functioning of societies took place, for the most part, all over the world, for millennia and until the mid-nineteenth century. It took place outside of the realm of school, or even against it. It played out and still it continues to play out in the very first years of life: generally, in the family, and for too many children, at work. Girls were largely excluded from the process and their abuse was permanent. And if the school has succeeded in finally imposing itself as the main place for the transmission of knowledge, it is now on the verge of implosion almost everywhere around the world, facing the dual tsunami of demography and digitalization.

Two nightmarish futures are possible. In one, due to a lack of means, three quarters of humans will soon be deprived of school and knowledge—everywhere, even in Europe, education systems can collapse. In the other, most transmissions will be by digital and then genetic means to solitary individuals; each being then stuffed with socially useful knowledge by machines increasingly plugged directly into the brain; until every human becomes an artifact-stuffed artifact. Education, today one of the least energy-consuming human activities, would become a major threat to the climate.

In both of these scenarios, or a very likely mixture of the two, the physical school would disappear. This would be part of a much broader movement towards individualism and the privatization of all public services. As was the case in the distant past, only the wealthiest would enjoy the right to quality transmission of knowledge.

To avoid this double disaster of collapse or artificialization and help everyone "become themselves," it will be necessary—within the framework of a global and radical transition towards the economy of life—to devote many more resources to public and private, initial and continuing education. By making the best use of the fascinating future technologies, a much greater role can be provided to parents, teachers, and all accompanying actors, so that they have the means to transmit a new quadrivium (art, science, ecology, ethics), and values (self-respect, respect for life, empathy, altruism, the pleasure of learning and the love of truth) in a much more individualized way, without necessarily respecting the link between class and age.

One day, perhaps, a new kind of human will be born: Homo Hypersapiens. Those humans could later give birth to a collective intelligence from which, later still, a collective Hyper-consciousness could emerge. From there onwards, we can all hope for further development. This sums up very briefly all that might follow.

Much more than a global history of education, this piece serves as an overview of the various forms of transmission of knowledge and their futures. In fact, to my knowledge, a global history of education has not yet been written in any language, let alone that of knowledge transmission. Even with the immense global literature on these subjects—which is fascinating and of very high quality—it is essentially composed of monographs of countries, fields, or periods. It is sometimes hopelessly incomplete, and the sources often contradict each other, even on what appear to be broadly established facts.

There are even fewer thoughts on the long-term future of global education, in particular on what will happen to the modes of transmission through family and work. Similarly, there are few written words on the formidable challenge posed by the need to train all humans throughout their lives in new knowledge and the immense financial and human resources that will be required. Little thought has been given to identifying what pedagogies or technologies will be most appropriate—from holograms to genetics to neuroscience and many other vertigos. Consequently, not much attention has been paid to the considerable role that the private sector will play in all of this. There are even fewer comprehensive educational projects on the best way to make the virtues of truth, effort, empathy, collaboration, benevolence, non-violence, and life known to all.

Non-human Transmission of Knowledge and Skills

One might think that imparting knowledge is uniquely human, and that before it, or next to it, no plant or animal species has ever established the means to pass on or teach skills to subsequent generations. Many philosophers believed this. Thus, in his *Discourse on Inequality* (1755), Jean-Jacques Rousseau writes that "an animal is after a few months what it will be all its life." A few decades later, Immanuel Kant went even further in his reflections on education: "By its instinct, an animal has from the outset everything shaped: an alien reason has already taken care of everything for it. But man must use his own reason. He has no instinct, he must plan his conduct for himself."

As he is no condition to do so from the outset, but comes into the world in a raw state, others must do it in his place… Education by discipline is the act by which man is stripped of his animality. For both of them, learning and transmitting would therefore be specific to man. For the first, he must be taught to be free. For the second, he must be taught to be disciplined.

"The adults of some plant and animal species transmit knowledge with care and love to their descendants; as if each generation of these species understands that it is in its interest to teach the next what will enable it to survive long enough to assure the elders a happy end of life. This is what I call "interested altruism."

In fact, it is true that most plant and animal species transmit little or nothing after birth to their offspring. Once they have received their genetic background, each newborn learns on their own what will allow them to survive and reproduce. In particular, most living beings learn on their own, using only their genetic skills, to distinguish tastes and smells in order to move towards their food or move away from possible dangers. In most species, adults abandon their offspring at birth; they are sometimes even very hard on them to make them understand that they have nothing to expect from the elders: mother turtles abandon their babies at birth, who must trust their instincts to adapt; birds, such as blackbirds or doves, after a few weeks chase their chicks away from the nest by pecks. They are pushed to fly away, and they then learn what is necessary on their own by imitating the adults. The same happens with singing: a blackbird living near a farm thinks it is a rooster and imitates its singing.

Conversely, the adults of some plant and animal species transmit knowledge with care and love to their descendants; as if each generation of these species understands that it is in its interest to teach the next what will enable it to survive long enough to assure the elders a happy end of life. This is what I call "interested altruism."

Thus, it seems that the parents of several species voluntarily deprive their descendants of light for many years in order to teach them to survive in what will then be the main part of their living environment, in the shade of the canopy. Some other plants pass on data from experiments to subsequent generations, which they store in some of their cells:

thus *Arabidopsis thaliana*, a plant of the *Brassicaceae* family, transmits to its progeny the ability to adapt to stressful events, by increasing, when they occur, the frequency of certain specific recombinations allowing for the improvement of its genetic diversity. This genetically acquired adaptive capacity then persists for four generations without the need to again subject these plants to the same stress factors.

Some animal species go much further and organize an explicit teaching of knowledge to new generations by using the methods that will later be found in humans: demonstration, imitation, repetition, punishment, and reward. Thus, the female of the orangutan in the Congo, shows her offspring how to build shelters in the trees, while the male teaches them the use of some tools. The chimpanzees of the Bossou forest in Guinea have for years encouraged the young to observe how they crack nuts by hitting them with a stone, and then to imitate them. North American bears teach their cubs to climb trees; they punish them for their errors by kicking or biting them. In Namibia, when a leopard catches gazelles, it does not kill them right away, allowing its young to play with the prey. The mother then shows them how to finish off the prey. With cheetahs, mothers begin to introduce their young to hunting from their seventh month, and this training takes a year. Female crested ducks show their ducklings how to fish until they are tired, then carry them back to shore on their backs. Pacific killer whales teach their young how to imitate the sound made by dolphins in order to attract and capture them. On the northeast coast of the United States, whales also teach hunting skills to successor generations. Among dolphins in the Gulf of Shark Bay in Western Australia, learning a hunting technique called shelling is also done by imitation of mothers.

Crows, whose memory is exceptional—they remember faces two years after seeing them—teach their chicks to hunt by training them to imitate their prey. Some parrots can learn from humans to say a hundred and fifty words and understand over a thousand; they can also learn to name the color of an object and master numbers up to six, including zero. A gray parrot from Gabon named Ale is also the first non-human in history to have asked an understandable question to man: while looking at itself in a mirror, it asked about the name of the color of its feathers.

In 1953, on the Japanese island of Koshima, a female macaque spontaneously washed sweet potatoes that humans fed her in sea water before eating them—something that no other macaque had done before. Three months later, this behavior was imitated by everyone around the female macaque and then, after five years, by almost all macaques on the island. This occurred without an understanding as to how the first thought of doing it came to be or how it was transmitted to its congeners.

The Evolution of Human Education

What about humans? We know almost nothing of the social organization of the first groups of Homo habilis, two million years ago (even less of Toumaï, seven million years ago) nor in particular of the way in which they transmitted increasingly complex knowledge to subsequent generations, such as how to fashion clothing or shelter, or go about hunting and fishing.

Nomads with a very limited lifespan understood that it was in their interest to increase the competence of their offspring so that they can assist them and eventually replace them once the elders no longer have the strength to hunt, gather, transport goods, and protect themselves.

One of the first steps in this direction was undoubtedly taken when members of the same group of nomads with a very limited lifespan understood that it was in their interest to increase the competence of their offspring so that they can assist them and eventually replace them once the elders no longer have the strength to hunt, gather, transport goods, and protect themselves. And maybe also because they began to feel the explicit need to survive as a clan, if not as a species. No doubt, this provided the motivation to domesticate and train other humans to fulfill such tasks. Naturally, as the tasks evolved, so did the training, which focused on predicting the climate, assessing the virtues of plants, and the periods favorable for hunting and fishing.

A little later, Homo erectus is the first human species to come out of Africa, with its traces evident in places as far as China. It appeared around 550,000 years ago, with Homo sapiens, as a nomadic and at first only African species. Soon enough the species could be found on the whole planet, with the first signs on the walls of caves undoubtedly transmitting hunting knowledge and travel rituals. The oldest sign known to date is a zigzag incised on a freshwater mussel discovered in Trinil, on the island of Java, in archaeological layers dating back 540,000 years.

A little later, in the Middle Paleolithic, the language appeared. We began to tell stories and transmit knowledge through songs. Even today, the Wodaabe, a Fulani tribe from Niger—considered to be descendant of one of the oldest peoples in the world—continue to transmit their knowledge to their youngest mainly through their songs. So do the nomads of Mongolia. Many other peoples, such as the Sharanahua in Peru, transmit prohibitions and rituals through songs.

Moreover, nothing is known about the mistreatment of which children were the primary victims during these learning processes.

It is also at this time that the first known burials appear, in which humans were accompanied by animals. One can imagine that these funeral rituals were also transmitted from generation to generation.

Seventy-five thousand years ago, the first learning drawings appeared, as if an artist had transmitted their knowledge to pupils. In South Africa, in the cave of Blombos, engraved ocher blocks have been found, which were certainly used for learning how to draw patterns on a human body or walls.

Around 60,000 years ago, Homo sapiens left the African continent. Still nomadic, they had evolved enough to transmit knowledge through parietal paintings in caves, the oldest of which date back 36,000 years.

As far as this long period goes, we know almost nothing about the way children were brought up, their traumas, the violence, or the love they were given by the adults.

With the settling of nomadic populations more than 12,000 years ago, known as sedentarization came the need to establish reserves and maintain accounts. This gave birth to the numeration, entrusted to specialists who trained their successors from generation to generation.

With the settling of nomadic populations more than 12,000 years ago, known as sedentarization—which probably first occurred in the Sahel and the Ethiopian highlands, and then especially 7,000 years ago, with the beginning of the Neolithic and the creation of first villages—came the need to establish reserves and maintain accounts. This gave birth to the numeration, entrusted to specialists who trained their successors from generation to generation. At that time, there were less than 3 million humans on the planet.

After the invention of writing in Mesopotamia in the first empires, around 3400 BC—well after the numeration—we began to transmit knowledge on clay tablets or papyrus, using symbols and not yet alphabets. Occupations were becoming more specialized, and apprenticeships were extending. The boys almost always took over the trades of the fathers, while the daughters assumed the burdens of the mothers. Those best placed in the social hierarchy, who lived on the surplus generated by the work of others, delegated part of the training of their children to tutors (normally slaves), who also trained the personnel useful to these elites (writers, accountants, doctors, priests, teachers, officers). The places and forms of education had nothing to do with what would later be called a "school." Artists (sculptors, goldsmiths, gunsmiths, ceramists, cabinetmakers, painters, storytellers, poets, musicians, singers) were trained in the workshops of their masters. Peasants, weavers, bakers, blacksmiths, butchers, potters were trained through work in the fields, workshops, and stalls. A few young people from the humblest backgrounds made their way to the most powerful. Some women—escaping the obligation to learn only what they needed to know to be good wives, mothers or courtesans—also managed, albeit very rarely, to occupy the highest of positions.

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And since those times to the present day, almost all training of young children around the world came from what their family environment transmitted to them, which was not always made of love, but far too often of beatings, sexual abuse, and hard work.

Four thousand years ago, the first places of education appeared for a few young adults, which could be thought of as the ancestors of our universities—first in Mesopotamia, and then in India, Egypt, and China. The kind of knowledge that we today call mathematics, physics, medicine, philosophy, poetry, history, geography, geopolitics, was taught there. Essentially, this teaching was reserved for those who ensured the ideological, religious, and political control of society and their direct employees. Here again, the form of education has nothing to do with that of our universities.

With Judaism—from which emerged the first alphabets in eighteenth century BC—came other values and other prohibitions. For the first time, since at least eighth century BC, if not well before, it became compulsory for all members of the Jewish people to be able to read and write, in order to know and transmit the teachings of the Law. Transmission in China was confined to the demanding mission of respecting the ancestors and very selectively to the training of executives of the empire that constantly faced a threat of collapse. In India, Buddhism had a (merely theoretical) ideal of equal education for all. Still, it was in the Jewish world that equality of education was practiced for the first time. And it was also in the Jewish world that places of education for all were built first, most commonly near places of prayer.

A little later, in Greece and subsequently Rome, schools, high schools, and gymnasiums were built for the children of the ruling classes only in order to teach philosophy, the name then given to the sciences, and taught by masters that are admired to this day—even as most of them would be denounced as misogynists, pedophiles, racists, and bearers of dictatorship and slavery by today's standards.

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During the first millennium of our era, the essential transmission of knowledge continued to be conducted everywhere by mothers and through work, even in the cases of very young children. In Europe, the teaching methods and the philosophical and scientific disciplines inherited from Greek and Roman Antiquity confronted the dogmas of the Christian, and then Muslim faith, which were gradually gaining power.

The Catholic school slipped first into the ancient school and reserved its teachings for those who were destined to become priests or servants of the prince. It was essential for the Church that no one, except its servants, knew how to read or write. Literacy was also declining.

From the tenth century, in Europe, religious knowledge, law, and medicine were taught in rare schools, colleges, and first universities to a tiny minority of boys, especially servants of princes. The rest continued to be transmitted in families, through churches, and work in the fields, workshops, and stalls.

In the fourteenth century, teaching began in schools, colleges, and universities. In Flanders and Venice, it was part of the attempt to escape the control of the Church. And when the printing press and the Reformation arrived, this prompted the same process in Germany. The teaching was no longer limited only to future priests. On the job and at school, sons of wealthy artisans, merchants, and peasants acquired knowledge useful to commerce, agriculture, and industry—they were now taught in the local languages, and no longer just in Latin or Greek. While many circles began to think that boys should not condemned to lead the same life as their parents, girls were still thought not to be entitled to the same hopes as their brothers. There, as elsewhere, the highest academic and military education remained reserved for those who did not work and their most direct employees.

In the seventeenth century, in the Netherlands and Sweden, both of which had become Protestant, the first systems of theoretically compulsory primary education appeared. The obligation was then taken up, still theoretically, first in the British colonies in America and then in Prussia. The more egalitarian the distribution of land became, the faster the incentive to send children to school increased. Elsewhere too, a few children of peasants and craftsmen wrested the means not to be forced to take up their parents' trades, becoming themselves teachers, employees or, in certain cases, booksellers, merchants, generals, cardinals, politicians, scholars, and artists. The authorities did not yet need to train the bulk of the population elsewhere and by means other than through work. Even less did they need to let the people have access to knowledge that could lead to revolt; they locked up young orphans who wandered the streets of cities without offering them a real education.

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In the eighteenth century (when there were less than 500 million humans on the planet), this was still enough to maintain an economically functional society. While it was not yet necessary to set up an equal school for all citizens, such utopian ideas had nevertheless begun to form—especially in the tiny urban bourgeoisie. Thus appeared new, more benevolent teaching methods, and new means to transmit culture, such as newspapers, books, museums.

In nineteenth-century Europe and America, with the explosion of technological progress, it was necessary to transmit new knowledge to young people, which meant having to send a few more children to school and disseminate this new knowledge to adults.

Transgenerational ambition was growing, especially in urban areas. Moreover, it became dangerous to let the increasingly numerous poor young people wander in the streets of the cities where their parents had to migrate. Primary schools (at first only on Sundays and still largely entrusted to the Churches) were developing in Catholic and Protestant Europe for the children of the people, while secondary and university education remained reserved for the most privileged urban youth. In France in particular, the school was then built against the family, which remained, in general, in the hands of the Church. Public and private spending on education was beginning to increase. Economic growth, which was accelerating, had made it easy to provide the financing.

Elsewhere, in Africa, the Islamic world, as well as American and Asian lands, the training systems remained unchanged. In Islam they worked through religious schools; in China through schools and competitions, whose obsession remained the selection and training of executives for an empire constantly threatened with implosion. European settlers around the world were in no hurry to transmit knowledge to local populations, whom they crushed through slavery.

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When the twentieth century began, the main economic powers needed more people who could read, count, and understand what is happening around them. Society therefore needed to teach what the workshop and the family could no longer transmit and do so without jeopardizing the inherent social order. The young people needed to be trained in the assembly line, like new cars. In many countries, especially the more commercial ones, we began to see the alliance—which had already existed for four centuries in Venice and Flanders—between the merchant bourgeoisie and the enemies of religion strengthen. They shared a common interest in getting rid of the big landowners and the Church. They were successful in some northern European countries. In others such as France, however, the weight of religion and family remained overwhelming. Everywhere, only privileged boys had access to good schools and could choose the best jobs. New teaching methods and other means of transmitting knowledge also appeared: youth movements, sports, cinema, radio, and then television. Throughout the world, public and private spending on education increased dramatically. The economic takeoff accelerated thusly.

The second half of the twentieth century was a prosperous period for schools as institutions, which became the privileged place of knowledge transmission. With the exception of very few northern European countries, the school never succeeded in preventing the reproduction of inequality. The utopian idea of a universal teaching of reading, writing, and the most fundamental knowledge has been essential, particularly to international institutions such as UNESCO.

The more the twentieth century went on and the more progress there was—not only in democracies—the demand to train citizens and not only workers increased. Ideological and nationalist teaching was everywhere, especially in history. Even so, more and more young people refused the authority of parents, churches, and teachers, and developed their own values.

Lessons for the Future

In 2022, 95 percent of the nearly 8 billion people on the planet have often had very short and mediocre schooling; compared to only 45 percent of the 2.4 billion humans in 1948. Transmission is now taking place at least in small part through school, from infancy to adulthood.

In reality, 240 million children still do not attend school and many more do not have the means to learn. Despite countless pedagogical developments, ruthless selection is maintained almost everywhere, reserving access to the best schools, teachers, universities, and courses for children from privileged backgrounds. The same is true about the most promising professions along with the relationships needed to access them.

In reality, 240 million children still do not attend school and many more do not have the means to learn. Despite countless pedagogical developments, ruthless selection is maintained almost everywhere, reserving access to the best schools, teachers, universities, and courses for children from privileged backgrounds.

The private sector is beginning to view education as a territory to be conquered. Religion and ideology continue to dominate many educational curricula. In too many countries, schools are childcare centers run by poorly trained teachers. Almost everywhere, girls remain victims of the system. However, where they finally have access to education at the same age as boys, they prevail over them and begin to upset societies with new knowledge and values.

Most of the knowledge transmission is now starting to take place outside of school through multiple channels, extracurricular and digital. In a large number of countries, the time young people spend in front of a computer, television, or telephone screen exceeds the time spent at school and that spent with family. Immense upheavals will ensue.

The lessons that can be drawn from the history of education will be essential for planning and acting in the future. They can be summed up as follows:

- The transmission of knowledge has always been, and remains, the key to the survival of all living species.

- The transmission of knowledge has always been one of the least energy-consuming human activities.
- The two main functions of knowledge transmission, in all its forms, are to prolong the dominant order and conversely to organize the transmission of innovation, sometimes in rebellion against the dominant order.
- To transmit knowledge is always to exercise power.
- Transmission has for the most part been reduced to making a work force operational, disciplining citizens, and imposing an ideology or faith.
- Mistreatment and sexual abuse of children are constants in history; transmission is one of the pretexts.
- Until recently, girls and women have been, with very few exceptions, totally excluded from almost all knowledge in all civilizations.
- Boys from privileged backgrounds have always had an infinite advantage when it comes to choosing studies and succeeding in them relative to all other children.
- Any power circle distrusts the people and limits the knowledge provided to the people to what is politically, economically, and socially necessary.
- Education in artistic and scientific knowledge (which forms critical knowledge) is an essential factor in emancipation and growth.
- Knowledge transmission has taken place mostly through clans, religion, and work for millennia; very rarely through the school system, reserved for those who worked to produce what was needed by the powerful.
- Imitating, repeating, controlling, and sanctioning were and still are the bases of the transmission of knowledge.
- The time needed to learn and attain knowledge has not decreased.
- Eight transmission frameworks have gradually emerged: family, clan, work, church, army, school, media, and social networks.
- Nine fields of knowledge to be transmitted have gradually distinguished themselves: sexual, practical, military, theological, ethical, political, artistic, legal, and scientific.
- The more a population is educated in critical knowledge, the fewer children it has and the easier it is for it to finance their studies.
- The strength of a transmission system lies in its ability to constantly modify its content in accordance with the needs of society, the discoveries of which it becomes aware, and the benefit of those who control the system.
- Orientation has always been determined by the needs of the dominant classes.
- The number of trades for which future generations must be trained grows exponentially with the division of labor.
- Lifetime spent learning is continually increasing.
- We have never succeeded in transmitting the rejection of hatred, violence, and the death drive.

- A society progresses when it is not resigned to children having the same life as their parents.
- The more critical education becomes widespread, the more the ability to interact with different groups grows.
- The level of education of a society depends very largely on the means it can and wants to devote to the needs of each child.
- Transmission requires an ever-increasing share of national wealth, regardless of population growth.
- Transmitting has gradually become an almost exclusive skill of professionals, teachers, and others.
- Any school tends to teach only the richest, unless they are forced to do otherwise.
- Transmission has almost always gone out of its way to censor deviant thoughts.
- The organization of the classroom has always been in the image of the main place of work of the moment.
- The countries where educators have the most means and freedom to transmit what is useful for intellectual and material exchange as well as scientific progress, are dominant.
- The ideological, economic, and political battle between the various political systems has always played out in the field of education, each trying to attract the best researchers, professors, and students.
- Teaching and transmitting resorts less and less to the most brutal forms of punishment, and increasingly to the most gratifying techniques of distraction.
- A quality education system can be destroyed or saved in less than two generations.

Without a very high-level critical education of all humans, and in particular in non-violence, the suicide of our species is imminent.

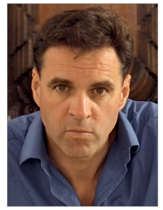
I also wish I could conclude that in order to have a good education system it is enough to create the growth needed to fund it, but that is not the case. Similarly, I could say that the more reasonable, secular, and generalized the education is, the more a country is democratic, prosperous, and socially just, but this is not the case either. Even saying that the more education is turned towards science, reason, and the arts, the better societies are protected against barbarism and dictatorship, would be false. Finally, one could assume that rational knowledge helps defend democracy, but it does not.

I am however convinced that, without a very high-level critical education of all humans, and in particular in non-violence, the suicide of our species is imminent.

IAN BREMMER

GORDON BROWN

TURKI AL-FAISAL



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