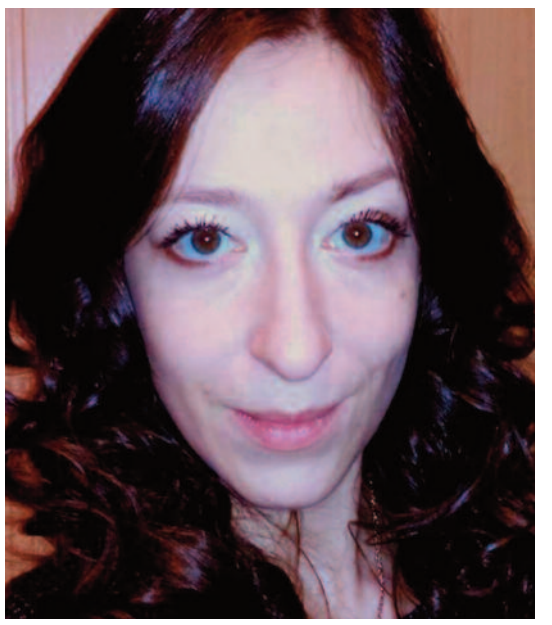
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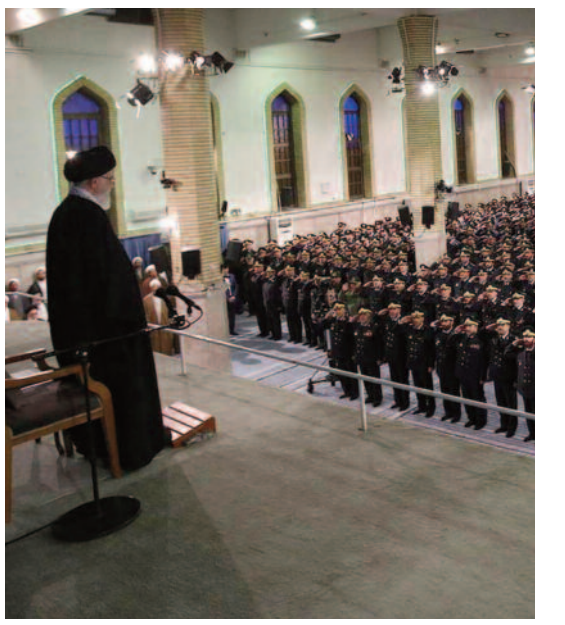
THE EXPANDED NEIGHBORHOOD ISSUE

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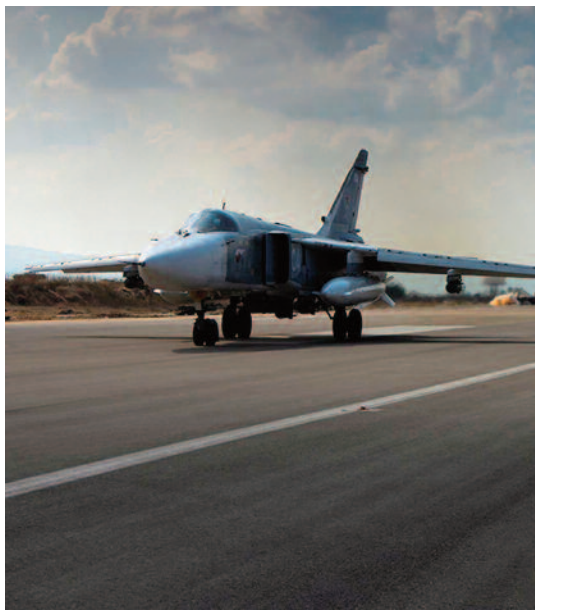
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www.moderndiplomacy.eu
Caspian@moderndiplomacy.eu

DIMITRIS GIANNAKOPOULOS
Modern Diplomacy, Editor-in-chief
DR. MATTHEW CROSSTON
The Caspian Project, Director

AUTHORS

PETRA POSEGA
TEJA PALKO
LUISA MONTEIRO
NINA LAVRENTEVA
GABRIELA PASCHOLATI DO AMARAL
BRUCE ADRIANCE
ANATOLII BARONIN
TROY BAXTER
SAMANTHA M. BRLETICH
GREGORY BREW
NASURULLAH BROHI
STACEY COTTONE
ANTONY CLEMENT
ANDY DEAHN
NENAD DRCA
LUIS DURANI
SARA DYSON
JARED S. EASTON
GIANCARLO ELIA VALORI
JEFFERY FISHEL
LAURA GARRIDO
ORHAN GAFARLI
AARON GOOD
AMY HANLON
JEANETTE "JJ" HARPER
JONATHAN HARTNER
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VLADISLAV LERMONTOV
CHRISTIANNA LIOUNTRI
PAULA MALOTT
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EVAN THOMSEN
DIANNE A. VALDEZ
CHRISTOPHER WHITE

"The society that separates its scholars from its warriors will have its thinking done by cowards and its fighting by fools"

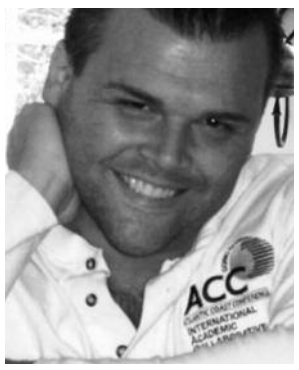
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THE EXPANDED NEIGHBORHOOD ISSUE



Prof. Dr. Matthew Crosston

Senior Editor,
Director, The Caspian Project

Our third edition of the renamed '*Greater Caspian Project*' is the fullest blossoming to date of just how expansive and important this region is to the world in general. The greater Caspian region encompasses areas of the world that extend all the way from the Atlantic to the Pacific when you consider the geostrategic tentacles that come from the decisions made. This issue lets readers see that process in explicit detail as subjects cut across Russia, Iran, the Middle East, South Asia, all the way out to Eastern China. As is often the case in the world of global affairs and international relations, the tiniest of decisions can have subtle consequences that grow into huge consequences. GCP No. 20 shows us all how real that is.

Truly, this edition may have the largest coverage of disparate countries to date, with our readers learning subtle foreign policy issues and diplomatic nuances from Russia to Iran to Saudi Arabia to Syria to Kazakhstan to India to China to North Korea. Whether considering strategies to end war in Syria, preventing war in North Korea, stopping degradation in Kazakhstan, or ameliorating tension between major rivals in the Middle East, No. 20 makes us all realize just how complicated the world is today and why local problems often turn into regional discord which explodes into global tension and conflict.

In the end, we here at *Modern Diplomacy* and the GCP remain steadfast and true to the idea that no idea is sacred, no one position is the ultimate truth, and our only true purpose is exposing ever more people to the world as it really is, to the intricate actions and inner workings of states in the global neighborhood game as they actually transpire. We hope it always helps our readers become more informed and more refined in their thinking and perspectives.





THE RUSSIAN FEDERATION' STRATEGIC EQUATION IN SYRIA

GIANCARLO ELIA VALORI

Advisory Board, Co-chair Honoris Causa

Professor Giancarlo Elia Valori is an eminent Italian economist and businessman.
He holds prestigious academic distinctions and national orders.
Mr Valori has lectured on international affairs and economics
at the world's leading universities such as Peking University,
the Hebrew University of Jerusalem and the Yeshiva University in New York.



How are the Russian-Syrian operations and the operations of the United States and its coalition in Syria going and, more importantly, what can we expect from them? According to Western sources, Isis/Daesh has recently reduced its size by 40% overall and by 20% in Syria, while it had lost only 14% of its territory throughout 2015 when the Caliphate's Daesh expanded - without recovering the same amount of territory - in Eastern Syria.

Another area where the Caliph Al Baghdadi has lost much of his territorial control is the area along the border with Turkey - while the Caliph has arrived up to the areas along the border with Jordan, the traditional area of smuggling and transit of its militants. Areas towards the Lebanese border and in the Palmira region are reported to be under Isis/Daesh control. Hence, so far, both the US Coalition's and the Russian-Syrian pressures do not seem to be sufficient to definitively destabilize Al-Baghdadi's Caliphate, despite its current territorial losses.
Therefore Isis/Daesh is likely to restructure itself in the form of a first-phase Al Qaeda, as indeed it already appears to do.This means that Isis/ Daesh could create - or has already done so - a small and centralized organizational structure, with informal peripheral networks in Europe, North Africa and Central Asia, with a view to organizing mass terrorist actions and blocking the Western resistance against the jihad, as well as finally disrupting the European security forces.

Nevertheless why the Russian-Syrian actions and the other US-led action do not work fully?
Firstly, we must analyze the Caliphate's weapons: it has acquired most of the stocks abandoned by the Iraqi and Syrian armies, including sufficiently advanced weapons to counter the Russian and the Coalition's weapon systems.
Absolute technological superiority is not needed.
The will to fight and the higher mobility of the Caliphate's armies are more than enough.
In essence, Isis/Daesh can avoid attacking the best equipped areas of both coalitions, while it can predict and avoid the West's points of attack thanks to a joint and unified command/control centre located far from the lines.

Said centre employs the same technologies as the anti-jihadist forces, as well as similar logics of action.
Mimicking the enemy is an effective way of fighting it.
Furthermore mobility replaces technological superiority and currently nobody - except for the Russian Federation - wants to fight "for Gdansk", which today means fighting for Damascus.

A Caliphate's conventional strategy "from the weak to the strong" – just to use the same terminology as the philosophers of war, Beaufre and Ailleret - where the Western weakness is twofold: both on the ground - where Isis/Daesh is much more mobile and causes politically unacceptable damage to the West (with the exception of Russia and the Kurdish and Yazidi militias) and within the Western public, slackened off by the fairy tale of "good" immigration which blocks the European governments' reactions on the necessary presence of Western troops on the ground.

Not to mention the fact that Isis/Daesh has taken possession, on its own territory, of the Hamas line in Gaza: a very thick and dense network of underground tunnels, which protects from air attacks and allows the economic activities needed to support the organization.
Another primary goal of the Caliph Al Baghdadi is to saturate Western police forces and making them actually unusable since they are already scarce in number and weapons, while Europe dies in "multiculturalism".
This is a primary goal of Isis/Daesh which, in the future, will certainly attack – probably also territorially – some areas in European countries "from the weak to the strong".

The bell tolls for us, too – just to make reference to John Donne's verse, which became famous as the title of Ernest Hemingway's novel on the Spanish Civil War, which in fact paved the way for World War II.

Hence, we will soon have a core of militant jihadists not necessarily trained in Syria, but connected via the Internet, and a vast network of "fellow travelers" who can serve as cover, logistical support, recruitment area, political and media manipulation for the more gullible or fearful Westerners.

This will be – and, indeed, it already is - the structure of Al Baghdadi's Caliphate in Europe.



The "branches" of Al-Baghdadi's Caliphate are equally efficient: in the Barka province in Libya - and now in the Sirte district with the agreement between the Isis/Daesh and Gaddafi's tribes – as well as Jund-al-Kilafah in Algeria, Al Shaabab in Somalia, Boko Haram in Northern Nigeria, Jundallah in Pakistan and Abu Sayyaf in Malaysia.
The void of Western inanity is immediately filled by ISIS, which does not know international law, but only a miserably manipulated Koran.

Hence a mechanism similar to communicating vessels is in place: the more the Isis/Daesh crisis deepens on its territory of origin, the more threatening and powerful the peripheral groups become.
While, at the same time, in Europe we are witnessing some mass radicalization manoeuvres which rely on Al Qaeda's old techniques: at first, the more or less crazy "Manchurian candidates", who played havoc in small areas.
Later – as today - mass actions, like that in front of the Cathedral and train station in Cologne, which will certainly bring good results to the Caliph in the future; then again real, visible and very effective terrorist attacks.
Not to mention similar mass actions in Hamburg and Zurich.

Finally, when and how it will be logistically possible, we will witness the creation of small "Caliphates" in Europe, in the areas which the enormous long-term stupidity of EU leaders has left fully in the hands of Islamic mass immigration that has seized neighborhoods and cities.

The war against the Caliphate is and will be a very long war and the West - probably with the only exception of the Russian Federation - has in no way the political and psychological ability, nor the power to fight it with a view to winning it.
The West will die of soft power, as well as of a lot of talk with Islamists who do not want to hear it - all convinced of their alleged cultural, religious and military superiority.
Years of peacekeeping, "stabilization" and peace-enforcing have turned the European Armed Forces - already largely undersized at that time - into traffic guards and organizers of elections - always rigged - just to be as quick as possible and go away without disturbing the sleep of European peoples.
The very size of the European Armed Forces, considered individually or in a ramshackle coalition "against terror", is not even comparable with those of the United States or Russia, after decades of equally unreasonable reduction of investment in the military and in the public safety sectors, even after the first Al Qaeda attacks.

Quos Deus perdere vult, dementat - Those whom God wills to destroy he first deprives of their senses.
On the contrary, Russia has implemented a thorough reform of its Armed Forces in 2008, after the war with Georgia, and it has worked much more on the "human factor" than on technology which, however, has not been neglected.
So far the Russian forces in Syria have deployed artillery groups and other ground forces while, according to reports coming from Russian sources, Russia is deploying batteries of S-400 anti-aircraft missiles again on Syrian territory, over and above providing "Buk" anti-aircraft missile systems to the Arab Syrian Army.
The S-400 missile – also known as "Growler", according to the NATO designation - is an anti-aircraft missile which intercepts aircrafts flying up to 17,000 kilometers per hour, while "Buk" (also known as SAM 17) is a surface-to air missile system (also known as "Gainful" according to the NATO designation) with radars for the acquisition of targets, which are the enemy cruise missiles and strike aircrafts.

Nevertheless, why does Russia deploy such an advanced anti-aircraft structure if Isis/Daesh has no planes? The simple answer to this question is because Russia wants to reduce and eventually eliminate Western raids, often objectively inconclusive or scarcely effective, also due to the lack of a network for target acquisition. Conversely, Russia wishes to take Syria as a whole, after destroying or minimizing Al Baghdadi's Caliphate. President Putin needs a victory in Syria – firstly because the defeat of Al Baghdadi's Caliphate avoids the jihadist radicalization of the over twenty million Muslim residents and citizens of Russia.

If the Russian and Central Asian Islam takes fire, Russia can no longer control - militarily or economically - the energy networks towards Europe and the Mediterranean region, which is the central axis of its geoeconomy.
Moreover, Vladimir Putin wants to become the only player of the Syrian crisis because, for Russia, ousting the West from a NATO neighboring country, which is pivotal for control over the Mediterranean region, means to become - in the future - one of the two players or even the first player in the Mare Nostrum, with strategic consequences which are unimaginable today.

Finally the Russian anti-aircraft missile systems are needed to wipe out the aircrafts of the powers not coordinating with Russia and to strengthen military cooperation with the countries which have accepted the Russian air superiority. For example Israel which, for the time being, offsets by Russia the de facto breaking of military and strategic relations with the United States and the political anti-Semitism mounting in Europe.

Furthermore, Putin also holds together – in a hegemonic way - Iran, Bashar al-Assad's Syria and the Lebanese Hezbollah, thus setting himself up as a mediator and power broker between the Shi'ite bloc and the West when, in all likelihood, the clash between the Sunnis and the "Party of Ali" will become disastrous and fatal for European security.

Furthermore, the Russian President wants to push the United States away from the Middle East definitively, regardless of the United States maintaining or not their preferential relations with Saudi Arabia. Finally, within the UN Security Council, Russia will do its utmost to capitalize on its hopefully future victory against Isis/Daesh, by exchanging it with the achievement of other Russian primary interests: the management of the Arctic; the forthcoming militarization of the Shanghai Cooperation Organization; the regionalization of NATO eastward and possibly a new military agreement with China, which would make the composition of the UN Security Council completely asymmetrical.
Not to mention the great attraction which Russia would hold for a Eurasian peninsula left alone by the United States and devoid of acceptable defenses in the Southeast. In this case, the Eurasia myth of the Russian philosopher and strategist, Alexander Dugin, would come true very quickly.

SAUDI ARABIA AND IRAN
A BALANCE OF POWER

LUIS DURANI

Luis Durani is currently employed in the oil and gas industry. He previously worked in the nuclear energy industry. He has a M.A. in international affairs with a focus on Chinese Foreign Policy and the South China Sea, MBA, M.S. in nuclear engineering, B.S. in mechanical engineer and B.A. in political science.
He is also author of "Afghanistan: It's No Nebraska – How to do Deal with a Tribal State."
Follow him for other articles on Instagram: @Luis_Durani



The execution of Sheikh Nimr al Nimr by Saudi Arabia is heating up the Cold War in the Middle East. The tension between Saudi Arabia and Iran has been ratcheting up since the overthrow of Saddam Hussein. But more so, the recent Iranian nuclear deal has begun to change the geopolitics of the region forever.

The latest execution of the leading Shiite cleric in Saudi Arabia was intended to ruffle feathers in Tehran and provoke a reaction. Iran responded just like Saudi Arabia wanted. Under the leadership of King Salman, the foreign policy of Saudi Arabia reflects one of a paranoid regime that is potentially on the precipice of collapse due to falling oil prices and slowly being eclipsed by Iran.



WHAT HAS HAPPENED SO FAR

Ever since the implementation of the Petrodollar pact, the security guarantor for Saudi Arabia has been the US. But with the removal of Saddam in 2003, the regional balance of power was perturbed. The new government in Iraq represented the Shiite majority and many within the government had links to Iran. A new era of Iran-Iraq relations were ushered in to the detriment of Saudi Arabia. The Iraqi wall that circumscribed Iran had crumbled and allow for the Shiite expansion into the Levant. Iran was granted unhindered access to its allies in Syria and Lebanon through Iraq, creating a "Shiite Crescent". This northern expansion has created a perceived semi-encirclement of Saudi Arabia.

All the while this was happening; the US began to pivot away from the Middle East to East Asia under a new strategic imperative. These dramatic changes have made the royal family uneasy about the US security commitment to the regime. To exacerbate a tense situation, the Arab Spring made the Saudis began to realize that there was an internal existential threat to their hold on power.

The Saudi royal family became proactive in matters dealing with its security. It needed to rebalance power in the region in order to prevent an Iranian hegemony from establishing and subdue any internal dissent. In order to quell the internal outrage, the government increased subsidies to its citizens and imprisoned many who were Shiite. Next, the Saudi military intervened in Bahrain to quell an uprising by the Shiite majority against its Sunni rulers. The rebellion was suppressed but the Saudis suspected Iranian involvement behind the rebellion.



Soon thereafter, Yemen began to fall into disarray as different factions began an uprising against the dictatorship of Saleh. When the Houthi rebels, Shiite tribesmen backed by Iran, began to make advances towards the capital, Saudi Arabia once again got involved in hopes of crushing yet another Shiite rebellion at its doorstep. Except this time it appears Saudi Arabia has created a quagmire of its own. The costly foray has begun to take its toll on the interventionist Saudi foreign policy. While its forces are bogged down in Yemen, Saudi Arabia's backing of Syrian rebels against Assad has fallen to the wayside as the world unites to battle ISIS. The Saudi-led initiative to remove Assad has failed.

The final ingredient for the perfect storm has been the dramatic decline of oil prices. When the price of oil began to fall in late 2014, it was due to an oversupply in the world markets and a weakening demand. But there was a way out, Saudi Arabia, the nation with the largest oil reserves, could have reduced supplies, which in turn would raise prices but they did not.

The rationale behind this move was to regain market share rather than profits by eliminating all the American shale producers who had become a threat to the Saudi oil supply. The US, who was once the primary recipient of Saudi oil, is on the path to becoming a major exporter herself.

In a bid to outdo the US producers, Saudi Arabia engaged in a game of chicken to push prices as low as it can go to drive all competition out. But there has been blowback, the falling prices have caused the Saudis to go into deficit spending and diminished its cash reserves. The continued low prices are causing internal pressures within the country to arise. There are rumblings of a potential Saudi collapse, which can have devastating effects for the region as well as US strategic interest. With all the short comings going on with its policies, the Saudis are looking for a way to divert attention from them.

RALLY AROUND THE FLAG

The best way for the regime to distract attention is to create a wag the dog effect. The Saudis knew the execution of its Shiite cleric Sheikh Nimr would create a firestorm. The outcome was exactly what they desired; protest around the Shiite world and especially in Iran where the Saudi embassy was burned. This action set in motion a diplomatic tit for tat, which further caused a wider rift between the Saudis and Iranians. To further inflame tensions, a Saudi missile "accidently" struck the Iranian embassy in Yemen.

This back and forth between the two nations is exacerbating tensions in an already anxious region of the world. But the winners in all this is the Saudi royal family who are able to shift focus to Iran from its recent foreign failures in Yemen and Syria as well as its internal economic bubble.

The Saudi regime is acting "irrationally" in order to take measures it perceives necessary to prevent its own collapse. With the fall of Iraq and the nuclear deal, the balance of power has begun to shift in Iran's favor. The Saudi attempt to rebalance power in the region has caused it to go further to the brink of collapse by its recent short comings. As the US slowly withdraws from the region and oil prices continue to tumble, Saudi Arabia finds itself cornered. Its foreign policy is being driven with a sense of urgency based on a paranoid belief that its collapse is imminent. Thus, it can be expected that provocative actions in the form of military or economic by Saudi Arabia can be a norm in order to shift attention from its short comings until its house is back in order or the regime collapses.


FRASER SUITES

RUSSIA'S SOUTHEAST ASIA GAMBIT "PIVOT TO THE EAST"

TONY RINNA

Tony Rinna is a specialist in Russian foreign policy and security affairs in East Asia. He currently resides in South Korea



Throughout 2015, the Russian Federation engaged in a variety of initiatives in a region that often falls outside of the conventional analysis of Russia's foreign policy- Southeast Asia. After a period of relative neglect, dating back to the late Soviet era in some cases, Russia has once again emerged as an external actor in this region.

Of course, Russia has been somewhat active in Vietnam lately, and has made some inroads with that country, such the re-opening of Cam Ranh to Russian naval vessels. Yet in addition to a revival of Russia-Vietnam ties, there are a few other states in the region that have generally been closer to either China or the United States with which Russia has begun to deepen relations.

It is too soon yet to state that Russia has emerged as a major player in Southeast Asia. Nor is there substantive evidence that Russia will actually attain this status in the region. Nevertheless, Russian overtures to several Southeast Asian states give a clear indication that Russia's policy of "pivot to the East" extends far beyond its relationship with China. In fact, the very fear that Russia's Asian policy orientation may be limited to, or even subordinate to China is likely one of the biggest reasons why Moscow has begun to extend its hand of friendship to various countries in the region.

One country with which Russia has not had strong ties, but one which Russia has recently reached out to is Cambodia. Dmitri Medvedev, Russia's prime minister, visited Cambodia in November 2015, where he and his Cambodian counterpart, Hun Sen reached a number of agreements. The various measures implemented included agreements on foreign investment as well as a memorandum of understanding and cooperation on money laundering. It was the first time since 1987 that Moscow had conducted an official-level visit to the country. Since that time, China has been Cambodia's most important major partner, especially under the leadership of Hun Sen.

Similar with Cambodia, Myanmar has generally been under greater Chinese influence. Moscow's relationship with the secretive government in Yangon, while growing, especially in terms of small-scale military cooperation, has also been rather limited.

In the late summer of 2014, however, the Russian government signed an agreement with Myanmar to increase the volume of trade between the two countries from $117m to $500m, although trade figures indicate that Russia had not been able to significantly boost its exports to Myanmar going into 2015. Nevertheless, the two countries pledged at the end of 2015 to continue fortifying their bilateral relationship.

Yet another unlikely potential partner for Russia is the traditional US ally of Thailand. When Prime Minister Medvedev paid an official visit to that country in 2015, the Thai military government was in a slightly strained relationship with its allies in Washington. For Bangkok, the visit from the Russian Prime Minister offered a sense of legitimacy, especially in light of criticism from the UN. Furthermore, the governments in Bangkok and Moscow, as well as the Russian and Thai business communities have hoped for a deeper development in economic cooperation. This incudes an increase in Russian arms sales to Thailand as well as the possibility of conducting trade using the Russian ruble and Thai baht. Of course, such Russian overtures toward the Thai kingdom do not necessarily pose any strategic challenges to the United States and its relationship with its longtime ally.

With Russia experiencing some degree of economic and political isolation for its foreign policy adventures over the past two years, Russia has found itself in a favorable position to develop closer ties with other "isolated" countries.



This may explain in particular Russia's developing ties with Myanmar, as well as Russian overtures to the current Thai government, which has drawn some scorn from Washington.

Furthermore, conventional thinking about Russia's recent overtures to various states in Southeast Asia seems to be that Russia is attempting to demonstrate to the US that it is a global power with far-reaching interests. While there is certainly merit to the position that Russia's foreign policy activities in Southeast Asia have been taken primarily with the United States in mind, one must also consider the China aspect of Russia's growing role in Southeast Asia.

In fact, there is a high likelihood that Russia is seeking not so much to undermine the United States in Southeast Asia, but rather is attempting to hedge against the rising power of China. With the US's deep strategic presence in Southeast Asia firmly established, especially in places such as Thailand, it makes little sense that Russia would sincerely attempt to undercut the United States in the region, especially when Russia has so little influence or even historic legacy in Southeast Asia to begin with.

Rather, an increased Russian economic and, in limited terms, security presence in Southeast Asia provides an outlet whereby Russia can show that it is an Asian power independent of its relations with China.

Furthermore, a stronger Russian presence in Southeast Asia allows for Russia to establish itself as a competitor in what has otherwise, in some respects, been part of a Chinese sphere of influence. This is especially true given the fact that many Russian policy elites perceive that China has been encroaching on Russia's traditional sphere of influence in Central Asia.

Russia's influence in Southeast Asia will likely remain dwarfed by that of China and the United States for the time being. Yet slowly and quietly, Russia is emerging as a player in the region once again. Its ability to increase and project influence in Southeast Asia, an area not traditionally part of its sphere of influence, may in fact be a metric by which to gauge the success of Russia's "pivot to the East".





SAMANTHA M. BRLETICH

Samantha M. Brletich is a researcher and writer specializing in Central Asia and governance, security, terrorism, and development issues. She possesses a Master's in Peace Operations Policy from George Mason University in Virginia, United States. She works with the virtual think tank Modern Diplomacy specializing in Central Asia and diplomatic trends. Her work has appeared in multiple publications focused on diplomacy and Central Asia respectively. She is currently an employee of the U.S. Federal Government.

Kazakhstan will be holding Parliamentary snap elections in March 2016 ultimately providing a mandate for autocratic President Nursultan Nazarbayev. The elections will not produce significant differences in the country's political landscape which has remained relatively unchanged since Nazarbayev gained power in 1989.

Arguably, the elections in Kazakhstan are part of Nazarbayev's attempts to make Kazakhstan appear as a democratic country and are part of Nazarbayev's managed government or "managed democracy."

KAZAKHSTAN'S SNAP ELECTIONS CALLED AMIDST DISSENT AND ECONOMIC TROUBLES

The elections are being held against the backdrop of a failing economy, low oil revenue prices and the oil crash, political dissent, and Nazarbayev's need to be reaffirmed by the people of Kazakhstan.

The snap elections stirred up secessionist fervor and possible chances for political change among Kazakhstan observers as the country has no secessionist policy and is essentially under one-party rule. On 20 January 2016, the lower-house of the Senate, the Majlis, voted to dissolve itself; the Majlis is dominated by the Nur-Otan Party, Nazarbayev's party. The elections, originally scheduled for late 2016 or early 2017, are scheduled for 20 March 2016.

The focus of the snap elections is economic recovery and political change. The snap elections are supported by the Majlis, and the miners and metallurgists to allow for "further implementation of reforms," under Plan of the Nation (or "100 Steps") and to "understand how we work in a new way, what laws should be adopted to meet the requirements of a market economy," according to the Kazakh BNews news portal.

The Head of the Assembly of Peoples of Kazakhstan (APK) says the elections will benefit the country politically and economically. Kazakhstan's People's Democratic Patriotic Party, known as "Aul" Party, also supports the snap elections. Support from Aul makes the elections and the decision not so one-sided appear more competitive. The Astana Times, published astonishing, but not surprising, poll results about voting in a new Majlis and reforms: "92 percent of citizens believe the early elections make the public more confident the new reforms will be implemented." Other poll results are similar.

Similar to April 2015 Presidential elections, the elections were held against the backdrop of increasing political dissension in the country. The government fears another 2011 Zhana Ozen protest over labor conditions, and protests similar to the protest in May 2015 in the monocity (or company town) of Temirtau.

Recently, on 12 January 2016, protests were held in Astana against the Kazakh Bank and the falling tenge.

In response to economic fears, the Kazakh government now offers powdered mare's milk on the global market which "can generate product worth $1 billion (a year)" to mitigate declining global oil prices. Another recent incident was the firing of the Sovereign Wealth Fund manager, Berik Otemurat, stated Kazakhstan's National Oil Fund would run out in the next six or seven years. The National Oil Fund, often used as an emergency fund, has fallen 17% from $77 billion since August 2014 and the government is withdrawing about according to the Wall Street Journal.

Two activists in Kazakhstan, Serizkhan Mambetalin and Ermek Narymbaev, were convicted and sent to prison for two and three respectively for Facebook posts "inciting national discord" (Article 174 of the Criminal Code) and the "authorities claimed the clips amounted to a 'serious crime against peace and security of humankind' " according to Human Rights Watch. The two men were arrested in October 2015 and their trial began 9 December 2015. A third activist, Bolatbek Blyalov, has movement restricted for three years and cannot "[change] his place of residence or work, or [spend] time in public areas during his time off." The punishment for the three activists violates many of Kazakhstan's international commitments.

Nazarbayev's snap elections fall into a pattern of managed governance or managed democracy. The international community repeatedly chastises Kazakhstan for failure to execute and commit to democratic reforms, failure to improve human rights abuses (without little diplomatic and international consequence), and for lack of political freedoms and party pluralism. Nazarbayev in April 2015 won the election by a landslide and Nazarbayev said it would have "looked undemocratic" for him to question election results.

Edward Schatz categorizes Kazakhstan as a soft authoritarian regime that engages in managed information and "[discourages] opposition and [encourages] pro-regime authorities." Information management, according to Schatz, is not only through media, but by staging "many events to convey information dramatically." Nazarbayev has a history of staging political events. Applying this notion to snap elections, Kazakhstan's citizens know of the economic troubles. Snap elections are unnecessary to highlight the problem and snap elections give the impression the government is actively handling the problem and that political change is welcome.

Besides during election cycles, Nazarbayev effectively manages the press, limiting dissent and alternative political voices. Media freedoms in Kazakhstan declined after the Zhana Ozen protests. In-depth legal analysis by France-based group, Article 19, provided that Law No. 545-IV on Television and Radio Broadcasting (the Law) of the Republic of Kazakhstan, is "open to abuse by government" and "poses a genuine threat to freedom of expression, as well as freedom of information."



The newspaper, Pravdivaya Gazeta, critical of Kazakhstani authorities was shut down February 2014. The Respublika newspaper was shut down in 2013 and the Assandi Times faced closure in April 2014 after being affiliated with Respublika. The Assandi Times maintains an empty Facebook page. On 18 December 2015, Kazakh authorities raided the offices of investigative news outlet Nakanune.kz; as of late January 2016, the website still operates.

The snap elections in Kazakhstan are not a way to encourage civic participation in political affairs, but a way for President Nazarbayev to consolidate his autocratic power via other means besides the Presidency and to provide the image he is supported by the people.

The snap elections will not produce different results but will reinforce Kazakhstan's current policies and ways to undertake reforms. As the Kazakh economy continues to tumble and public dissatisfaction increases, it is likely activists and news outlets will face persistent censorship and scrutiny from the Kazakh government. Nazarbayev's ability to control the media and creative interpretations of the nation's criminal code generates further criticism from international organizations and violate Kazakhstan's obligations to international commitments.

GREEK-RUSSIAN RELATIONS INTO PERSPECTIVE



CHRISTIANNA LIOUNTRI

Ever since the establishment of the modern Greek State, Greece has formed strong, mainly psychological, ties with Russia. Indeed, it was the Russian support to the Greek National Revolution of 1821, that set in alarm the other Great European Powers of the time, internationalized the greek demand for liberty and paved the way for action to be taken to help the Greeks.The endgame of the help that was offered to Greeks was to prevent Russia from gaining access to the Mediterranean, a fact that would have changed the international balance of power in its favor.



It is essential to note that the Russian involvement in the Balkans, when manifested, it is expressed in a very vivid and dynamic way, only to be slowly yet steadily diminished. This is the case due to the fact that Russia uses this geopolitical area as a lever in order to improve its position to other issues of foreign policy that are higher in its agenda. It is safe to argue that the greater area of the Balkans is an arena for Russia to secure its interests and strengthen its position in other issues. Bearing in mind the proximity that Balkan states feel towards Russia due to the common orthodox and soviet past, we can not avoid the observation that ever since Putin rose to power, Russia implements a pragmatic foreign policy, in which narratives such as "omodoxy" or the communist ideology and affinity have absolutely no place. The immediate goal of Putin's policy is for Russia to regain its status as a Great Power, through the consolidation of its power in the former soviet area while, preserving its territorial footholds worldwide.

A detached analysis of the current state of Greek-Russian affairs would safely argue that the two countries never shared a strategic relationship, rather their collaboration was limited in secondary issues. High expectations were cultivated particularly in the period of 2004-2009, which, however, soon failed. The momentum (and interventions of every kind) did not favor the conclusion of the pursued partnerships, mainly in the energy sector. To elaborate a bit more, from 1993 onwards, any plan that has to do with the construction of pipelines is not fruitful. For one, Greece is a very small market for Russia to take up the high cost of such projects. Moreover, Greece can not yet pose itself as a transit state in order to lure investors. Finally, we can not ignore that the European Commission is very susceptible towards Russia, due to Gazprom's monopoly in the European energy market.

Clearly, there is a great issue with the sanctions that have been implemented on Russia and are focusing primarily on its energy sector, which is undoubtedly the basic pillar of its economy. For instance, in the list of sanctions, for the first time, we see that they name a specific natural gas field, Sahalin, and they forbid any prospective investors from exploring the chances to participate and invest in any plans to develop the particular field. The importance of this particular prohibition lies in the fact that the deposits under development call for high- tech equipment, which is not at the disposal of Russian oil companies. Therefore, the participation of international (western) oil companies, which have the technological "know-how" to develop such projects, is a necessity.



Taking as a given that the EU has diverged from its original utopian dimension, attributed to it by its founding conventions, Greece needs to understand the specific axis under which it can shape its policy towards Russia. Firstly, any effort to promote bilateral relations in the form of alliances should not be perceived as a competition of a strategic and consolidated alliance against another possible and infinite alliance. Secondly, for the balance of power to change in Europe, Greece needs to ally with other European countries with which it has common interests and goals in order to shape a common path and present a united front. It is common knowledge that countries of the so- called core of the EU claim for themselves the unilateral right to set the pace in the relations with Russia, usually in accordance to a tight interpretation of their national interests. Any unilateral effort on behalf of Greece to change the current status of Russia's image and participation in the European affairs is doomed to fail. Greece is in a very weak economic place.

Most importantly, Greece is no longer considered a reliable partner: the irresponsible and opportunistic actions of successive governments regarding the economic crisis led to the loss of whatever political capital the country had. At the moment and unless catalytic events take place, member states sharing interests and views with Greece can not trust the latter to be a reliable partner. For instance, we can refer to the way the Greek government tried to use the negotiations with Russia, at January 2015: Greece gave the impression of a country that tried to manipulate Russia (and China) in order to set them against EU and gain leverage in the main negotiations with EU. Both powers perceived this behavior as an arrogant effort to exploit them. As a result, they dismissed the efforts of the Greeks as superficial and meaningless while the bilateral ties were severed, though not damaged. It remains to be seen whether the current government can learn from its mistakes and make steps towards the right direction to restore the balance and save Greece's face.



INDIA-RUSSIA NUCLEAR DEAL

THE DYNAMICS OF WORLD POLITICS

NASURULLAH BROHI

Nasurullah Brohi works as a Senior Research Associate at the Strategic Vision Institute, Islamabad and can be reached at nasurullahsvi(at)outlook.com

The great powers particularly the de-jure status holders under the NPT framework that only confers the nuclear status to those states who acquired the technology prior to 1968 and leaves no further room for others who were unable in the aforementioned timeframe and yet their persistent efforts for the acquisition of nuclear capability labels them as rogue states.

The role and policies of "great-nuclear powers" on the issues of further nuclear proliferation are some of the persuasive aspects of discouraging many non-nuclear states to refrain from seeking the nuclear options, but however, in some cases the situation becomes otherwise and the vested interests of those powers also imply the options and policies of cooperation with the non-nuclear weapon states and conversely eagerly assist in their clandestine nuclear programs.

The business interests and the policies of empowering the non-nuclear strategic partners only for the containment of the rival states such as the case of U.S. –India relationship, the strategic partnership and the nuclear cooperation greatly is motivates the economic and military containment of China but as a reaction to such policies additionally given the fact that the regional powers consider them second to none persistently keep-up with the procurement of huge arsenals of latest conventional and non-conventional military equipments merely to preserve their power but as a consequence, the whole region ultimately drags into the budding power struggle.

Similarly, in the end of December, 2015, the visit of Indian Prime Minister to Moscow concluded with 16 new deals between the two countries ranging from Russian assistance for India in the fields of defence, energy, space cooperation and notably, the proclamations of procuring Russian nuclear reactors to build a nuclear industry in Kudankulam and some other undisclosed nuclear sites in India.

The politically motivated Indo-Russian strategic cooperation is an outcome of the Indian refusal to Western powers for criticizing the moves of annexing Crimea into mainland Russia, whereas, sanction-hit Russia also striving for a variety of options to get new markets and investment option.

Apparently the current Indian ambitions are aimed at its self-sufficiency in the fields of energy for civilian purposes, but essentially these fulfil the broader objective of the Modi administration to aggressive and assertively pursue the goals of thorium reactor technology and building nuclear power plants through foreign support.



The Russian state nuclear company Rosatom agreed to assist India in building new nuclear power plants besides, the Russian support for Indian defence production means for manufacturing Russian¬ designed Kamov helicopters in India is the key defence project envisioned by the Prime Minister Narendra Modi's administration for its goals of 'Make in India' program. The Modi regime's ambitions of regional hegemony through the edge of advanced military equipment in the course of the local capability and indigenously made weapons system rather than importing from abroad are some of the factors pushing the South Asia towards an unending arms race.

India at the moment is one of the world's largest importers of defence equipments and its further plans for the procurement and modernizing its antiquated conventional military equipment by spending more than $250bn in the next 10 years.

New Delhi's endeavour to benefit from Russian cooperation in the energy and defence sectors is principally the enthusiasm for modernizing the capabilities of its armed forces, but in turn these ambitions actually contain enduring security implications for the South Asian region.



THE PECULIARITIES OF THE JCPOA

SOHAIL MAHMOOD, PHD

Iranian President Rohani, a pragmatist, was elected in 2013 which led to a diplomatic thaw between the Islamic Republic and the West. Finally, after 20 months of "strenuous" negotiations between Iran, the P5+1 and Iran the JCPOA on the nuclear program of Iran was reached in July 2015 to ensure that Islamic Republic's future nuclear program would be exclusively peaceful.

It was a landmark comprehensive nuclear agreement after the longest continuous negotiations with the presence of all foreign ministers of the permanent members of the United Nations Security Council. The agreement was very complex. One of the signatories, Robert J. Einhorn, a former U.S. Department of State official now at the Brookings Institution, said of the agreement: "Analysts will be pleasantly surprised. The more things are agreed to, the less opportunity there is for implementation difficulties later on." The agreement had been founded upon , and also reinforced, the Nuclear Non-Proliferation Treaty (NPT) and the International Atomic Energy Agency IAEA safeguards system.



According to several commentators, JCPOA was the first of its kind in the annals of non-proliferation and is in many aspects unique. This was the first time that the United Nations Security Council had recognized the nuclear enrichment program of a developing country –Iran–and backed an agreement (JCPOA) signed by several countries within the framework of a resolution (United Nations Security Council Resolution 2231).For the first time in the history of the United Nations, a country –Iran– was able to abolish 6 UN resolutions against it –1696, 1737, 1747, 1803, 1835, 1929– without even one day of implementing them. Sanctions against Iran was also lifted for the first time. The 159-page JCPOA document and its 5 appendixes, was the most spacious text of a multinational treaty since World War II. Throughout history of international law, this was the first and only time that a country subject to Chapter VII of the United Nations Charter –Iran– has managed to end its case and stop being subject to this chapter through diplomacy,all other cases have ended to either regime change, war or full implementation of the Security Council's decisions by the country.

Iran had agreed to strict limits on its nuclear program and extensive monitoring in return for the lifting of sanctions. In addition, it was agreed that Iran would have cooperate with an inquiry looking into evidence of past work on nuclear warhead design.

A brief summary of the main points:

1.Iran will not produce weapons-grade plutonium and limit its stockpile of uranium enriched to 3.67% to 300 kilograms for the next 15 years.
2.Tehran also agreed to modernize its nuclear facilities and use them for exclusively peaceful purposes.
3.Sanctions will be gradually removed from Iran.
4.The arms embargo imposed by UN Security Council will be kept in place for five years, ban for supplying ballistic missile technologies to Iran - for eight years.
5.Experts from the International Atomic Energy Agency (IAEA) will monitor nuclear facilities in Iran for the next 25 years.
6.If any points of the agreement are violated by Iran, sanctions against the country will be renewed.



The Main Points of the JCPOA:

1.Uranium enrichment capacity
Iran's current capacity of 19,000 gas centrifuges would be reduced by more than two-thirds to 6,104, out of which just over 5,000 would actually be enriching uranium. All of them would be first-generation centrifuges based on technology going back to the 1950s. Furthermore, for the first 15 years of the deal Iran would not enrich beyond the level of 3.67% purity, low-enriched uranium (LEU) of the kind used in nuclear power stations.

2.The enriched uranium stockpile
Iran's stockpile of LEU would be reduced from its current level of about 7,500kgto 300kg, a reduction of 96%. The reduction would be achieved either by shipping the uranium abroad or by diluting it.

3.Research, development and future enrichment capacity
There would be limits on the R&D work Iran could do on advanced centrifuges, so that it could not suddenly upgrade its enrichment capacity after the first 10 years of the agreement and bring its break-out time down from one year to a few weeks almost overnight. Iran would be able to test experimental new centrifuges on a small scale according to a gradual plan.

4.Inspections
Inspectors from the International Atomic Energy Agency (IAEA) would have full access to all Iran's declared nuclear sites as at present, but with much more advanced technology than they are using now. Inspectors would be able to visit non-declared sites where they think nuclear work might be going on.
A commission made up of a range of IAEA members would be set up to judge whether the inspectors' access requests are justified, and would take its decision by majority vote.

5.Investigation into past activity
Iran has agreed a "road map" with the IAEA officials by which it would provide access to facilities and people suspected of involvement in past experimental work on warhead design, managed by a centralized and covert unit, mostly before 2004. The IAEA would have to certify Iranian cooperation with the inquiry before Iran benefits from sanctions relief.

6.Sanctions relief
As Iran takes the agreed steps listed above to reduce the capacity and proliferation risk of its nuclear infrastructure, the US and EU would provide guarantees that financial and economic sanctions will be suspended or cancelled. The EU would stop its oil embargo and end its banking sanctions, and Iran would be allowed to participate in the Swift electronic banking system that is the lifeblood of international finance. Barack Obama would issue presidential waivers suspending the operation of US trade and financial sanctions.

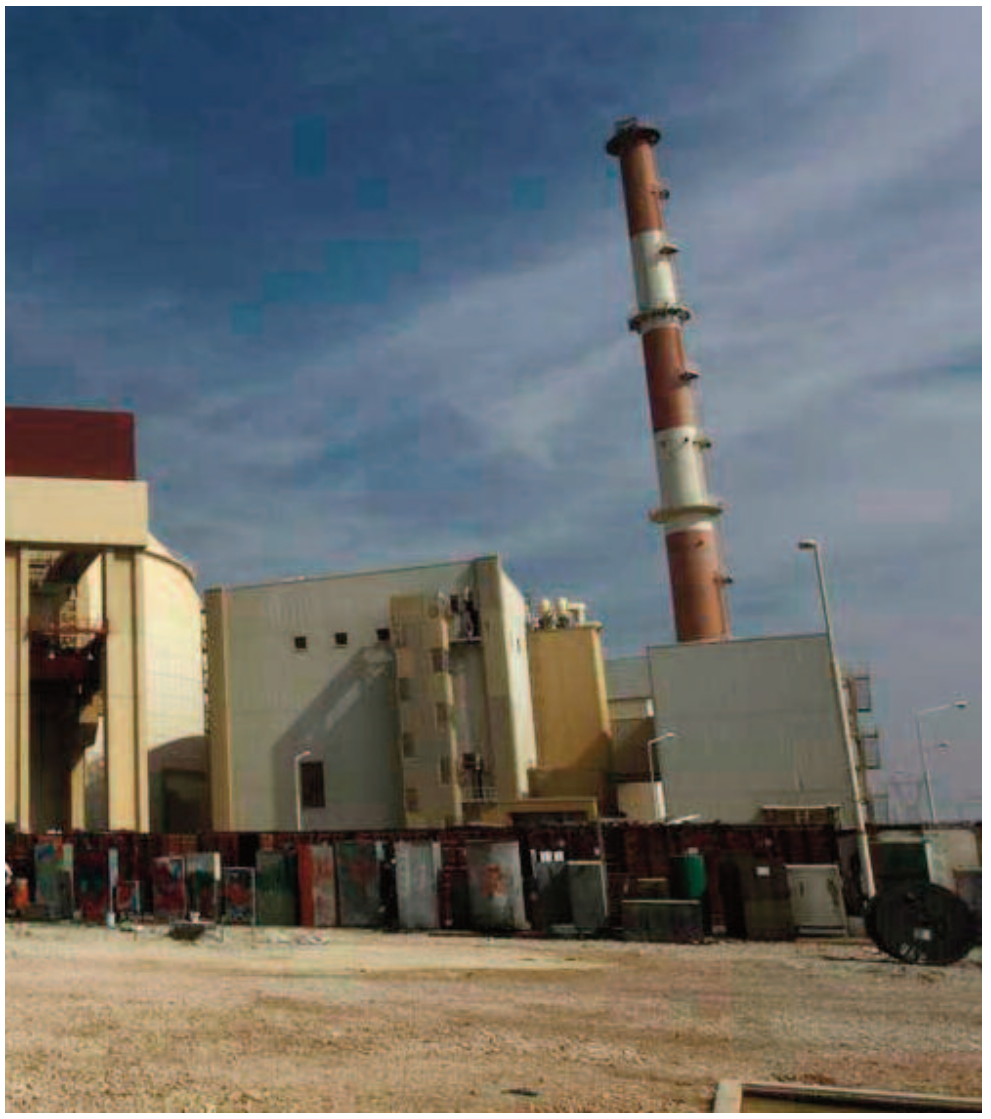
7.A new UN security council resolution and the arms embargo
The JCPOA will be incorporated into a new security council resolution intended to replace and supersede six earlier sanctions resolutions imposed on Iran over its nuclear program.

The resolution will be passed before the end of the month but the agreement will not take effect for 90 days, allowing for the domestic political review to be completed. An arms embargo on Iran would remain in place for five years, and a ban on the transfer of missile technology would stay for eight years. On July 20,2015 the corresponding resolution on Iran's nuclear program agreement was adopted by UN Security Council.

Adoption

October 18, 2015 marks "Adoption Day" under the JCPOA – the day on which the JCPOA becomes effective and participants begin to make the necessary preparations for implementation of their JCPOA commitments.In connection with Adoption Day, on October 18, 2015, the United States President issued a memorandum directing his administration to take all appropriate preparatory measures to ensure the prompt and effective implementation of the U.S. commitments set forth in the JCPOA upon Iran's fulfillment of the requisite conditions. In particular, the US President directed the agencies to take steps to give effect to the U.S. commitments with respect to sanctions described in the JCPOA. In addition, on October 18, 2015, the Secretary of State issued contingent waivers of certain statutory sanctions provisions.

These waivers were not currently in effect and will only take effect on Implementation Day.. Thus, the US was signaling Iran that the country was ready to do more than whatw as required to implement the JCPOA.



Next Steps

JCPOA 's Annex V - Implementation Plan1 which describes the sequence of the actions specified in the agreement clearly states in section A. Finalization Day (2-4) that Iran and the IAEA will start "developing necessary arrangements to implement all transparency measures provided for in this JCPOA so that such arrangements are completed, in place, and ready for implementation". Meanwhile, in accordance with the UN Security Council resolution endorsing this JCPOA, the provisions imposed in UN Security Council resolutions 1696 (2006), 1737 (2006), 1747 (2007), 1803 (2008), 1835 (2008), 1929 (2010) and 2224 (2015) will be "terminated subject to re-imposition in the event of significant nonperformance by Iran of JCPOA commitments, and specific restrictions, including restrictions regarding the transfer of proliferation sensitive goods will apply".

Thus, the onus of compliance was primarily on Iran and any failure would result in the re-imposition of the sanctions regime under the UN. Thus, all concessions given to Iran were conditional on very strict compliance of the JCPOA.

The Role of the International Atomic Energy Agency (IAEA)

The IAEA, United Nations nuclear watchdog, had a crucial role in the implementation of the JCPOA. There was also separate "roadmap" agreement between Iran and the IAEA, under which the agency would have to investigate the military dimensions of Iran's program, issue a report, and then close Iran's decade-old file within before the deal could come into effect. For sanctions on Iran to be lifted, the IAEA must first verify that e Iran had honored all its commitments under the July deal, including dismantling large numbers of its centrifuges for uranium enrichment and filling parts of its Arak nuclear site with cement. The closure of the IAEA's nuclear weaponization probe was one of the prerequisites for the implementation of the JCPA.

The IAEA conducted a 12-year long survey on Iran's nuclear program. Finally, on December 15, 2015 the IAEA closed the book on the possible military aspects of Iran's nuclear program, finding that they were limited to feasibility and scientific studies and did not proceed beyond 2009, bringing an international nuclear accord with Iran a step closer to implementation. The resolution moved Iran another step closer to large-scale sanctions relief following its deal with world powers this summer. Thus, Iran had cleared one of the nuclear deal's most important hurdles. Iran had yet to complete other provisions for implementing the deal, including removing the core of its plutonium reactor, scrapping much of its nuclear-fuel stockpile and removing thousands of centrifuges from its nuclear facilities.

Iranian and U.S. officials have said that could be accomplished as early as January—one month ahead of parliamentary elections in Iran.

On December 15, 2015, IAEA Director-General Yukiya Amano confirmed that Iran was moving quickly to meet its commitments. Iran hoped to put the restrictions in place within two to three weeks. The restrictions Iran must put in place include drastically reducing the number of centrifuges installed at its underground enrichment sites, removing the core vessel of a reactor at Arak and shrinking its stockpile of enriched uranium..

Next Steps

The IAEA must verify that Iran has put the required nuclear restrictions in place for sanctions to be lifted. Iran had been racing to keep its side of the JCPOA deal. The next step was for Iran to complete the necessary preparatory steps to start implementing the JCPOA. On receipt of an IAEA report verifying that Iran had taken all actions specified in the JCPOA, the agency would then terminate the relevant resolutions it had previously passed in connection with Iran's nuclear program. This will allow Iran to participate in all IAEA technical cooperation activities, for instance. Meanwhile, Iran's president, Hassan Rouhani, said on December 16, 2015 that Iran would carry out its remaining obligations and would now dismantle some nuclear centrifuges and ship out a major portion of its stockpile of enriched uranium

Implementation Day

The Implementation Day is a major landmark in the JCPOA and will occur only once the IAEA verifies that Iran has implemented key nuclear-related measures specified in the agreement. Several preparatory steps have to be completed by Iran. This will be a major landmark, if and when it occurrs.

The Future of the JCPOA

The United States has taken a step toward lifting at least some sanctions against Iran, with U.S. Secretary of State John Kerry telling the Senate Foreign Relations Committee that Tehran is fulfilling its obligations in a "transparent" and "verifiable" way under an international agreement on its nuclear program. Kerry made the remarks on December 16, 2015. The Obama administration estimated it would not be until spring that Iran would be in compliance with the terms required for sanctions relief to begin. The sanctions, if and when, lifted would give Iran access to billions in frozen assets and oil revenue. Thus, the United States appeared poised to lift at least some sanctions against Iran -- possibly as early as January 2016.

It took a great effort on the part of the US and Iran to reach this agreement. Iran made concessions in order to get rid of the sanctions regime which was crippling its economy. The people of Iran also wanted to end this confrontation with the West. The adoption of the resolution had become the breakthrough in relations between IAEA and Iran. Although, the IAEA's report strongly suggesting Iran had engaged in activities aimed at developing a nuclear bomb up until 2003 and that there was no credible sign of weapons-related work beyond 2009. Despite the finding, the international response to the report had been "muted", indicating a desire to go ahead with an agreement that "allayed fears of a wider Middle East war over Iran's nuclear ambitions, rather than dwell on its past actions".

Under the JCPOA Iran pledged never under any circumstances to seek, develop or acquire nuclear weapons, and the UN Security Council is to consider ending sanctions imposed for its NPT violations once it receives IAEA's report on verification.

Once the deal was implemented, most U.S., U.N. and European Union economic and financial sanctions would be suspended, including Europe's embargo on Iranian energy. However, an arms ban will remain in replace as well as sanctions on dozens of people and companies associated with Iran's nuclear program. Iran will also have to seek permission to import so-called dual-use goods, which could be used in an illicit nuclear program. Other U.S. sanctions related to human-rights abuses and support for terror groups, including a "near-comprehensive embargo" on U.S. trade with Iran, will remain in place.

Much work lies ahead to reach this agreement and a further sustained effort will be required to implement it. It isn't gong o be easy at all. With the lifting of sanctions, Iran was poised to add a half million barrels a day to the saturated world oil supply by mid-2016, once the sanctions relief goes into effect, said Sara Vakhshouri, a senior energy fellow at the Atlantic Council think tank in Washington. Positive news on Iran's nuclear agreement with world powers "could have a psychological downward impact on the global oil prices," Vakhshouri said. "This could happen even before Iran increases its export volumes." Notwithstanding he criticisms, the JCPOA has the potential to provide stability, security and economic prosperity to Iran and thereby help stabilize a volatile region.

PUTIN'S PROBLEMS



JACK PEARCE

Jack Pearce has served as Assistant Chief of a section of the United States Justice Department Antitrust Division responsible for liaison with other Executive Branch agencies, regulatory bodies, and Congressional bodies as to actions which would impact upon competition in the US economy



There has been much to-do in recent months and years about what have appeared to many to be Vladimir Putin's bold, aggressive moves in the Ukraine and Syria. Some have attributed strategic insight and effectiveness to Putin, and some have deplored what they consider to be weak, ineffective responses by the leaders of the United States and Europe.But looking only a little beneath the surface of these events, one can see Putin as attempting, somewhat ineffectively, to avoid major geostrategic losses, playing a weak hand, and lacking apparent means to avoid further loss.

Put in straightforward terms, Russia is losing effective control of the bulk of the Ukraine, one of the cradles of its existence, having a history of inclusion, or identity, going back to the 9th century CE.

Historically associated with Russia and the Ukraine is Crimea, providing Russia access to the Mediterranean Sea. Putin has physically seized this asset. He may hold it. But at substantial cost.

The Ukraine is, from the viewpoints of Western Europe and the United States, a potentially useful addition. But it has apparently not been considered a core element in their systems. They have clearly tried to preserve its freedom of action, but not escalated into a major physical confrontation with Russia.

Why, then, does it appear that the bulk of the Ukraine is moving closer to Europe, notwithstanding obvious displeasure from Russia?

A very simple explanation is that the peoples of much of the Ukraine have been able to compare the economic and political systems of Europe and Russia, and prefer those of Europe. The institutions of Europe seem to offer more persuasive promise of prosperity, civic liberties, and responsible, regular, dependable, and lawful governance.

Why, then, does Russia not make itself more attractive to the Ukrainians, in terms of potentials for prosperity, civic liberties, and responsible, regular, and lawful governance?

Two reasons suggest themselves.

One view would be that Russia lacks the scale, depth, agility, and over all competitiveness of the Euro-American economic complex.

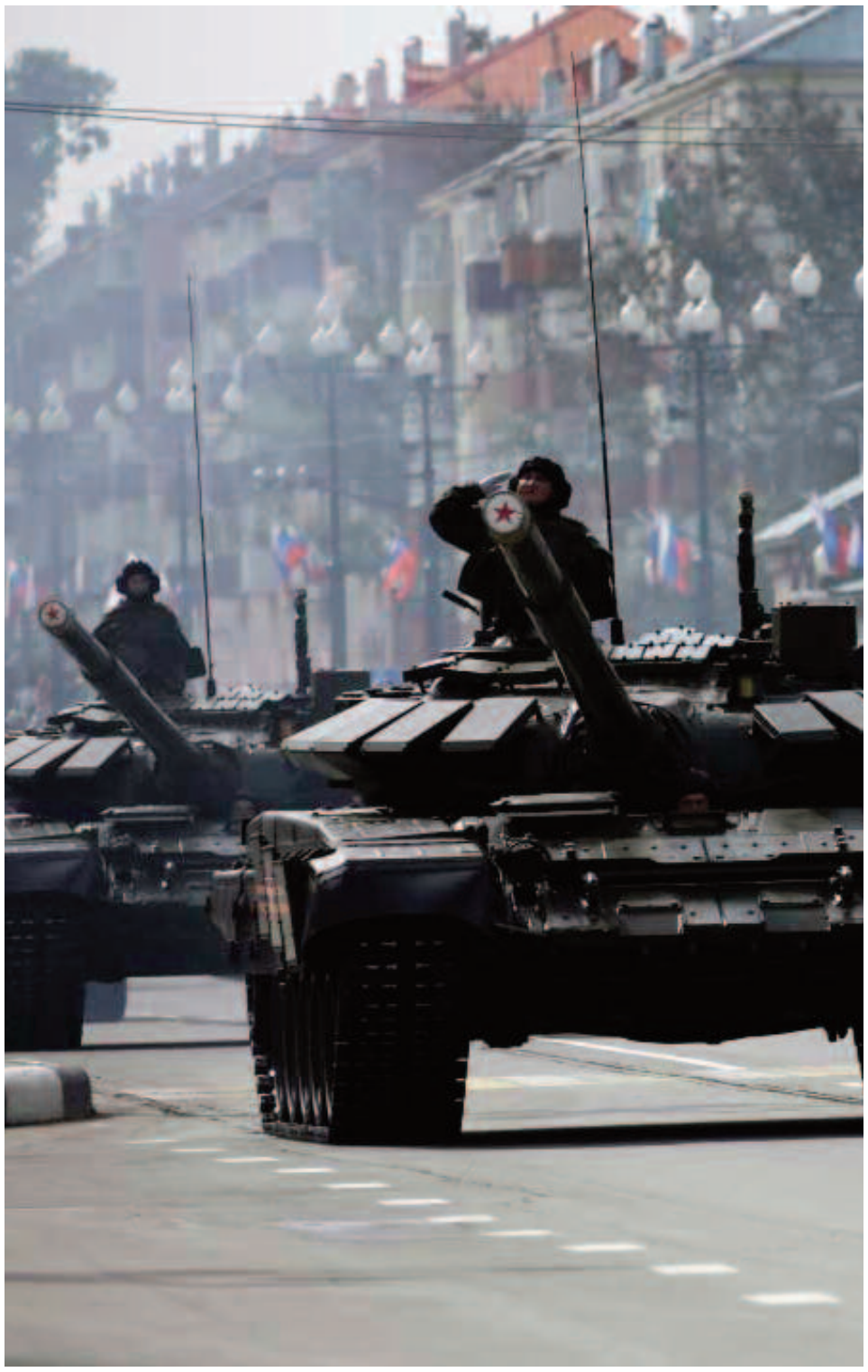
Over the long term, there would appear to be little Putin can do about that. Even if he were to institute governance and economic reforms to try better to compete, Ukraine would find more attractive European connections in a great many areas.

The second reason to be considered is that, in Russia, what appears to be an highly centralized economic system, dependent on autocratic leadership which economically and politically rewards followers and disadvantages those it finds inconvenient, is not and probably cannot be as diverse, nimble, productive, and rewarding in economic partnership with Ukrainian entities. Nor would it appear to be as politically appealing as Western models.

To overcome this handicap, Putin would appear to have to sacrifice the core of his methods of governance. One may presume he will be loath to do that. And he might not survive having done it.

Thus, Putin has been reduced to external bluff and bluster, and to justifying economic hardship to his citizenry. This is not a strong position.

In Syria, the major geostrategic asset is, again, a port on the Mediterranean Sea. Syria has been a source of sales of military and other products. But the chaos there has made it look like more of an economic sink than an economic asset. And the encroachment of radical political Islam in that area is a development potentially threatening, to some to degree, to Russia.



In response, Putin's Russia has again rattled its swords. But it has been, thus far, forced into an awkward partnership with the United States, Europe, and other entities. And the way Russia has deployed its military assets seems repugnant to many who are actors for these partners.
At this point, whether Russia can preserve its local partner-dictator of choice, Assad, is highly uncertain.

All the above is not to say that Russia will lose all its marbles either in the Ukraine or Syria. Russia has available to it a lot of geography, major hydrocarbon assets, geographic proximity to these areas of engagement, military assets, and a talented and technically somewhat sophisticated population. One may confidently expect that there will continue to be economic exchanges with Russia, over time, in both these areas of engagement.

But to depict Putin as boldly outdueling the West would not seem accurate. He is bold. But he is up against formidable odds, with a bundle of assets noticeably less weighty, over all, than those of his competitors. And he is obviously having great difficulty in controlling the terms of engagement.

"The society that separates its scholars from its warriors will have its thinking done by cowards and its fighting by fools"

Thucydides

MD+

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GIANCARLO ELIA VALORI

Advisory Board, Co-chair Honoris Causa



Professor Giancarlo Elia Valori is an eminent Italian economist and businessman.
He holds prestigious academic distinctions and national orders.
Mr Valori has lectured on international affairs and economics
at the world's leading universities such as Peking University,
the Hebrew University of Jerusalem and the Yeshiva University in New York.

First and foremost, it is worth analyzing what the lifting of sanctions on Iran really means for Iran and the West. The announcement made on January 16 last by the Iranian Shi'ite government and the P5 + 1 regarding the lifting of sanctions means that the IAEA has acknowledged that Iran has complied with all the terms and conditions of the JCPOA Treaty on the elimination of nuclear weapons and the control of the nuclear power for civilian uses by the Shi'ite regime (yet there would be much to add in this regard).

It is a decision resulting more from the Western economic crisis than the real Iranian willingness to stop its military-civilian nuclear activities. Nevertheless the Western geoeconomic collapse is now so fast that every global strategic choice must be sadly subjected to the needs of the economic and political survival of our social systems.

The EU, US and UN sanctions have now been basically lifted, especially with regard to the financial, transport, logistics and energy sectors, while the US embargo on Iran is still in place.

In this connection, data and statistics are more important than usual: so far the Iranian companies removed from the sanctions list are 278 in the transport sector; 114 in the energy sector; 16 in the fields of engineering, construction and manufacturing; 20 in the trading sector; 53 in the activities related to the nuclear cycle and finally 111 in the financial and insurance sectors. Moreover, further 600 individuals and small to medium size companies have been removed from the list of sanctions on Iran. About half of these 600 natural and legal persons operate in the transport sector, a fundamental sector for a nation like Iran whose economy is linked to oil.

In particular the Islamic Republic of Iran Shipping Lines, the National Iranian Tanker Company and their offices and affiliated companies.

In percentage terms, the lifting of sanctions has placed back on the scene 20% of Iranian energy companies, as well as 20% of its banks and insurance companies and only 9% of its companies working in the nuclear sector.

The remaining companies operate in the trading, engineering, construction, manufacturing and the import-export sectors.
Many of these companies, however, result to be still active in Iranian missile or anyway military activities. Several banks to which now sanctions are no longer applied still have ties with the covert networks of nuclear procurement, while other companies have been used as a cover for secret nuclear activities not declared to the IAEA.

It is worth recalling that, in accordance with the JCPOA agreement, Iran can still prevent the Vienna Agency's visits and inspections to the sites having "military relevance" and, in any case, even the AIEA experts must be subjected to the Iranian government's acceptance.

For the EU, however, the following transactions were excluded from the previous sanctions; the transfers of funds and the financial and banking exchanges and transfers between European and Iranian entities; the banking activities, with the possibility for the Iranian credit institutions to open branches in the EU region; insurance and reinsurance activities for the Iranian companies operating in Europe; the imports of oil, gas and petrochemical products from Iran; the EU investment in the Iranian mining sector; all the shipping and shipbuilding activities; the exports of gold, gems and coins, in which Iran is rich at least since the time of the Thousand and One Nights.The United States have lifted their sanctions on Iran and on the non-US companies working with Iran, especially in the hydrocarbon sector, although a clear US government's ban remains for US assets and individuals to still operate with the Iranian government.

However the sanctions list by sector is largely similar to the list we have already seen for the European Union. Nevertheless the United Nations have retained the embargo on 36 natural and legal persons, while the sanctions regime remains in place for conventional weapons (lasting five years) and for the technologies regarding ballistic missiles (lasting eight years). Obviously also the restrictions on the nuclear-related technologies are maintained. It is worth noting that, despite the P5 + 1 agreement, there are hundreds of Iranian natural and legal persons that have not been removed from the sanctions list.

They include 86 natural or legal persons for the United Nations, including the Bank Sepah; over 150 natural and legal persons for the European Union, including banks and oil trading companies, as well as over 160 for the United States. Obviously many of these entities can be found in all the various lists. So far we have provided the essential data to understand the issue. But what will be the geostrategic impact of the new interaction between Iran and the Western powers of the P5 + 1 agreement? As we all know, we are now faced with a situation of plummeting oil prices.Certainly Iran plans to flood and invade the global markets with huge amounts of oil and gas but, in this case, the clash between the country of reference of the "Party of Ali" and the country of reference of Wahhabi and Sunni purism, namely Saudi Arabia, could be turned from peripheral tensions - managed by proxies, such as the Yemeni Houthi for Iran or the "moderate" jihadists in Syria - into a direct war between the two entities of Islam.



Some experts estimate that the excess of oil production in the world amounts to 9-12 million barrels per day and, as is well-known, this has been lasting for 16 months approximately.

The United States have endeavoured to reduce prices with a view to destabilizing the economy and hence the Russian power projection between Ukraine and Syria. Saudi Arabia wants the fall of crude oil price to prevent the rise of the US shale oil which, in fact, needs a minimum price of 50 US dollars per barrel to break even the extraction costs. The European Union is floundering in an economic crisis and can afford only a smaller amount of oil. It is a perfect geopolitical storm: the greater the fall in prices, or their irrelevance compared to costs (which is the real problem), the greater the internal competition among producers.

The oil demand has been falling since mid-2014 and Europe is cutting demand substantially, while the United States extract ever more shale oil and China reduces its oil imports. If OPEC had read only the manuals of liberal neoclassical economics, it would have reduced extraction so as to keep prices high. Conversely, Saudi Arabia has decided to increase extraction not to keep prices high (Saudi Arabia reaches the breakeven point with a price of 100 US dollars per barrel), but only to retain its market share. Hence the ground for the war between Iran and Saudi Arabia will be the destruction or the driving away from the market – with terrorist and jihadist actions - of their respective allies having an oil-dependent economy.

The other variable is the rapid recovery of the Chinese economy, which could make prices increase beyond such a limit as to avoid a direct or indirect war between Shi'ites and Sunnis.



Currently China's imports have increased by approximately 8% as against last year, but China is a major customer for Iran, for obvious technical and geopolitical reasons, while Saudi Arabia still is the second largest oil exporter to China. The first is the Russian Federation.
Moreover President Xi Jinping has further improved the Sino-Saudi relations, thanks to the visit he has paid this month to the Middle East.
Obviously China does not want the destabilization of the Greater Middle East and it is distributing its cards among all players so as to be the final broker of the new regional balance.

Indeed, this is the reason why Russia is actively mediating between Iran and Saudi Arabia so as to avoid both the confrontation and the expansion of the proxy wars which, in the Russian perspective, only benefit "NATO and the West."
If the OPEC Islamic region set fire, what would happen to the Russian oil transport lines from Central Asia?

Furthermore, in view of the lifting of international sanctions, Iran has repeatedly stated that its oil will be managed on the market in such a way as to prevent further falls in oil prices.
Hence, as Iran has already maintained, it will produce "as much as the market can absorb". But certainly it cannot help affecting the Saudi market area.
Nevertheless, there is a variable: the demographic and religious distribution of the Saudi population.
The Shi'ites living in Saudi Arabia are approximately eight million and are concentrated in the Eastern areas, where the headquarters of Saudi Aramco are located (in Dahran), as well as the largest oil field in the world, namely Ghawar, and the largest global terminal, namely Ras Tanura, in addition to the refinery of Abuqaiq, which is the largest one of the whole OPEC system.
The Shi'ites are the overwhelming majority of workers processing crude oil in the region and will be - or probably already are - "managed" by the Iranian brothers.



It is not hard to imagine what would happen if a Shi'ite uprising in Saudi Arabia's Eastern province destabilized the production of the first OPEC country and added the largest oil production in the world to the Shi'ite economic and decision-making system.
However, keeping prices low allows to dispose of stocks more quickly.
Hence if Saudi Arabia keeps prices low to expand its market share, which is of primary importance compared to profitability, it is likely it wants direct confrontation with Iran.
According to the analysts of many Western merchant banks, the scenario of a real war between Iran and Saudi Arabia could lead to an immediate price peak of 300 US dollars per barrel, before stabilizing at 100 US dollars, which is the profitability limit of Saudi Arabia's production.
It is worth recalling that Iran has a profitability level higher than Saudi Arabia's. And this is a significant factor to assess the duration – and hence the winner – of the confrontation.

In a conference held last year with the major oil extraction companies worldwide, Iran decided to change the crude oil commercial rules, by allowing the booking of reserves though maintaining the ownership of soil.

Iran will attract at least 30 billion US dollars of investment in its oil, with 25-year contracts for the foreign companies extracting in the new oil fields and some offsetting mechanisms for price fluctuations.
Despite sanctions, Iran is the second largest economy in the Middle East and the seventh in Asia as a whole. We can imagine what might happen after the lifting of sanctions.

It is a struggle for hegemony over oil, through which the world and Western economies are controlled and governed and – subject to the careful Russian mediation and China's balanced policy between the parties - nothing prevents the worst from happening.

CHALLENGES AND OPPORTUNITIES FOR RUSSIA AFTER THE NORTH KOREAN HYDROGEN BOMB TEST



TONY RINNA

Tony Rinna is a specialist in Russian foreign policy and security affairs in East Asia. He currently resides in South Korea



Even in situations where diplomatic negotiations over the North Korean nuclear weapons program are handled in a largely bilateral level, there is still often an element of multilateralism, as exemplified by the late Ambassador Bosworth's briefing to Russian foreign minister Sergei Lavrov regarding DPRK-US bilateral talks in 2009. Now, once again, Russia has received a challenge and an opportunity not only for its diplomacy on the Korean Peninsula, but for its broader relations with other states in Northeast Asia and, in particular, the United States.

The North Korean nuclear program is a case-in-point of where defense and diplomacy meet, for both are highly important factors in the Korean nuclear crisis. Given the highly multilateral nature of international handling of Pyongyang's WMD program, the Russian Federation, which has been a somewhat lesser yet significant actor in diplomatic negotiations with the DPRK, may have a chance to play a greater role in this most recent development, and thus mitigate some of its own diplomatic isolation.

To be sure, there is some speculation and uncertainty as to whether North Korea has a truly functioning hydrogen bomb, or if it is a close but yet-incomplete hydrogen explosive device. Nevertheless, there can be little doubt of a new shift in the security landscape of both the Korean Peninsula and the broader Northeast Asia region. Regardless of whether this test means that North Korea currently does possess a functioning hydrogen bomb or is close but not in full possession yet, the Korean security game has been ratcheted up to a new level. Seeing as a hydrogen bomb has even more destructive power than a nuclear weapon, the stakeholders in the Korean nuclear crisis must now contend with an ever higher-stakes situation that will require even more diplomatic finesse.

Among the members of the former Six Party Talks, the Russian Federation was in a rather unique position. After the collapse of the USSR, its relationship with North Korea took a dramatic downturn, especially as post-Soviet Moscow established diplomatic relations with Seoul. Russia's official policy toward North and South Korea was often described as "equidistance" toward the two Korean states. China, for its part, stepped into the void and became more closely aligned with North Korea.

After ties between China and the DPRK began to worsen once again, Russia has moved in as a partner for North Korea once again. This partnership has been limited largely to economic considerations. The DPRK and Russia have, however, initiated some limited cooperation on security issues, such as the signing of an agreement on preventing dangerous military activities in Northeast Asia. Yet even with these developments, there are certain limits to this revived partnership between Pyongyang and Moscow.

A common perception of the budding DPRK-Russia partnership is that both countries see an opportunity to essentially team up against the West. A crucial point to remember, however, is that while Russia may be willing to cooperate with North Korea on some economic and even security issues, North Korea's nuclear program remains a source of anguish for Moscow just as it does for other countries in the region.

Shortly after the test, Konstantin Kosachev, the head of the foreign affairs committee of the upper house of Russia's parliament, declared on his Facebook page that such activities directly affect Russia's national security interests.

Not only has North Korea's nuclear test drawn concern from Moscow, but Russian citizens in Primorsky Krai (the Russian federal division that shares a small border with North Korea) have also expressed concern about the potential for nuclear fallout to reach inhabited areas.

The Primorsky Weather Center, however, has declared that citizens did not need to worry, as the test was underground, and that radiation will not be carried by the wind into any residential parts of the region.

In response to the test, South Korean president Park Geun-hye has called for the UN Security Council to issue new sanctions against North Korea. The Japanese government has also condemned the test, and has stated that it will be in close contact with other regional governments, including that of the Russian Federation, regarding the incident.

One of the most crucial factors in Russia's stance toward the North Korean nuclear crisis is that it has been a major proponent of multilateral talks and not just bilateral discussions between Pyongyang and Washington.



To be sure, while the Six Party Talks have officially been defunct since North Korea walked out after its second nuclear test in 2009, informal negotiations and interactions between regional stakeholders have continued in earnest. This does not mean, however, that they have in any way been equal. Just as Russia fought hard to earn a place at the Six Party Talks against American wishes, Russia has once again found its interests affronted in the unofficial interstate interactions over the DPRK's nuclear capabilities. Russia regarded the Sino-American cooperation on UN Resolution 1718 as an unpleasant surprise.

The news surrounding the North Korean test may present an opportunity for Russia to mitigate its diplomatic isolation. The last North Korean nuclear test occurred in 2013, before Russia's annexation of Crimea and the attendant international condemnation. As a permanent member of the UN Security Council, Russia has a chance to present itself as a cooperative and constructive actor on the international stage.

As Russia shares concerns with the US, there may be a chance for Russia to mend some of its broken ties with the US.

Yet while Russia has been condemnatory of the DPRK's nuclear adventurism in the past, it has also been less outspoken than the United States in this regard. Depending on the extent to which Russia considers its revived partnership with North Korea to be important, Moscow's diplomatic calculations may lead it to either take a harder stance toward Pyongyang, or continue in its role of condemning North Korea's tests but not in the same way as the US. Regardless of which direction Russian diplomacy takes, the North Korean nuclear test will likely provide Russia yet another major opportunity to exercise some level of influence in inter-Korean and Northeast Asian affairs. In the end, the Kremlin will do what it feels is best for Russia's own national interests. Yet it may also be a chance for Russia to mend broken bridges, or at least portray itself once again as a responsible member of the global states' system.





INTERVIEW WITH LYUBOV DEMIDOVA

KESTER KENN KLOMEGAH

Kester Kenn Klomegah is an independent researcher and writer on African affairs in the EurAsian region and former Soviet republics.



Recognizing the huge untapped potential in their economic cooperation, Russia and Africa have taken steady efforts in raising the level of trade and business promotion over the past few years. Russia is now aiming to increase trade with Africa than before.

Our Moscow correspondent, Kester Kenn Klomegah, interviews Lyubov Demidova, deputy chairperson of the Regional Chamber of Commerce and Industry in Moscow Region, who hinted the reviewing of the Russia-Africa business, pointed out the achievements and challenges for 2015 and the highlight the vision for 2016.

How would you describe the current economic cooperation and business partnerships between Russia and African countries?

At the regional level of the Chamber of Commerce and Industry of the Moscow region, the cooperation can be assessed as insufficiently active compared to those capabilities possessed by Russia and the countries of the African continent. Our country has great economic potential, which just needs to be used.

I hope that the Regional Council for the Development of Relations with African countries (abbreviated RCDRA) will serve as a good mechanism for the development of fruitful cooperation in various fields.

Do you think the crisis can boost interest of potential Russian industries and companies to swift to the African region? Is that really the case for these two years?

Russia has a large scientific and technical potential, and the Moscow regional region also is historically developed as an industrial and scientific center and has good opportunities to develop their export potential. I would not want to associate the crisis in the West and in Europe with the development of relations between Russia and African States.

In our opinion, cooperation between our country should not depend on third parties, and should develop independently for the benefit of peoples of our States. The primary task of RCDRA is to make the cooperation as comfortable, convenient and safe for both parties.

To put a time frame is absolutely impractical. It all depends not only on Russia but also on African States, and for its part, the Council will make every effort to establish large-scale, long-term and mutually beneficial cooperation and hopefully we will meet the some positive results on the part of African States. In some areas we will be able to cooperate fast enough, and some other areas will require years of hard work to get effective and positive results.

In your expert view, what are the key challenges and problems facing Russian companies and investors that wanted business operation in Africa?

The main obstacle is insufficient knowledge of the economic potential, on the part of Russian entrepreneurs, the needs and business opportunities of the African region. This is exactly what RCDRA plans to help members of the business community of all countries to address issues for effective and mutual economic cooperation.

On the other hand, why the presence of African companies on the Russian market is still extremely low? Why trading in Russia is not attractive to African exporters?

I think African companies in Russia face the same problems similar to that of the Russian companies face in Africa. On the question of activities, African companies on the Russian territory, in our opinion, is also associated with inadequate knowledge about business practices (rules and regulations) in Russia, local demand, opportunities for the development of commercial activity on both sides. We hope that our future advice will help to better build business confidence for the African entrepreneurs and potential exporters to the Russian market.

Under the circumstances, what should be done to improve the present situation? What are your suggestions as an expert on Africa at the Russian Chamber of Commerce and Industry?

The most promising option for solving the problem of intensification of bilateral contacts is the practical work to establish links between individual companies, business associations from both sides, which will gradually accumulate positive experience of working together, to understand the capabilities and needs of each other leading to the development of the economy both with Russian and with the African side.

Given the relevance for this stage of cooperation between African countries and Russia, obtaining practical experience, it was decided to create RCDRA at Chamber of Commerce and Industry (Moscow Region) and the beginning of practical work at the level of the Chamber of Commerce and Industry (Moscow Region), like business associations, on the basis of which the main social organization in the Moscow region, Business Russia, OPORA Russia.

In addition, the Chamber of Commerce and Industry in the Moscow Region covers almost all the municipalities of the Moscow Region, and in the aggregate, the largest Chamber in the system of Chambers of Commerce and Industry of Russia. We look forward to working closely with the diplomatic community of African States accredited in Russia. This collaboration will definitely accelerate and bolster the process of rapprochement between businessmen of Russia and Africa.

"The strong do what they have to do and the weak accept what they have to accept"

Thucydides

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