The Interdisciplinary Journal of International Studies

IJIS

BREAKING NEW GROUND

AALBORG UNIVERSITY

A TRIBUTE TO JACQUES HERSH
EMERITUS PROFESSOR OF
DEVELOPMENT AND INTERNATIONAL RELATIONS

On the Occasion of his Retirement as Director of DIR

The Palestinian-American Scholar, Edward Said, once defined the intellectual as "someone whose place it is publicly to raise embarrassing questions, to confront orthodoxy and dogma (rather than to produce them), to be someone who cannot be easily co-opted by governments or corporations, and whose raison d'etre is to represent all those people and issues that are routinely forgotten or swept under the rug. He is particularly harsh on those who become servants of power, handmaidens of authority, propagating the dominant ideas of the day".

This is exactly what Jacques Hersh has been: An intellectual with a responsibility to address the large issues rather than remaining buried in a narrow specialisation, speaking a coded language comprehensible only by other specialists. He has been motivated by the desire to answer analytical questions of substantive interest rather than the desire or attempt to validate general theoretical perspectives. Modesty and resistance against ivory tower preaching have been important virtues that he has welcomed and encouraged, well aware of the historical fact that what some people regard as common sense today may change to its opposite tomorrow.

Jacques was born in Paris in 1935, and received accreditation from the City College of New York, the University of Vienna, and the University of Copenhagen. He moved to Denmark in 1964 with his wife and colleague, Ellen Brun, where they worked as free lance writers on development issues and international relations, publishing among other things their pioneering work on development in North East Asia. In 1983, Jacques became a Professor in Development Theory and International Relations at Aalborg University. Together with Ellen and other colleagues, he continued to write in the press, edit magazines, and contribute numerous publications on a variety of subjects including the system of capitalist development, Soviet-Third World relations, and the US's role in the rise of East Asia.

Jacques was a main force in the establishment of the Research Centre on Development and International Relations (DIR) in 1995, and served as its Director until his retirement in October 2003. Among Jacques' merits is his contribution to the cultivation and establishment of a unique dialectical and critical research tradition at DIR. This is manifested in its interdisciplinary approach aimed at understanding the interactions between geopolitics, geoeconomics and the socio-political forces at the global, regional and local levels, and their impact on our conceptualisations of the dynamics which global development imposes on local societies and the latter's responses to it. Through DIR, Jacques endeavoured to keep alive the radical spirit that contributed to the university's establishment. Above all, he touched deeply young people in the classrooms by imparting his knowledge and experience.

Jacques and Ellen have spoken out in public all their lives without surrender or compromise to injustice. They have lived an examined life as thinker-activists, as rebels for justice, as warriors for a non-degrading and ethical life for all people. They have related to newcomers not as strangers but as friends, welcoming them with open arms and working together with them. Their efforts have spanned a vast spectrum from the academic world to the real world. Combined with their profound thoughtfulness and disarming humility, Jacques and Ellen are truly admirable people.

With retirement, Jacques is ending his chapter in the formal academy and starting afresh a new chapter with his earned "right to laziness" (to paraphrase the title of a book by Karl Marx's son-in-law, Paul Lafargue). But a thinker-activist never really retires. Jacques everyday presence will be missed, but we look forward to a continued connection with him and new type of collaboration in a more virtual, spiritual and political sense.

While many people influence one's life, few are remembered for the special way they touch one's soul and humanity as Jacques and Ellen have. We wish them success and all the best with their new beginning.

From your friends at DIR

OLD SPEAK/NEWSPEAK OF (NEO)LIBERALISM ON DEVELOPMENT

Jacques Hersh[*1]

Abstract

In the present context of world affairs, there are good reasons to be sceptical of the way events and conflicts are explained and presented by politicians, their spin-doctors and the media. It would not be surprising if future generations look upon our era as "the age of newspeak" or doublespeak: half-truths and lies being used to justify policies and actions which are in opposition to established norms of morality and decency grounded in the dominant democratic ideology. This article, based on the author's Emeritus lecture, presents the impasse in development studies and argues for the inclusion of an international perspective as an alternative out of the stalemate.

INTRODUCTION

In the book, *1984,* by George Orwell, one of the characters says, "Don't you see that the whole aim of Newspeak is to narrow the range of thought? In the end, we shall make thoughtcrime literally impossible because there will be no words in which to express it." – A wake-up call that has not lost its relevancy!

In the present context of world affairs, there are good reasons to be sceptical of the way events and conflicts are explained and presented by politicians, their spin-doctors and the media. It would not be surprising if future generations look upon our era as "the age of newspeak" or doublespeak: half-truths and lies being used to justify policies and actions which are in opposition to established norms of morality and decency grounded in the dominant democratic ideology.

The reason "newspeak" is becoming the main feature of our time's political culture is the institutionalisation of the phenomenon, even at the academia level! The responsibility of institutions of higher learning is clear, as most politicians,

[*] Jacques Hersh is Professor Emeritus at the Research Centre on Development and International Relations, Aalborg University.
[1] This article is an edited version of the Emeritus lecture given at Aalborg University on October 31, 2003.

spin-doctors and media people are products of the education system. This should be food for thought for educators and researchers!

As a student of development and international relations – two areas which contrary to the conventional compartmentalization of disciplines should not be studied separately - I propose to present a critical interpretation of our contemporary world with its residual tensions, conflicts and prospects.

In doing so the holistic approach appears to be the appropriate choice. Consequently this essay will focus on the following aspects:

- why history is an important tool of analysis;
- the determinance of geopolitics;
- the theory and practice of liberalism in a development perspective;
- the contra theory and practice of economic nationalism in a development perspective; and
- the need for new thinking on development and international relations.

THE PRESENT AS HISTORY

For students of international affairs the task is to make sense of the apparent complexity of the contemporary world. The methodological challenge is to understand the past and the present in order to project expectations of the future. The political historian E.H. Carr stressed, in his book *The New Society* (London 1951), the need "to analyse the past in the light of the present and future which is growing out of it, and to cast the beam of the past over the issues which dominate present and future".

The incorporation of history is necessary in order to comprehend the evolution of capitalism to its present mature stage so as to put the problems facing the national units of the international system into perspective and offer reflections on possible developments. The difficulty is how do we do that. Like other disciplines in the body of social sciences, history is not neutral! Normative positions are important to the extent that they determine, perhaps even more than facts themselves, how we understand empirical material. The concepts and theories we choose will depend on the questions we ask and affect the results we get. This explains the variation of interpretations of the same phenomenon.

Part of the problem for social sciences is that once a paradigm has achieved hegemony and become adopted by the political elite, it is difficult for alternative thinking to be put on the agenda as the premises have been accepted by opinion-makers and their intellectual acolytes.

In the contemporary epoch there have been paradigmic discussions within the established politico-scientific community concerning the interpretation of the much advertised (and abused) globalisation process in conjunction with the demise of state socialism. The importance of such debates is that –although they do not touch upon the essence of the workings of the system—they can give legitimacy to policy-making. A good example is found in the evolution of the ties of mainstream political scientists to US economic and political strategies.

In the first half of the 1990s, two main explanations were offered within the American intellectual realm. The political scientist, Francis Fukuyama, provoked the Western scientific community following the implosion of the Soviet Union with his thesis of "The End of History". This interpretation of the world took its point of departure in the assumption that with the victory of liberal democracy, capitalism no longer faced a societal challenge and as a result the whole world would now adopt its guidelines. In other words the prophecy "there is no alternative" of the former British prime-minister, Margaret Thatcher, had become a reality. Thus the "end of history" served the discourse of global neoliberalism by intellectually delegitimising the possibility of opposition.

GEOPOLITICS TO THE RESCUE

However, an opposite interpretation of the post-Cold War era was suggested by another American political scientist who refuted the notion of the end of history. According to Samuel Huntington, even though the Western model of societal organization was no longer confronted by the ideological and political challenge of socialism, the world would nevertheless be characterized by what he called "The clash of civilizations" i.e., a conflict between the "West and the Rest". Overlooked by most commentators who focused on the cultural theme of the thesis, Huntington identified inequality as a determinant source of tension. The problem as he saw it is related to the fact that the West has a monopoly on world resources and international decision-making while nations in the non-European sphere would strive to get their share. The suggested response to this challenge

required a strengthening of Western (including Japan) coherence and determination.

Huntington focused in particular on the defiance of the Sino civilization and the Islamic civilization and the threat the two posed in the form of a potential alliance or marriage of convenience between the emerging economic giant China (with future oil needs) and the Arab countries (rich in petroleum and in need of Chinese economic resources).

With its emphasis on power politics, "The clash of civilization" thesis which can be classified as an up-dating of political Realism following the end of the Cold War was published about ten years before the terrorist attack on the United States in September 11, 2001 - an historical date which is taken as a determinant point of reference in the conventional explanation of the present American engagement in the world. However, in the context of US foreign strategy before 9/11, post 9/11 and future tendencies, the argument can be made that Washington's geopolitical concern for some time had been/is and will be to gain or maintain control over oil resources. The aim is not only to satisfy domestic energy demand but is related to the geopolitical strategy of containing the emergence of future challengers to American world hegemony.

Policy papers, prepared more than a decade ago by members of the circle around President Bush (the so-called "Neoconservatives"), recommended that the US should pursue a strategy of preventing the rise of challengers, including (besides China) the EU and Japan. Experts of international relations have suggested that under the pretence of the struggle against terrorism, the war in Afghanistan aimed at establishing a US position in petrol-rich Central Asia while the war in Iraq aimed at gaining and maintaining American control over the Middle East. In doing so, oil is becoming an instrument of US foreign policy vis-à-vis allies as well as foes.

Seen in the context of events in this new millennium, globalisation is neither the end of history nor the beginning of a civilisational confrontation between the "West and the Rest". For the non-initiated it may appear paradoxical that many of the main contradictions in the world today are in fact the result of previous policies put into effect by the decision-making centres of the world during the second half of the twentieth century. If we look at Huntington's projected conflicts with China and the Arab-Islamic world we get an illustration of the scope of US responsibility.

Concerning the potential Chinese threat, the irony is that the West (principally the United States) did its utmost to encourage the political class of China to abandon the socialist path of self-centred development and adopt a proto-capitalist system and integrate into the international division of labour. The prospect of a huge market was attractive to world capitalism until it was realized that China would also acquire a production capacity which would have to be absorbed in the world economy. The historical analogy to the opening of Japan and its absorption as an industrial power in the capitalist world system is relevant. This process was characterized by contradictions and conflicts contributing to the Second World War. In this connection and contrary to conventional thinking, *the tendency towards overproduction should be recognized as the main economic problem in the functioning of the international capitalist system.*

The other paradox related to the thesis of the clash of civilizations is located in the Middle East where religion was used against secularism. During the postcolonial period, US strategy had been to encourage and support Islamic revivalism in the struggle against Arab nationalism and Pan-Arabism. The antagonism towards these movements was of course related to control of oil.

Not unlike the present conflict in Iraq, the United States and Britain in 1953 pioneered regime-change in Iran by implementing the removal of the nationalist and democratically elected government of Mossadegh whose cardinal sin had been the nationalization of the country's oil industry! In Afghanistan, it was the United States who mobilized and encouraged the creation of an "Islamic International Legion" to fight the Soviet invasion. The "blow back" effect or unintended consequence of US strategy is that Islamic fundamentalism is now joining its natural enemy, namely secular nationalism, in becoming anti-American.

This geopolitical digression is meant to underline the contradictory nature of the world order in the age of so-called globalisation and to confirm the assumption that something can be learned from history concerning the dynamics of present-day capitalism as an international system which will shape the future.

(NEO)LIBERALISM: A DOUBLE-TONGUED DISCOURSE ON DEVELOPMENT

There are good reasons to be wary of the dominant discourse which plays a crucial role in determining economic and policy-making on the world scale.

Neoliberalism, as the ideological and theoretical framework of globalisation, proposes an ideal-type projection of economic harmony between all nations preconditioned on the adoption by all states of "good policies". These are restrictive macroeconomic policy, free trade, free capital movement, privatisation, deregulation and democracy. A kind of **one-size-fits-all** economic policy.

Pushed by the so-called "**Washington Consensus**" this discourse has been adopted by the main international economic organizations (IMF, World Bank and World Trade Organization). The presupposition is that with the removal of all hindrances to exchanges between countries and adaptation to the demands of the world market, all nations will gain and have the possibility of improving their situation. This recipe is said to apply for the strong economies as well as for the weak economies.

Seen in the context of world poverty, this vision should be taken seriously. *From the prism of economic development, the globalisation problematique raises the issue of whether present-day capitalism is conducive to the homogenisation of economic levels of the different countries and whether less developed societies stand a better chance of acceding to the highest levels of economic development by internalising and accepting the guidelines and rules which have emerged in the leading centres of capitalism.* Were these concerns to be answered affirmatively, this would indeed represent the ultimate reversal of what Polanyi called *The Great Transformation*!

Although this issue is crucial, its essence is not without precedent. A comparative analysis between the past and present can thus be illuminating. Economic history makes us aware that such recommendations (especially liberalization of international trade) resemble the so-called "cosmopolitan" economics promoted by Great Britain when British hegemony of the world economy was at its peak. The present discourse of neoliberalism under the conditions of globalisation or Americanisation – which some critical voices call this process - bears a striking resemblance to the liberalism preached under British dominance. Seen in this light, neoliberalism can be conceived as the ideological framework to add legitimacy to US domination and as such signifies a remarkable "back to the future" continuity.

The weakness of the proposition, that if all lift the boat together it will bring prosperity to all, is apparent. After decades of implementation of global neoliberalism, only a handful of developing countries have been able to achieve a

substantial degree of growth. Furthermore this was done not by adopting "good" free market strategies but by following a form of state-directed capitalism – China being a case in point. It is telling that during the 1997-financial crisis in East Asia, the countries of the region who implemented policies of capital control (China, Vietnam, Malaysia, Taiwan, Hong Kong) were able to avoid the consequences of the blow-up.

In this context, we see in Asia what appears to be an interesting anomaly and which may give rise to a newer hybrid-type of society. Here we have the Vietnamese Communist Party and the Chinese Communist Party who previously had struggled against Western imperialism, actively engaged in capitalist growth strategies and societal construction under a communist political system building some kind of protocapitalism using the notion of *market socialism* as legitimation. Another interesting example of doublespeak!

In order to grasp the scope of the discrepancies of the conventional Western ideological propositions in light of the realities of the Third World it is useful to dwell upon the use/misuse of history in relation to the general question of development.

During the systemic confrontation between socialism and capitalism following the Second World War, a body of development theories emerged in the United States. Known as modernization theory, its "godfather" the American sociologist Walt Rostow published the book *The Stages of Economic Growth* with the subtitle: *An Anti-Communist Manifesto*! The objective of modernization theory was to project the evolution of European capitalist development as the ideal-type model to be emulated as a counterweight to socialist development which could be observed in the Soviet space and in East Asia, as well as some countries in the Third World. The example and experience of Western capitalism was implicitly considered to be applicable to the situation of underdevelopment in the post-colonial world.

In doing so, little attention was paid to the fundamental divergences which distinguished the specificity of capitalist development in the Western European cultural sphere from that of most of the rest of the world. Although interrelated, the two experiences were quite dissimilar. First and foremost, while the international dimension played an important developmental role in determining the evolution of European capitalism, it is less certain that ties to the industrialized centres constituted a positive impulse for late developers. The windows of

opportunity offered by the modern world economy to the periphery were not/are not the same.

The father of liberalism, Adam Smith, as well as the father of socialism, Karl Marx, comprehended the importance of contact to extra-European areas for the specific development of capitalism. Thus Adam Smith stated the following in his magnum opus *The Wealth of Nations* (1776):

> *One of the principal effects of those discoveries (America and the passage to the East Indies through the cape of Good Hope) has been to raise the mercantile system (commerce) to a degree of splendour and glory which it could never have otherwise attained.*

Karl Marx and Friedrich Engels in the *Communist Manifesto* (1872) explicitly specified the significance of the extra-European world for the transition to capitalism in Europe:

> *The discovery of America, the rounding of the Cape, opened fresh ground for the rising bourgeoisie. The East-Indian and Chinese markets, the colonization of America, trade with the colonies, the increase in the means of exchange and in commodities generally, gave to commerce, to navigation, to industry, an impulse never before known, and thereby, to the revolutionary element in the tottering feudal society, a rapid development.*

In the relationship that evolved between the European centres and the periphery, the position of what became the colonial areas was always subordinated to the interests of the developed countries. This legacy lives on! The present guidelines given in the context of modernization theory and neoliberalism relative to relations to the world market were/are truncated in favour of the advanced capitalist countries. The already strong economies are able to reap most of the benefits that an open world market offers. As the American economic historian Charles Kindleberger put it: "*Free trade is the protection for the established exporters*" (cited by Schlosstein in *Trade War*).

Historical evidence shows that capitalist economic development is not the result of a spontaneous occurrence. The process has been characterized by a determined struggle demanding concentration of human and material resources on the internal evolution of the economy and protection from the forces of the world market. In addition, as the capitalist industrial countries did not develop at the

same time and pace, *late development or catching-up required political guidance of market forces in the past.* This notwithstanding, the message given to so-called late developers by the conventional development discourse ignores the true experience of capitalism.

It is an irony of history that the liberalism of British capitalism, based on the teachings of Adam Smith and David Ricardo, was not promoted until the industrial revolution had made England the factory of the world. Only after the need to export had become strong and British industry was able to out compete other countries, did England impose the notion of free trade on the rest of the world.

It is often conveniently forgotten that prior to reaching this level, Britain had protected her industrial growth by limiting imports of Indian and Chinese silks and textiles and then prohibiting, to the best of her ability, the import of such wares by continental Europe. This was a contributing factor – but of course not the only one -   to the demise of the industrial revolution in these Asian countries. The notion of "comparative advantage" was imposed on weaker nations by political and military means. The Treaty of Methuen (1703) between Britain and Portugal is a case in point. The logic behind the theory was that agrarian economies should concentrate on their advantage in producing foodstuffs and raw materials, while England would export manufactured products. To the extent that the theory ignores the fact that "comparative advantage" is not a permanently given economic factor and by not including the possibility of changing a country's position in the international division of labour through political strategies, the concept remains a static notion.

It is interesting to note that today, the gist of policy recommendations by the IMF and World Bank to Third World countries has also been to concentrate on the exports of products in which they have a comparative advantage and keep their markets open. The problem arises however when this advice is given to groups of countries, like those of Sub-Sahara Africa or Central and South America, who overproduce similar traditional commodities and in this manner push world prices down because the world market cannot absorb more bananas or coffee. The demand for such produce being inelastic means that even if prices go down there is a limit to the consumption of bananas!

In a passage in *The Wealth of ['some'] Nations*, Adam Smith considered the United States "like Poland" destined to rely on agriculture; he warned Americans

against the attempt to promote the country's beginning industrialization by protecting the so-called infant industries. The policy he recommended was to open the economy to the import of European (British) manufactures as the opposite course of promoting American industrial production would:

> *retard instead of accelerating the further increase in the value of their annual produce, and would obstruct instead of promoting the progress of their country towards real wealth and greatness* (Smith 1776:347-348).

ECONOMIC NATIONALISM AND THE POLITICS OF DEVELOPMENT

Had American decision-makers of that time followed the advice of the eminent economist whose theoretical teachings they today profess adherence to, the United States would indeed have been a very different nation. The same can be said about Germany and Japan. Had the Japanese elite following the Meiji Restoration (1868) not taken the political decision of industrializing in order to become a strong developed nation, the Japanese would be known only as an exporter of rice-wine!

Contrary to the liberal interpretation, history shows that the development of industrial capitalism did not depend on purely economic impulses but was a process in which politics played a determining role. This applied not only to late-comers. Thus while the theoretical framework of market liberalism stressed free trade, evidence suggests that Britain used state-directed trade and industrial policies to the same extent as later developers did. The non-correspondence between practice and theory/ideology of liberalism was not lost on economists of less developed Western nations.

It was no accident that while the doctrine of liberalism (free trade) originated in England, the counter-doctrine emerged in countries who wanted to reach the same levels of industrialization. While liberalism projected the world market as a benign entity conducive to benefit all participants, the doctrine was challenged by the German economist, **Friedrich List**, who became known as the theoretician of economic nationalism. The essence of the contra-position found expression in the logic of development in a world where the developed are not really interested in the industrialization of late-comers. Accordingly this theory recognizes that participation in world trade is a zero-sum game where some gain and some lose! In *The National System of Political Economy* (1885), a book which later found

greater resonance in modern East Asia than in Western conventional development thinking, he put it in the following way:

> *It is a very common device that when anyone has attained the summit of greatness, he kicks away the ladder by which he has climbed up, in order to deprive others of the means of climbing after him. In this lies the secret of the cosmopolitical doctrine of Adam Smith, and … all his successors in the British Government administrations.*

Friedrich List had been very much influenced by a stay in the United States, where he observed first hand the implementation of a strategy of industrialization. It was in fact in the United States, in the latter part of the eighteenth century and in the nineteenth century, that protection of "infant industries" from the influence of the world market (in this case British exports) was formulated and put into practice. At that time numerous American intellectuals and politicians understood that free-trade was not suitable for their country. This conclusion had been reached even though liberal economists of renown had entertained the notion that protection of American industries would be counterproductive and that the United States should specialize in agricultural production.

According to List, it was fortunate that Americans had rejected the analysis of Adam Smith, opting instead in favour of "common sense" and the instinct of economic nationalism in the interest of the nation by protecting their beginning industrialization. In the context of economic development it is important to emphasize that the doctrine of economic nationalism is not the same as anticapitalism. On the contrary! What it implies is a strategic retreat from the world market in order to rejoin it in a stronger position, later on. Criticizing the British sermons of free trade for the United States, the American president Ulysses S. Grant declared that "within 200 years, when America has gotten out of protection all that it can offer, it too will adopt free trade" (cited in Ha-Joon Chang 2003:26). This is exactly what the United States did by remaining the most heavily protected economy in the world until the Second World War.

The rationale behind industrialization for "late-comers" has been related to the imperative of making the nation economically prosperous and strong in order to impose itself politically in the world. This is dictated by the modus operandi of international capitalism whereby weak nations are dominated by the strong ones. In this non-congenial international environment, the emergence of new industrial

powers has historically had a geopolitical impact on the system of nation-states - a system which originated simultaneously with the birth of capitalism.

The catching-up of Germany, the United States and Japan, challenged the position of Britain as the leader of the capitalist system. It was this confrontation between the different capitalist countries which contributed to the world wars of the twentieth century. One attempt to explain this state of affairs is located within the Marxist tool-box which operates with the notion of "uneven development" of capitalism. As a result of   the tendency to develop at different rates, the more advanced countries will at a certain stage be challenged by more dynamic new comers. In a world economy characterized by the above-mentioned tendency towards overproduction, the emergence of new industrial powers creates imbalances   and results, as recognized by Max Weber in conflictual competition which will affect the societies involved:

> *Only complete political confusion and naïve optimism can prevent the recognition that the unavoidable efforts at trade expansion by all civilized bourgeois-controlled nations, after a period of seemingly peaceful competition, are clearly approaching the point where power alone will decide each nation's share, and hence its people's sphere of activity, and especially its workers' earning potential* (Hobsbawm 1987:Ch. 3).

The interaction between development, trade and power politics on the international level is furthermore related to the fact that the late-comers often were led by ultra-nationalist or fascist regimes who also promoted militarism. The exception to the rule was the emergence of the United States as leader of the capitalist world without having abandoned parliamentary democracy during its ascendancy in the first half of the twentieth century. Although having joined the imperialist powers in the "opening" of China and having forcefully gained control of the Philippines and Cuba, the United States was able to use geography as a comparative advantage in relation to potential rivals. Thus while the contradictions between the main industrial nations were being played out in Europe, the United States - who also followed a course of economic nationalism - managed to remain aloof. By coming into the two world wars rather late, the United States could reap benefits from the weakening of potential economic and political rivals, without having itself suffered damages on its soil.

The hegemony of the United States following the Second World War was institutionalised through the creation of international organizations where American interests were given priority. The division of the world between the "socialist camp" –under the domination of the Soviet Union - and the "free world" helped to cement the hegemony of both superpowers in their respective spheres.

In contrast to the era of neoliberalism, which achieved hegemony since the 1980s, during the post-World War II reconstruction period, capitalist countries followed state managed economic policies in achieving unprecedented growth and popular support. Even Richard Nixon once declared himself to be a Keynesian. The so-called Keynesian macroeconomics allowed governments to exert control over the economic relations to the world market.

Another variant of state management of the economy took hold in East Asia. Prior to World War II, Japan had followed the strategy of economic nationalism which continued   after its defeat and during the American occupation. The Japanese socio-economic and political system functioned on the basis of what has been called the "capitalist developmental state". This type of capitalism was closer to the theory and ideology of economic nationalism than economic liberalism. Even though the United States after the Second World War, supervised Japanese politics, it didn't discourage (with the exception of militarism) Japan from returning to its older state form and economic policy. The American position was determined by geopolitical considerations. At the time the US political establishment felt the need to promote Japanese capitalism and make the country an actor in Asia. This was dictated by the concern of countering the influence of socialism in the region, especially after the victory of communism in China.

The potency of state dirigisme of the market was also a determinant factor in the evolution of the so-called East Asian NICs (newly industrializing countries). Motivated by the ideology and strategy of economic nationalism while under the dual hegemony of the United States and Japan, South Korea and Taiwan also became known as developmental states. The economic strategy was based first on import substitution industrialization before implementing a course of export-oriented industrialization. Due to a special set of circumstances, the East Asian countries were able to control to a certain extent import of finished products and foreign capital while drawing advantage of being able to export especially to the United States as Japan followed a more restrictive import policy.

As mentioned, there was a political imperative behind the US strategy of turning the East Asian countries into display-windows of successful capitalist development. In this relation it should furthermore be stressed that it was primarily the Korean War and the war in Indochina later on, which fostered the economic take-off of first Japan and then the NIC's in East Asia.

In contrast, it was much more difficult to carry out economic growth in Latin America on the basis of an economic nationalist strategy of import substitution. Nor was export-orientation in the cards. One reason was that, in contrast to the East Asian NIC's, the United States was not really interested in favouring the development of the region by opening its home market to exports from these countries; neither did it favour the implementation of an agrarian reform which could have vitalized the internal market for the locally produced industrial goods. Secondly, the internal conditions were different than those in South Korea and Taiwan who, as former Japanese colonies, did not have as well entrenched agrarian elites as those of South America. The latter were uninterested in an overhaul of the rural structures and industrialization. Thus the weakness of the domestic market affected industrial development in a negative direction.

While the experience of East Asian economic nationalism shows that the role of state dirigisme of the economy and society is important in conjunction with foreign trade opportunities, without the geopolitical interest of the United States – as leader of the international system—the export-led growth of these economies would have found the world economy less conducive to their project.

GLOBALISATION AND THE NEED FOR ALTERNATIVE THINKING

Before concluding this discussion of the problem and strategy of capitalist economic development in a historical and geopolitical perspective it may be of heuristic value to return to the issue of globalisation: to what extent have we entered a new world order in which the notion of "uneven development" has become superseded, and to what extent does the liberalization of the world market serve the interests of all participants in the global economy?

The results of the policies of neoliberalism, which in the past twenty years have had a dominant position, need to be compared with the previous era when Keynesian macroeconomics and economic nationalism were dominant. According to the neoliberalist doctrine, the rate of growth of the global economy ought to have increased as a result of market liberalization. But the factual evidence shows

that during the 1960's and 1970's when the world was characterized by much greater national protectionism and other regulations of trade and capital movement, the world economy was nevertheless growing at a stronger pace than was the case in the 1980's and 1990's.

The implementation of the discourse and strategy of neoliberalism by the developed centres of world capitalism offers a typical example of doublespeak: although the explicit aim of neoliberalism was to "liberate" the market from political interventionism in the industrialized countries, it was primarily Third World nations that were targeted to submit to unfettered capitalism by reducing the role of the state and liberalize their economies. The upshot is that while developing countries were left defenceless vis-à-vis the world economy, the US, the EU together with Japan (the so-called TRIAD) have been using state policies to intervene with the workings of a liberal global market. By subsidizing their agriculture and industrial production and raising barriers to the free flow of goods, instead of opening their markets to the exports of developing countries, they don't practice what they preach. The economies of the Third World thus have to operate on a non-levelled playing field and are put at a great disadvantage. Oblivious of the fact that it is the United States who is the largest debtor country, the IMF-initiated Structural Adjustment Programs dictate economic policies of Third World debtor countries by enforcing the opening of their markets and liberalization of their economies - ironically measures which necessitate political intervention by the state!

On the basis of this interpretation of the paradoxes of economic development and international relations, a conclusion imposes itself especially if we seek a reduction of pauperisation and polarization in the world. The legitimacy of such an endeavour is accepted at the discourse level by both proponents and opponents of neoliberal globalisation. Consequently, transparency should be applied to the analysis of the experience of historical capitalism. The politics of economic nationalism in the catching-up process should be treated in an appropriate manner so as to offer developing countries a choice. Forcing them to follow an economic course which was not followed by the industrialized countries themselves raises the level of antagonism as the "*ladder is kicked away*" by the centres of capitalism. The notion of development under conditions of an (il)liberal global economy becomes an ideological construct which serves the interests of those already developed at the expense of the late-comers!

In addition, yet another aspect related to late development under globalisation needs to be taken into consideration. Throughout the evolution of capitalism, damage to nature has been externalised from economic calculations by not being conceptualised as of cost of production. Under these circumstances resources were not considered to be limited or finite. This is not sustainable as this element will increasingly affect the future geoeconomics and geopolitics of mature capitalism. Besides the problems at the level of the international political economy, the root of the new challenge which will increasingly impose itself is whether *nature* will be able to accommodate the rapacity with which the global economic system contributes to the depletion of the planet's natural resources and creates environmental problems. In the last instance, what is at risk is the survival of the life-support system for humankind!

The paradox is that the "overdeveloped" societies need to constantly boost economic growth in order to keep their socio-economic and political system from breaking down. This translates into a lopsidedness whereby approximately 20% of humanity consumes 80% of the planet's resources. The question that arises is whether it is possible to mobilize at least four times more extra resources to raise the consumption level of the remaining 80% of the world's population to the same level if global harmony can be achieved.

Common sense dictates scepticism. Neither economic (neo)liberalism nor economic nationalism have been preoccupied with this existential problematique. The same can be said for socialist productivism. This notwithstanding, the need for alternative theories and practices to developmentalism is increasingly felt and propagated by social forces and movements outside the realm of mainstream thinking and activities. Witness the yearly meetings of the World Social Forum which are organized by grassroots movements in opposition to the World Economic Forum whose meetings gather the world elite in Davos every year.

The stakes are high and pessimism about the evolution of the world is not unwarranted. Without an alternative viable mode of organizing production and way of life on a world scale, the march towards barbarism may be shorter than realized.

With this concern in mind, it is to be hoped that research and teaching programs in Development and International Relations at Aalborg University will keep identifying with the imperative of alternative thinking and strive to be part of the solution rather than part of the problem.

REFERENCES

Carr, E. H. (1951) *The New Society*. London: MacMillan.

Chang, Ha-Joon (2003) "Du protectionisme au libre-échangisme, une conversion opportuniste", *Le Monde Diplomatique* June 2003:26.

Fukuyama, Francis (1992) *The End of History and the Last Man*. New York: The Free Press.

Hobsbawm, Eric (1987) *The Age of Empire*. New York: Pantheon Books.

Huntington, Samuel (1996) *The Clash of Civilizations and the remaking of world order*. New York: Simon and Schuster.

List, Friedrich (2001)[1885] *The National System of Political Economy*. Kitchener: Baroche Books.

Marx, Karl and Friedrich Engels (1872) *The Communist Manifesto*.

Orwell, George (1949) *1984*. Penguin, London.

Polanyi, Karl (2002) [1944] *The Great Transformation – The Political and Economic Origins of our Time*. New York: Farrar and Rinehart.

Rostow, Walt (1990) *The Stages of Economic Growth: a Non-Communist Mannifesto*. Cambridge: Cambridge University press.

Smith, Adam (1938)[1776] *An Inquiry into the Nature and Causes of Wealth of Nations*. New York: Random House.

SHIFTING POWER:
US HEGEMONY AND THE MEDIA

Erin Collins*, Martin Jensen*, Peter Kanev*, and Mathew MacCalla[*]

Abstract

US hegemony has been the most significant aspect of international relations since the fall of the Soviet Union. The past decade has seen the majority of the world shift under the cultural, economic and military influence of the US. This staggering and as yet unchecked power is in large part gained not through coercion but through persuasion. This ability to convince other actors in the world to act in a way that is beneficial to US interests is consistent with traditional Gramscian notions of hegemony. The content of the global media, as one of the primary disseminators of the hegemon's message inside civil society, should provide insight into the overall debate occurring within it. Thus an examination of the content of the global media leading up to the recent US invasion of Iraq could provide some insight into the relative strength of the global hegemon. The results of this study clearly suggest that the US's "power to define" is in decline and that the hegemon is in the midst of a crisis of authority that could be a sign of its irreversible decay.

INTRODUCTION

There can be little argument that today's world is one that is effectively dominated by one massive superpower. The United States of America is now responsible for more than a third of the global economy and has an unrivalled military, spending more on its armed forces than the next dozen countries combined (*The Economist* 2003:4). As Niall Ferguson (2003:8) recently wrote in *Newsweek*, "The United States is now an empire in all but name".

The US currently spends approximately 399 billion dollars per year on its military, nearly seven times that of Russia and 285 times larger than that of Iraq, the country it has invaded twice since it took on the role of the world's lone hegemon (CDI 2003). Economically, the US is similarly dominant as its 10.4 trillion dollar economy constitutes more than 32% of the world's GDP (World

---

[*] Current master's students at the Research Centre on Development and International Relations, Aalborg University.

Bank 2003). In fact, the US economy is roughly the same size as the rest of the G7 countries combined, and excluding those G7 countries, it is about the same size as the rest of the world's economies collectively (Hofstra 2002). Politically, this dominance is seen in the leading role the US has taken in all realms of international relations, from brokering the Israeli/Palestinian peace process to effectively undermining the credibility of the International Criminal Court and the Kyoto accord by simply opposing them. In addition to this, the US is a veto-wielding member of the Security Council and at the head of virtually every other significant international military or economic body from the WTO to NATO.

Most significant for the purposes of this paper is the US's dominance in the realm of culture and specifically the institutions that govern the global dissemination of information. American, along with British companies, are the primary provider of films, music, television programming and most importantly news for the entire world (Magder 2003:31). In fact, in 2003 CNN alone reached more than 150 million homes in 212 countries around the world (Thussu 2003:118).

However, the pre-eminent position that the US now occupies, economically, militarily and politically around the world has its origins in the collapse of the Soviet empire and the end of the Cold War. Since the demise of the world's only other superpower and the US's main ideological rival, global public opinion has shifted towards the inherent "rightness" of the US worldview. It was generally believed by lesser developed nations that the way to success and prosperity was to emulate the US system and take an active role in the globalisation process. As the US's National Security Advisor Condoleeza Rice (2003:104) recently described the situation, "Nations around the world share a broad commitment to democracy, the rule of law, a market-based economy and open trade".

In effect this shift meant that the majority of the world now agreed on how development could best be achieved. So in essence the US had not only won the Cold War but had in fact won over the hearts and minds of a great many of the world's people and governments and created a globally shared world view.

> *After the collapse of the Soviet Union and the end of the cold war, the alliance of markets and foreign policy seemed triumphant. 'Globalisation' was on everyone's lips. The American vision would spread – though perhaps slowly – everywhere as more nations fell under its sway* (Samuelson 2003:44).

In reality, it is the fact that so much of the world gravitated towards this American world view, that has largely given the world's only superpower its strength over the last fifteen years. It was believed that by adopting capitalist-market economies, liberal democracy and principles of free trade, the "have-nots" of the world would one day be able to join the "haves" as developed nations (Ibid). This "Washington Consensus" was largely believed to be the most fortuitous and expedient path to development and in turn impacted the soft power that the US held.

This power that the US is now largely thought to wield, in all areas of global-international relations, was described by Italian thinker Antonio Gramsci as hegemony. Gramsci defines hegemony as the "process of moral, philosophical, and political leadership that a social group attains only with the active consent of other important social groups" (Artz & Murphy 2003:1). In this way, a hegemonic class,[2] (in this case the United States) by owning and controlling the means of production and capital, including mental production in the form of the media,[3] are able to support their hegemonic position. Traditionally, hegemonic classes are thought of as a part of the state level of analysis. However, for the purposes of this discussion hegemony will be examined on the macro or international level, and in this scenario, it is the US that occupies the position of hegemonic elite.

From a Gramscian perspective, real power is not achieved through the use of coercive force but rather through convincing the world to see things the way the hegemon wants them to, thereby creating a shared "common sense" (Hallin 1994: 59). It is this shared common sense that led most of the developing nations of the world to follow Washington's advice in many areas of economic development and has also contributed greatly to the "real" as well as "soft" power that the US has enjoyed in recent years.

---

[2] At this point it is necessary to briefly discuss and define the concept of class that will be operationalised throughout this paper. While it may be true that the traditional class struggle defined by Marx may be obsolete in the classic bourgeois, proletariat sense, it can still be said that the world is made up of a group that has power and several other groups that have that power impressed upon them. It is this situation consisting of a hierarchical strata of power that we speak of when we talk of ruling or elite classes and subservient classes throughout this paper.

[3] Throughout this paper the term "media" will be used as a singular noun defined by the Oxford Dictionary 5th Edition (1995:727) as "The main means of communicating with large numbers of people, especially television, radio and newspapers".

The adoption of this American common sense by the majority of the world has allowed the US to use more than just its military or economic superiority to achieve its current position as the world's most powerful nation. It has allowed them to use the proverbial carrot more often than the stick when attempting to get their way in international relations. However, this system can last only as long as the audience that is subjected to it agrees to buy into the worldview that they are handed. And for this to happen, they must believe that either the system is benefiting them or that they have no choice. Change inside this system can occur only when the dominant worldview of the hegemonic elites (in this case the US) begins to break down. This ability to convince others to do as the hegemon desires without coercion is possibly the most significant aspect of US power.

It is argued that one of the ways that the US is able to create this shared world view, and maintain its status as global hegemon, is through the use of the Western-based global media system. Most of the world's information flows from the US outward and this propagation of Western based ideas throughout the world is one of the most powerful ways of Americanising global public opinion (Magder 2003:31). This is a system which, when functioning properly, can give the US the unprecedented power to make other global actors think that their interests and those of the hegemon are one in the same. This is hegemonic leadership as expressed by Lee Artz (2003, p.16-17):

> *Leadership only becomes hegemonic because they convince others to become allies through persuasive political and cultural practices, which necessarily require normalized interpretations best communicated to the masses via the media. Hence, capitalist hegemony needs parallel media hegemony as an institutionalised, systematic means of educating, persuading, and representing subordinate classes to particular cultural practices within the context of capitalist norms. If culture is the ideological cement of society, then, to secure corporate interests, capitalist globalisation needs media hegemony to recruit, tame, and popularise interpretations, information and cultural behaviour complementary to deregulation, privatisation, and commercialisation.*

In other words, the global media system is one of the most powerful ways that the US maintains its control of global power through the creation of shared ideas and goals. It is this media system that serves as one of the greatest tools inside the hegemonic process as outlined by Gramsci (1971:177-185).

It is important to note here that truly hegemonic leadership also presupposes a claim by the hegemon that they are in effect acting in the interest of everyone. Based on our earlier assumption that the US is the world's dominant hegemon, this begs the question of whether or not the US is claiming to act in the interest of all the subservient groups it controls. In other words, does the US, at least outwardly, assume to act in the interests of all the nations in the world? The rhetoric of US President George W. Bush as he recently addressed the National Endowment for Democracy at the US Chamber of Commerce would seem to suggest that the answer to this question is a resounding yes. In his statement, where he justifies the invasion of Iraq, Bush expresses how the US is framing its actions as beneficial for the world as a whole.

> In fact, the prosperity, and social vitality and technological progress of a people are directly determined by extent of their liberty. Freedom honours and unleashes human creativity -- and creativity determines the strength and wealth of nations. Liberty is both the plan of Heaven for humanity, and the best hope for progress here on Earth (Bush 2003).

This is not to say that these actions are in the best interest of the other actors in the world, but it does suggest that this is how the US is attempting to sell these actions to the global community. Therefore, the US would certainly fit the traditional notion of a hegemonic group, which uses institutions such as the media, and occasionally compromises some aspects of control, to make the subordinate classes feel the system is working to their advantage.

However, some chinks may be starting to appear in this US-led global hegemony. Politically, the world's only superpower appears to be becoming less and less influential in the world's "soft power" game, which simply stated, is the ability to make people do what you want without using force (Magder 2003:30-32). This apparent weakness can be seen in the US's failure to convince the world that its recent invasion of Iraq was justified, and in its apparent inability to peacefully rebuild Iraq and Afghanistan (Ferguson 2003:11). These difficulties point to a serious weakness in the perceived supremacy of the US military while similar failures in the Israeli-Palestinian peace process point to a possible weakening of the US's ability to effectively use "soft power" to achieve their policy objectives. In addition to this, a seemingly softened US stance when dealing with so called rogue states like North Korea, Syria and Iran seems to be emerging, which could also point to a perceived loss of power.

…gone is the tough talk toward Syria. On Iran, too, the administration has increasingly deferred to the United Nations and international Atomic Energy Agency. Even on North Korea, Bush has softened his adamant refusal to negotiate any kind of deal before Pyong-Yang gives up its nuclear program (Hirsh 2003: 34).

Economically, there also appear to be signs of weakness in the hegemon. Some analysts have suggested that a sinking dollar and a strengthening Euro may mean that the US's number one position in the global economy could one day come into question. Furthermore, many of the poor countries of the world that believed US-inspired governments and economies to be the path to development success have been sorely disappointed. As the gap between the rich and the poor countries of the world continues to widen, some evidence of this failure can be found inside the sole remaining superpower's vanquished Cold War foe: "As for Eastern Europe and Russia - the formerly second world - shock-therapy privatisation directed by Harvard-educated economists has brought a 'total economic collapse'" (Kagarlitsky 1997:19). The result of this collapse has been that more than ten times as many children in this region now live in poverty than while under Soviet rule and the "reasonable" standard of living that could be expected under the former Soviet government has now disappeared (European Children's Trust 2000:14). Signs of dissenting voices can also be seen in the growing anti-globalisation movements that have caused a stir at WTO meetings in Seattle and Quebec City in recent years as well as in the emergence of the G21 inside the WTO and the defection of traditional Western allies.

These examples could be seen as a realization that US power is finite and that the empire is overextended (Hirsh 2003:34). It seems at least possible that certain segments of the world are beginning to reject the US common sense that has dominated unchallenged for the last decade and a half.

This possible loss of strength for the American hegemon could be perceived as a weakening of the persuasive power of the dominant US world view or as Sardar (1999) put it, a weakening of the hegemon's "power to define" and therefore its hegemonic power inside global civil society.[4] This last point is crucial since it is

---

[4] Throughout this paper the notion of civil society will refer to Gramsci's definition as it pertains to the hegemonic process. This is defined as the area where common sense is developed through discourse between institutions that are somewhat autonomous from the state (e.g. media, education system, and churches) Global civil society will be understood to be this arena taken outside state borders (Baylis & Smith 2001:210).

discourse within this civil society that generates the consensus that gives the hegemon its strength. Further to this, since the media is one of the most important ways a hegemon defines its worldview, it is reasonable to assume that a decline in the relative power of the hegemon could be visible inside the global media construct. It is with this in mind that the basis for this article was conceived.

In short, if the United States is the dominant hegemonic force in the world and the Western-based media helps to facilitate that hegemonic process and strengthen it, then, if systemic change is going to occur, some change in global media content should be identifiable. So, if the US is losing its hegemonic control and it's globally accepted world view is beginning to be questioned, then this shift should be reflected inside civil society and therefore inside the media.

This problem is both interesting and relevant because the current US hegemony has been defining what is talked about not only around the table at the Security Council but also around dinner tables from Philadelphia to New Delhi. That is because this dialogue is in some very significant ways being shaped by the Western-based media from which it often emanates. So, if this conversation, and the terms it is being discussed in, is created by the West, it is likely leaving out the interests of those in the Eastern and Southern reaches of the globe. This is particularly relevant given world events following September 11th 2001, as the US and its "Coalition of the Willing" have since effectively conducted diplomacy via the barrel of a gun, despite a general global consensus that these actions were wrong.

The general purpose of this article is to apply Gramsci's hegemonic theory to an empirical analysis of media content leading up to the recent invasion of Iraq. Due to the fact that the media is an integral part of the public sphere, it is assumed that a greater understanding of the current dialogue going on in civil society can be achieved through this process. It is hoped that a comparative analysis of the media prior to the recent invasion of Iraq could allow for some speculation about the health of US global hegemony when compared with similar studies of the media prior to the first Gulf War.

GLOBAL MEDIA AND GLOBAL HEGEMONY

The media is a major player in the creation and dissemination of the hegemon's worldview. Therefore, if the media is failing to adequately relay the hegemon's message then this could provide an indication that the hegemon's real power is in

decline. This could then provide an indication that the circumstances for the potential defection of "historic blocs" and the creation of a counterhegemonic movement are in fact in existence. Antonio Gramsci spoke about the need for historical blocs to come together in order to create a hegemonic or counterhegemonic force (although he never specifically used the latter term). This article will analyse the role of global media in this hegemonic process and see if there is in fact the potential for a counterhegemony to emerge through opposing historic blocs. This question will be addressed methodologically through an analysis of the global media through the critical lens of hegemonic theory.

It is often argued in the analysis of hegemonic theory that the media is an institution used by elites to exercise their hegemonic power. According to Thomas Gitlin "the mass media produce fields of definition and association, symbol and rhetoric, through which ideology becomes manifest and concrete" (1980:2-3). It can be extrapolated from this that forces of counterhegemony could also utilize the media in this fashion. If this is the case, signs of an emerging counterhegemony could be spotted by searching for elements of a rejection of the dominant power and its message inside the global mass media construct.

The analysis of differing forms of media and how they react to and report on certain events, can provide a number of insights into how this institution is manipulated by powerful elites, as they attempt to control or "spin" public perception. Ciaran McCullough expresses this relationship between media and its reliance on ruling elites in his book *Media Power*: "…certain groups in society are recognized by the media as accredited sources, and as such they have privileged access to (and greater claims on) media coverage. Their access comes from their institutional power, their representative status, or their claims to expert knowledge" (McCullough 2002:68).

In other words the media is constructed in such a way that it is more apt to follow the lead of "legitimate" elites than of dissenting voices. This is not to say that there is not debate within the elite class. However, there are certain underlying principles that are consistent within the elite class and it is these similarities that make up the core of the elite's worldview. For example, there may be debate inside the elite class about how best to spread liberal capitalism and democracy around the world, but there is no debate about whether or not it should in fact be disseminated. In other words, there is no "macro" argument about the validity of the liberal capitalist system, even if there is an ongoing "micro" debate about how

it is to be implemented. Thus the overriding message that is transmitted to the media by the elite class remains the same.

This relationship, arguably stemming from the economic and cultural framework around the media (Herman & McChessney 1997), makes the analysis of media a key component when examining hegemony in the twenty-first century. It suggests that media content can often reflect the ideas and positions of hegemonic elites rather than of the many differing viewpoints inside global civil society.

Having said this, it was determined that an analysis of the content of certain players in the global media system could shine a critical light on this hegemonic process. As a time frame for this study we chose the week leading up to the most recent conflict in Iraq. This time line was selected for two primary reasons. First, it allowed for an examination of a case where the world's primary hegemonic power was attempting to set limits and define the context of global debate about a single issue. Second, in 1991 there was a similar military conflict in Iraq that could be cross-referenced in relation to the relative growing or shrinking of the hegemonic entity's power to define (Sardar 1999:44; McCullagh 2002:15) .

Of course these two instances are not identical. The 1991 conflict was backed by a UN resolution and involved an Iraqi invasion of a sovereign nation. This difference could be explained by a lack of persuasive ability by the hegemon inside the Security Council and in the public sphere (both aspects of global civil society) but the fact remains that it is still a difference. However, there are certainly enough similarities to assume that some cross analysis could be useful. By doing this, we hoped to gain an insight into the relative control that the world's primary hegemonic power, The United States of America and its allies, had during this period.

For the purposes of this study seventeen daily newspapers from different regions of the globe as well as four major broadcast news networks (24/7) were analysed.[5] A combination of regional, political, and circulation/penetration considerations

---

[5] Empirical sources from the US were: *USA Today, International Herald Tribune, CNN*, and *Fox News*. Sources from the UK were: *BBC Online, The Guardian*, and the *Independent*. Sources from Australia were: *The Australian,* and *Canberra Times.* Sources from Asia and Africa were: *Izvestia* (Russia), *The Hindu* (India), *The People's Daily* (China), *The Daily Yomiuri* (Japan), *Arab News* (Saudi Arabia), *Al-Jazeera Network* (Qatar), and *The African Times* (South Africa). Sources from the Americas were: *Toronto Star* (Canada), and *The Buenos Aires Herald* (Argentina). Sources from Europe were: *Le Monde* (France), *FAZ* (Germany) and *Politiken* (Denmark). All sources were examined for the period March 13-19, 2003.

were used to determine the sample, which included at least one paper from six of the world's continents and incorporated the use of five languages and more than five hundred individual samples.

The concept of framing was central to our analysis of the content of these media outlets and requires further explanation at this point. Our analysis was based on the framing theory outlined by Robert Entman (1991). Entman says frames construct meaning in communication messages (articles and TV news stories) by asking four basic questions:

> 1) What is the problem that is being reported on?
> 2) What is the cause of the problem?
> 3) Who is to blame or praise?
> 4) What is to be done or what is going to happen?

Framing works by using language to send the reader or viewer a specific message and "[t]he use of particular words to describe events and issues represents not merely the choice of a descriptive phrase but also the choice of an attitude towards the event or issue" (McCullagh 2002:23). Some examples of words or phrases found in this analysis that can be considered frame markers are "dictator" (in reference to President Saddam Hussein), "defiant" (in reference to actors) or "collateral damage" as a euphemism for civilian casualties. It is the inherent meaning of these "loaded" terms that helps to send a specific message to the reader/viewer of a story. This message can often carry significantly different meanings based on the language it uses. For example, the US administration would much rather see a debate about the human costs of conflict framed in terms of "collateral damage" rather than in terms of the number of "dead women and children". This is how the story is framed or in media-speak, it is the "spin" that the content has been given. In this way, the media does not tell people precisely what to think but does tell them what to think about and through loaded language provides a rough 'frame' for that debate.

This concept of framing means that the media works as a tool to get a given agent's message across to an audience. This analysis consisted of a careful reading of the selected articles covering the lead-up to the invasion of Iraq on March 19, 2003, followed by an identification of the 'frames' they contained. This question of framing will be addressed by answering the four questions outlined by Entman and listed above. Operationally, for the purpose of this study

we have listed ten categories[6] that answer Entman's first question: what is the problem. This choice was justified by the fact that our categories were generally taken from Wilhelm Kempf's analysis of the media during the first Gulf War (Kempf 1996:2-10). Therefore, this choice would provide a fairly consistent framework for a comparison and cross-referencing of these two somewhat similar events.

Today's current environment sees one hegemonic power, the US, often working to control or frame the way the entire world talks about and views certain issues. Of course it is an over-simplification to say that there is one simple and overriding ideology operating within the United States. There are a number of variations on the basic principles that encompass the American worldview. In this sense the US is a pluralist nation with a wide variety of views on how to tackle the specific micro problems that it encounters.

However, on a purely macro level there can be no doubt that in the international arena the US acts as a unitary actor displaying one set of concrete core assumptions and beliefs. These include an unwavering support for the general pillars of liberal democracy, capitalist free market economies and transparent and democratically elected governments. In other words, agents inside the US may argue how it is best to spread these concepts throughout the world but they rarely, if ever, question the actual validity of these core ideas (at least not significantly). One example of this agenda is that "[a] global media culture is likely to embody many western capitalist values such as the free market, consumerism, individualism and commercialism" (Jones & Jones 1999:225-232).

Those values, based on core assumptions and beliefs, may not be the same ones shared in every country, but since "[m]ore and more people across the globe are receiving the same message from the same centre of commercial power" (Ibid), the global community is subjected to and influenced by those values and beliefs.

---

[6] The ten categories, based roughly on the previous study done by Kempf (1996), are: (1) weapons of mass destruction; (2) effectiveness of the UN, focussing specifically on discussions in the security council; (3) US unilateralism and/or imperialistic actions; (4) the global economy and the impact of a potential conflict on it; (5) domestic spin, that is, the political or economic impacts an invasion would have for individual states; (6) "war on terrorism" and its relationship to Iraq, including articles mentioning 9/11 or Al-Queda link to Iraq; (7) coalition building, specifically regarding a second UN resolution or the debate over the validity of an invasion; (8) technical or logistical aspects of war; (9) human rights and potential suffering resulting from an invasion; and (10) miscellaneous or other themes. Note that while many categories may have been mentioned inside any given article, the cause was attributed to the category referred to most prominently throughout the text.

In other words, state boundaries are becoming more and more porous and vulnerable to the ideas and symbols of the information providers, making them much less culturally self-contained (Webster 2003:59). This shift in how worldviews are created and disseminated has been assessed by some as:

> *The universal mode of address may be achieved through a dilution of values from a specific culture (often a Western, middle class mode of talking such as CNN) and a unique form of address may be achieved through a specific combination of universally acceptable symbols.... Thus, global media are capable of bridging the gap between the universal and the specific, although they often do so by using a somewhat artificial format* (Stald & Tufte 2002:83).

Therefore, understanding the way this international media system works now carries even greater significance when attempting to understand power and hegemony in a global context.

Pragmatically speaking, there can be no doubt that the majority of what we call global media is based in the West and more specifically in the United States. "Western countries predominate in the flow of news and information…and of the Western countries, the United States is easily the most dominant entity in every facet of the world communication system" (Magder 2003:31). The truth of this statement is underlined by the fact that "the United States exports more media products to more places globally than does any other country" (Ekachai, Greer & Hinchcliff-Pelias 1999:146).

However, global media outlets are still controlled by the same elites who held this power when the media was state centric. So, in essence, a small group of wealthy Westerners are controlling the flow of information for the majority of the world. And for the most part they still operate with the same fundamental goals in mind, simply carried over to the international scene. In other words, they are market-driven businesses, which must adhere to the demands of a fast-paced and competitive media industry. Therefore, the global media is providing a bridge between the hegemonic state's local issues and the consciousness and worldview of the rest of the planet (Silverstone 2002:107). Thus, it seems clear that the entire non-Western world is receiving news that originates (at least partly) outside of its state borders and is disseminated through the filter of a major Western media corporation. It can thereby be inferred that this "news" arrives pre-

packaged, accompanied by its own ideologies, assumptions and views about the world.

ANALYSIS OF THE MEDIA DURING THE TWO GULF WARS

Initially, all twenty-one of our media sources were examined together to glean macro results about how the war in Iraq was framed. Then they were broken down in specific ways in order to discern micro results. Firstly, we wanted to observe the way in which the US and, to a lesser extent, the other countries in the "Coalition of the Willing" tried to justify the invasion of Iraq. Secondly, we wanted to examine the way the media of the world presented their news stories and how they framed them.

These questions were primarily answered by examining the responses to the two questions, *what is the cause of the problem* and *who is to blame.*[7] However, prior to examining the specific results of this most recent study it is useful to look at some of the findings from media studies of the first US-led invasion of Iraq in 1991.

In Wilhelm Kempf 's 1996 study of media content during the first Gulf War he found that the US-led coalition is blamed 38.8% of the time, while Iraq is blamed in 61.2% of the articles (Kempf 1996:4-5). Kempf found that the media primarily blamed Iraqi aggression as the cause of the war and that this explanation was rarely or never questioned. Iraq's claim of having historical rights over Kuwait's territory was often mentioned, but its credibility was usually doubted or denied. The media spent very little time trying to explore the possibility of the anti-Iraq coalition being motivated by the same selfish interests ascribed to Iraq. On the contrary, the press depicted the members of the coalition as acting with the main purpose of liberating Kuwait and only rarely was the alliance suspected of acting to secure a supply of oil and stabilize petroleum prices around the world. So, from these results it can be inferred that the US hegemon had a secure grip over the global public perception of the conflict.

---

[7] "Who is to blame" is divided into five categories: (1) US/UK and the "coalition of the willing"; (2) Iraq/Saddam Hussein; (3) Unwilling and active opposers [e.g. France, Russia, Germany, Canada] (4) UN i.e. the ineffectiveness or powerlessness of it; (5) Neutral/miscellaneous i.e. articles neutral in their views or blaming other nations or actors not mentioned above. See previous footnote for categorisation of causes.

A similar study by Nohrstedt and Ottosen found the following attitude patterns towards main actors in the first Gulf War.

TABLE 1. ATTITUDE PATTERNS TOWARDS MAIN ACTORS IN FIRST GULF WAR

ACTORS	% Positive	% Negative	% Balanced
George Bush	20	4	76
Saddam Hussein	4	34	62
Mikhail Gorbachev	12	4	84
John Major	13	0	87
Francois Mitterand	8	8	84
J. Perez de Cuellar	10	0	90
Norman Schwarzkopf	40	1	58
Bill Clinton	17	17	67

Source: Nohrstedt & Ottosen 2000:192

A conversion of the above table leaves us with an overwhelmingly positive attitude for the representatives of the 1991 anti-Iraqi coalition (total of 41 positive percentage points for its leaders, compared to just 12 negative), a positive attitude for the UN Secretary General (10 to 0), and a decidedly negative depiction of Iraq's President (34 to 4). In general, Nohrstedt and Ottosen find that media in the first Gulf War never actually strayed too far away from the hegemon's propaganda line.

Nohrstedt and Ottosen suggest that "if the homeland of the media is involved in the conflict, news reporting is expected to function as a propaganda channel of the nation-state" (2000:250). However, there may be varying degrees of support for a conflict (from the media) depending on the significance that the conflict has for the nation in question. If the dominant superpower is an actor in the conflict, its propaganda is likely to find its way into news content and, by virtue of the power of the hegemon's media, generally set the agenda for media around the globe. Thus, the dominant power's propaganda is reiterated, wittingly or not, by all the rest. Nohrstedt and Ottosen also note that selective omission of events follows the same pattern of dependency on the hegemon's interest (Ibid). The one thing that both of these studies seems to point to is that the US was able to "spin" the perception of the conflict around the world in its own terms and that the hegemon's power to define was alive and well.

These results are in stark contrast to those gathered from the study of media content prior to the most recent conflict in Iraq. Leading up to the United States' recent invasion of Iraq the US government attempted to frame the need for an invasion of Iraq in two ways. One was the link the Bush administration tried to show between Saddam Hussein's Iraq and WMD (Weapons of Mass Destruction). The other was the connection between Iraq and the "War on Terror," including implied links to Al-Quaeda, Osama Bin-Laden and the 9/11 terrorist attacks on the US. The results in this recent study show that the media of the world (including the United States and its allies) actually used those two ways to frame their news very rarely, at 3% and 1% respectively (Chart 1).[8] So, even though these two aspects were the main reasons that the US president and the Western-based "Coalition of the Willing" gave for the invasion of Iraq, they were almost never discussed in the media.

Instead, the world media was more apt to see the invasion and ensuing occupation linked to issues such as human rights abuses and US unilateralism. In this way it is obvious that the US was not able to use their hegemonic power to convince the world to look at the conflict through their lens. In fact, the hegemon was often framed as the aggressor and as morally bankrupt.

This study also investigated whether there was a decline in the ability of the US regime to both direct and deflect blame for the conflict away from themselves and towards other actors. The findings show quite clearly that while this was the case during the first Gulf War, it was certainly not the case this time. In fact even inside the US's own media, 21% of the stories blame the US and the Coalition of the Willing for the conflict in Iraq. This is more than the amount of blame put on the non-helpers (countries like France and Germany that opposed the war) at 17% and is only marginally higher than the 30% attributed to Iraq (chart 8). What can be deduced from this is that the US government was unable to set the agenda not only in the global media but also in its own back yard.

The results of this blame game are even more illuminating when the entire world's media is taken into account. The global media, including the US and other coalition countries, blamed the US and the coalition in 45% of the stories, compared with Iraq at 17% (chart 3). Not surprisingly, the unwilling countries blamed the US in 56% of the stories and only blamed Iraq in 12% (chart 4).

---

[8] Statistical breakdowns of the media prior to the most recent Gulf War are presented in graph form at the end of the article.

Within the media of the "Coalition of the Willing", countries who actually support the US in their case against Iraq, 40% of the articles put blame on the US, whereas Iraq is only blamed in 21% of the cases (chart 5). The fact that Iraq is only blamed half as often as the US firstly suggests that the media within the coalition is not convinced by US attempts to frame Iraq as the problem. Secondly, it shows a trend in global public opinion going against the US, again showing that US credibility in the media and therefore inside civil society could be in decline.

One major conclusion is clear from the results of this examination of the media. When compared to the studies of the last Iraq war an apparent decline in the US's credibility is observed. This is clear because there has been a noticeable shift in the power of the US to define problems and attribute blame. Where in the first Gulf War Iraq was primarily blamed for the conflict, in this recent study it is the US that is primarily cast in a negative light. Also, and perhaps most important, the results suggest that there is dissent inside the US coalition and perhaps within the hegemon itself.

ETHICAL VS. UNETHICAL HEGEMONS

During the Cold War the US was cast in a competitive role against the other dominant hegemon of the time, the USSR. This meant that there was an inherent legitimacy or "rightness" to the US worldview as it was simply held up as a credible and logical alternative to global communism. This allowed the US to hold its subordinate blocs together simply by framing their positions as necessary to oppose the inherent wrongness of the "evil empire" (Mansbach 1994:414). This situation changed after the end of the Cold War as the US no longer had a natural enemy and their worldview had seemingly won out over the communist alternative. As Francis Fukuyama put it, the world had reached "the end of history" and the values of democracy and liberal-capitalism espoused by the West were now the only remaining legitimate worldview (Fukuyama 1992). This allowed the US and the Western democracies that made up the core of its hegemonic bloc to have a certain amount of leeway with the rest of the world. US common sense was assumed to be the path to development and progress around the world (Augelli & Murphy 1988: 125-140; Shaw 1994:11; Hallin 1994:59).

The question that is to be posed at this time is whether or not that "honeymoon period" is over. It must now be asked whether the US has effectively acted as what Gramsci referred to as an ethical hegemon since the end of the Cold War.

However, before this question can be answered, a better understanding of the difference between ethical and unethical hegemonies is required.

Gramsci describes an ethical hegemon as one that aspires and works to raise the subservient historic blocs under its control to its level (Augelli & Murphy 1988:125-140). By this Gramsci means that the blocs that make up the hegemon's power base must be lifted economically, politically and culturally to that of the elites. An unethical hegemon, in essence, is one that has failed to listen to the subservient blocs in global civil society. Thus, the dialogue between the hegemon and the blocs is one-way and top-down in nature. Gramsci says that if this happens, the blocs that have submitted to the hegemon, through discourse and compromise in civil society, begin to defect and reject the hegemon's worldview. It is at this time that a hegemon can be considered to be unethical in nature (Ibid). To determine whether the US global hegemony is unethical or ethical is a subjective task at best. However, the simple fact that the economic and cultural disparity between the US and the majority of the world is growing, leads one to believe that a case could be made for the position that the US is in fact an unethical hegemon (McGrew 2000).

Furthermore, the US has in the past stated that one of its goals was to maintain the economic disparity that exists in the world (Pilger 2003:120). Similarly, many of the international organizations and institutions that the US leads are often cited as helping to increase this gap between the US and the rest (Li 2001:51-57). These facts combine to make it a reasonable assumption that at least some of the blocs that make up the US hegemony may view their hegemon as unethical. It is only when the hegemon has been found to be unethical that a counterhegemony can potentially emerge (Downing 2001:15; Augelli & Murphy 1988:125).

Conditions for an emerging counterhegemony are described as the point where historic blocs begin to defect from the hegemon and have the potential to come together in opposition to it (Ibid). At this time the defecting blocs will have to go through the same hegemonic process in state or global civil society where they suppress their micro goals and come together to focus on their common macro goal (Ibid). In this case that macro goal would be rising up and opposing the unethical hegemonic power of the US. The hegemon then has two choices: (1) it can make concessions and begin to listen to the subservient blocs, thereby assailing their concerns and reintroducing them into the hegemonic structure; or (2) it can ignore these demands. If the hegemon chooses to ignore them, the

subservient blocs will challenge the hegemon, who will in turn lose its power base.

It has been suggested by some academics that the most likely time for structural change inside a system is during a time of crisis (Molotch & Lester 1974:235-260). This is because during a crisis, events unfold unexpectedly and at too quick of a pace for the hegemon to adequately frame issues that are to be discussed in civil society (Ibid). The inability to adequately frame hegemonic discourse then leads to the emergence of more opposing views, which in turn diminishes the hegemon's power to define (Hallin 1994:55). If this is the case, then this dissenting discourse should be observable inside the media during a time of crisis or conflict. It could be argued that with the current global situation, where there are a number of unpopular US-led conflicts, we have reached this time of crisis.

This fact, combined with the knowledge that the media is one of the primary tools for discourse inside civil society, links the emergence of dissent in the media to the emergence of counterhegemony or at the very least, the possible defection of historic blocs. The question then becomes whether or not we are seeing signs inside the global media, and elsewhere, that this defection is indeed beginning to take place.

CONCLUSION

As previously stated, the general purpose of this article is to apply Gramsci's hegemonic theory to an empirical analysis of media content leading up to the recent invasion of Iraq. Because the media is an integral part of the public sphere, it is believed that a better understanding of the current dialogue going on in civil society could be achieved through this process. It is hoped that a comparative analysis of the media prior to the recent invasion of Iraq could allow for some speculation about the health of US global hegemony. In theory, one would assume that an effective hegemon would be able to dictate the parameters of a debate inside global civil society in terms that they choose. The general picture formed from this empirical study of the media, is that there were and are several debates surrounding the war. In essence, the fact that there was no global consensus suggests that the US was unable to control the discourse leading up to the war and frame the situation to its advantage. It is also significant to note that when compared to the first conflict in Iraq the onus of blame allocated inside the global media has shifted. Where in the first Gulf War it was Iraq who shouldered the

majority of the blame, during the recent invasion it was the US that was primarily determined to be culpable. This fact alone suggests that the credibility and therefore the hegemonic power of the US could be in decline.

In short, the debate reflected in the media does not follow the agenda put forth by the US and its allies. The WMD debate, which the "Coalition of the Willing" used as a pretext to invade Iraq, is a non-issue even to the majority of the media from the coalition itself. Japan is the sole exception, which might have to do with Tokyo's own WMD concerns about the Democratic People's Republic of Korea. Surprisingly, the WMD issue matters much more to Al-Jazeera and Arab News than to the rest of the media, excluding the Japanese-based Daily Yomiuri. Proximity and refutations could play a role in their concern with the topic. The alleged links between Iraq and different terrorist groups, another key reason given by the US for the invasion, are outright dismissed by the media, even in the US. The human cost of the eventual war ranks seventh among the ten categories in the study. Despite the efforts of the *Toronto Star, Arab News* and *African News*, the casualties of the coming war do not get much attention in the media.

The topical analysis of the media in the scope of this study seems to give credence to the hypothesis that the hegemon and its allies, despite commanding an enviable media influence, were not able to swing the debate towards "their" issues. The results seem to pose the question, could this be the beginning of the end of the hegemon's power to define?

The analysis of the blame assigned to the actors in the political drama preceding the war seems to be consistent with such a view. The "Coalition of the Willing" is deplored in half of the articles. The articles that either divide the blame more or less equally between all sides or remain neutral come in second place. Iraq comes third in this order, being blamed for the conflict only one third as many times the "Coalition of the Willing". The "unwilling", that is Germany, France, Russia and company are the target of scorn in just one-tenth of the articles. The United Nations seem to attract the least criticism (less than 4 percent, while being the topic of nearly three times more stories), which seems to confirm the hypothesis from the topical analysis: people around the world question the global sheriff (the US) more than the world city hall in the form of the UN.

While it is not surprising to see Arab News as the primary carrier for criticism of the "willing", it is worth noting that the coalition is getting some of its toughest treatment from the American *International Herald Tribune* the Danish *Politiken*,

the Canadian *Toronto Star* and the Australian *Canberra Times*. With *Politiken* and *Canberra Times* published in member countries of the anti-Iraqi coalition, the results seem to point to a significant fault line both between and within the countries comprising the West. The results seem to say that the US-led coalition was unable to convince its own media, let alone that of the world, of the rightness of its invasion.

The defection of the majority of the West seems even more interesting given the backdrop of the careful pronouncements in the media from Russia and China. While generally disapproving of the US-UK push for war, *Izvestia* and *People's Daily* acknowledge, both tacitly and explicitly, that confronting the US openly would be a mistake. Calculations of economic and geopolitical factors colour the debate in these media in pragmatic shades. Given that both Russia and China had their own concerns, like issues of terrorism, oil prices and trade relations, it is not surprising that the media in those countries remained fairly balanced in their critique of the situation.

When these empirical results are analysed through the lens of hegemonic theory, some intriguing assumptions and conclusions can be made. It can be said that there has been a significant shift in global public opinion against the US between the last Gulf War and the current invasion of Iraq. It has also been shown that the US is the primary global hegemon. Next, the way the US uses the media to disseminate its own worldview has been explained. Furthermore, the appearance of dissenting global opinions inside the world media has been shown to be a reflection of the discourse going on inside global civil society.

If this is in fact the case, then one can assume that this dissent inside civil society could be an early sign of historic blocs underneath the US hegemony beginning to defect. In other words, we could be witnessing the decay of US hegemonic power. This does not mean that this decay is in any way permanent or irreversible, but it does mean that more and more the US is being framed as an unethical hegemon. This fact, combined with the global crisis presented by the ongoing situation in Iraq, could be said to provide the conditions for the coming together of these defecting blocs. Further to this point it can be said that this coming together of historic blocs is one of the early signs of a cohesive counterhegemonic force.

However, having said this there are still a number of variables that would have to occur for this counterhegemonic scenario to play itself out. Firstly, these dissenting blocs would have to come together and put their individual concerns

aside in favour of focusing on their shared macro goal (opposing the unethical hegemon). This in and of itself is a monumental task that is almost impossible to comprehend, but it is a necessary condition for a counterhegemonic movement. Gramsci envisioned this process on a state level but since it has been shown that there is a global hegemon, these same requirements would have to be met on a global scale. Secondly, the US would have to ignore these dissenting blocs and fail to usurp their concerns and make them their own, thereby disrupting the cohesiveness and effectiveness of the counterhegemonic movement. Even so, it can certainly be said that the conditions are ripe for the emergence of a counterhegemonic force to confront the US global dominance. Due to this situation the hegemon is now faced with a critical foreign policy choice. The US can either begin to listen to the concerns of the blocs that make up their hegemony or they can ignore these criticisms and undermine their own legitimacy and power in the process. If the US begins to fail in the arena of consensus making inside civil society, the inherent rightness of their worldview comes into question and the universality of American common sense is undermined. How to confront this crisis of authority is one of the most important choices that the world's only superpower and ruling hegemon will. This choice will determine whether or not a counterhegemonic force will rise to power, or if the US will hold onto or tighten its grip on the world.

REFERENCES

African Times, The , (South Africa) Stories used from the 13th to the 19th of March 2003

Al-Jazeera Network (Qatar) Stories used from the 13th to the 19th of March 2003

Arab News (Saudi Arabia) Stories used from the 13th to the 19th of March 2003

Artz, Lee & Kamalipour, Yahya R. (eds.) (2003) *The Globalisation of Corporate Media Hegemony*. Albany: State University of New York Press.

Augelli, Enrico & Murphy, Craig (1988) *America's Quest for Supremacy and the Third World: A Gramscian Analysis*. London: Printer Publishers Limited.

Australian, The, (Australia). Stories used from the 13th to the 19th of March 2003

Baylis, John & Smith, Steve (eds.) (2001) *The Globalisation of World Politics: An Introduction to International Relations*. Oxford: Oxford University Press.

BBC Online (British broadcasting Corporation) (UK). Stories used from the 13th to the 19th of March 2003

Buenos Aires Herald, The, (Argentina). Stories used from the 13th to the 19th of March 2003

Bush, 2003, "President Bush Discusses Freedom in Iraq and Middle East*"* November 6th 2003, United States Chamber of Commerce, Washington D.C., available from: <http://www.whitehouse.gov/news/releases/2003/11/20031106-2.html> [accessed December 15th, 2003].

Canberra Times, The, (Australia). Stories used from the 13th to the 19th of March 2003

CDI, (2003), "Last of the Big Time Spenders: U.S. Military Budget Still the World's Largest, and Growing" Centre for Defense Information, available from: <http://cdi.org/budget/2004/world-military-spending.cfm> [accessed December 15th, 2003]

CNN (Cable News Network) (USA). Stories used from the 13th to the 19th of March 2003

Daily Yomiuri, The, (Japan). Stories used from the 13th to the 19th of March 2003

Downing, John D. H. (2001) *Radical Media: Rebellious Communication and Social Movements.* Thousand Oaks: Sage Publications.

Economist, The, (2003) "A Nation Apart: A Survey of America", November 8th-14th, 2003.

Ekachai, D., Greer, N., & Hinchcliff-Pelias. (1999). "International Students' Perception of Americans via U.S. Mass Media" in M. H. Prosser & K. S. Sitaram (Eds.), *Civic Discourse: Intercultural, International, and Global Media*. Greenwich, Connecticut: Ablex Publishing Co.

Entman, Robert M. & Page, Benjamin I. (1991) "The News Before the Storm: The Iraq War Debate and the Limits to Media Independence" in W. Lance Bennet & D.L. Palentz (eds.) (1994) *Just Deserts: The News Media, U.S. Foreign Policy and the Gulf War*. Chicago: University of Chicago Press.

Entman, Robert. M. (1991) "Framing U.S. Coverage of International News: Contrasts in the Narratives of the KAL and Iran Air Incidents", *Journal of Communication*, 41(1):6-27.

European Children's Trust, The (2000) "Poverty and Disease Threaten Millions of Kids", *Chicago Tribune*, (October 12, p. 14) in Lee Artz & Yahya R. Kamalipour (eds.) (2003) *The Globalisation of Corporate Media Hegemony*. Albany: State University of New York Press.

Ferguson, Niall (2003) "American Terminator", *Newsweek*, December 2003- February 2004.

Fox News, (USA). Stories used from the 13th to the 19th of March 2003

Frankfurter Algemeine Zeitung (FAZ) (Germany) Stories used from the 13th to the 19th of March 2003.

Fukuyama, Francis (1992) *The End of History and the Last Man.* New York: The Free Press.

Gitlin, Thomas, (1980) *The Whole World is Watching: The Making and the Unmaking of the New Left*. Berkeley: University of California Press.

Gramsci, Antonio (1971) (translated by Quentin Hoare & Jeoffrey Nowell-Smith) "Selections from the Prison Notebooks" in Forgacs, David (ed.) (1988) *A Gramsci Reader*. London: Lawrence and Wishart.

Guardian, The, (UK). Stories used from the 13th to the 19th of March 2003

Hallin, Daniel C. (1994) *We Keep America On Top of the World: Television Journalism and the Public Sphere*. London: Routledge.

Herman, Edward S. & McChessney, Robert W. (1997) *The Global Media: The New Missionaries of Corporate Capitalism*. London: Cassell.

Hindu, The (India) Stories used from the 13th to the 19th of March 2003.

Hirsh, Michael (2003) "Turned Upside Down", *Newsweek*, December 2003-February 2004.

Hofstra, 2002, "Global GDP, 2002", Hofstra University, New York, available at: <http://people.hofstra.edu/geotrans/eng/ch2en/conc2en/globalgdp.html> [accessed Dec.15, 2003]

Independent, The (UK) Stories used from the 13th to the 19th of March 2003.

International Herald Tribune, The (USA). Stories used from the 13th to the 19th of March 2003.

Izvestia (Russia) Stories used from the 13th to the 19th of March 2003.

Jones, Marsha & Jones, Emma (1999) *Mass Media*. London: Macmillan Press, Ltd.

Kagarlitsky, B (1997) "The Post-Communist World: From Crisis to Catastrophe", in R. Burbach, O. Nunez, & B. Kagarlitsky (eds.), *Globalisation and its Discontents: The Rise of Postmodern Socialism*, 153-169. Chicago: Pluto Press.

Kempf, W., (1996) *Gulf War Revisited. A Comparative Study of the Gulf War Coverage in American and European Media.* (Diskussionsbeiträge der Projektgruppe Friedensforschung Konstanz, Nr. 34.)

Li, Xing (2001) "From the WTO to the NMD: America's Dual Strategies to Permanent Preeminence" in *Journal of Diplomatic and Foreign Relations* 3(2):45-67.

Magder, Ted (2003) "Watching What We Say: Global Communication in a Time of Fear" in Daya Kishan Thussu & Des Freedman (eds.) *War and the Media: Reporting Conflict 24/7.* London: Sage Publications.

Mansbach, Richard W. (1994) *The Global Puzzle: Issues and Actors in World Politics.* Boston: Houghton Mifflin Company.

McCullagh, Ciaran (2002) *Media Power: A Sociological Introduction.* Hampshire: Palgrave.

McGrew, Anthony (2000) "Sustainable Globalisation? The Global Politics of Development and Exclusion in the New World Order", in Tim Allen & Alan Thomas (2000) *Poverty and Development into the 21st Century.* Oxford: Oxford University Press.

Molotch, H. L. & Lester, M. J. (1974) "Accidental News: The Great Oil Spill as Local Occurrence and National Event" in *American Journal of Sociology* 81(1):235-260.

Monde, Le (France) Stories used from the 13th to the 19th of March 2003.

Nohrstedt, Stig, & Ottosen, Rune (2000) *Journalism and the New World Order.* Goteborg: Nordicom.

Oxford Dictionary (1995) *Oxford Advanced Learner's Dictionary.* Oxford: Oxford University Press.

People's Daily, The (China). Stories used from the 13th to the 19th of March 2003.

Pilger, John (2003) *The New Rulers of the World.* London: Verso.

Politiken (Denmark). Stories used from the 13th to the 19th of March 2003.
Rice, Condolezza (2003) "You're Safe With Us" in *Newsweek*, December 2003- February 2004.

Samuelson, Robert J. (2003) "Penny Diplomacy" in *Newsweek*, December 2003- February 2004.

Sardar, Ziauddin (1999) "Development and the Locations of Eurocentrism", in Munck R. and O'Hearn (Eds.), *Critical Development Theory*. Zed Books.

Silverstone, Rodger (2002) "Finding a Voice: Minorities, Media and the Global Commons", in Gitte Stald & Thomas Tufte (eds.) *Global Encounters: Media and Cultural Transformation,I*107-124. Bedfordshire: University of Luton Press.

Shaw, Martin (1994) "The Theoretical Challenge of Global Society" in: Martin Shaw *Global Society and International Relation: Sociological Concepts and Political Perspectives,* 3-27. Polity Press.

Stald, Gitte & Tufte, Thomas (eds.) (2002) *Global Encounters: Media and Cultural Transformation*. Bedfordshire: University of Luton Press.

Thussu, Daya Kishan & Freedman, Des (eds.) (2003) *War and the Media: Reporting Conflict 24/7*. London: Sage Publications.
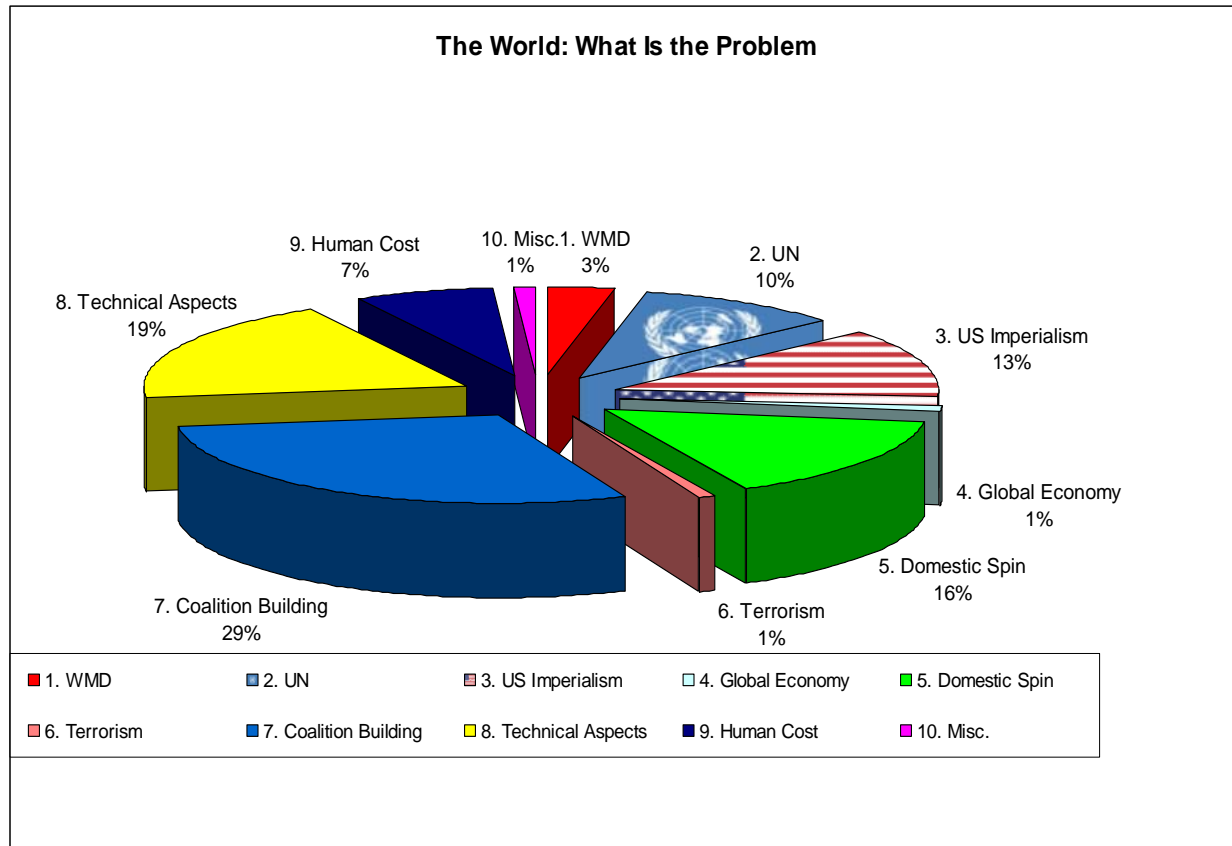
Toronto Star, The (Canada). Stories used from the 13th to the 19th of March 2003

Webster, Frank (2003) "Information Warfare in an Age of Globalisation", in Daya Kishan Thussu & Des Freedman (eds.) *War and the Media: Reporting Conflict 24/7*. London: Sage Publications, pp.57-69.

World Bank, 2003, "PPP GDP 2002" *World Development Indicators database*, World Bank, July 2003, available from: <http://www.worldbank.org/data/databytopic/GDP_PPP.pdf> [accessed Dec. 15, 2003].

RESULTS INTERPRETATION CHARTS[9]

CHART 1. TOPICAL DISTRIBUTION OF ALL UNITS IN THE SAMPLE

The World: What Is the Problem

- 9. Human Cost 7%
- 10. Misc. 1%
- 1. WMD 3%
- 2. UN 10%
- 8. Technical Aspects 19%
- 3. US Imperialism 13%
- 4. Global Economy 1%
- 5. Domestic Spin 16%
- 7. Coalition Building 29%
- 6. Terrorism 1%

Legend:
- 1. WMD
- 2. UN
- 3. US Imperialism
- 4. Global Economy
- 5. Domestic Spin
- 6. Terrorism
- 7. Coalition Building
- 8. Technical Aspects
- 9. Human Cost
- 10. Misc.

---

[9] The source for charts 1-5 and chart 8 is the authors' own empirical data.

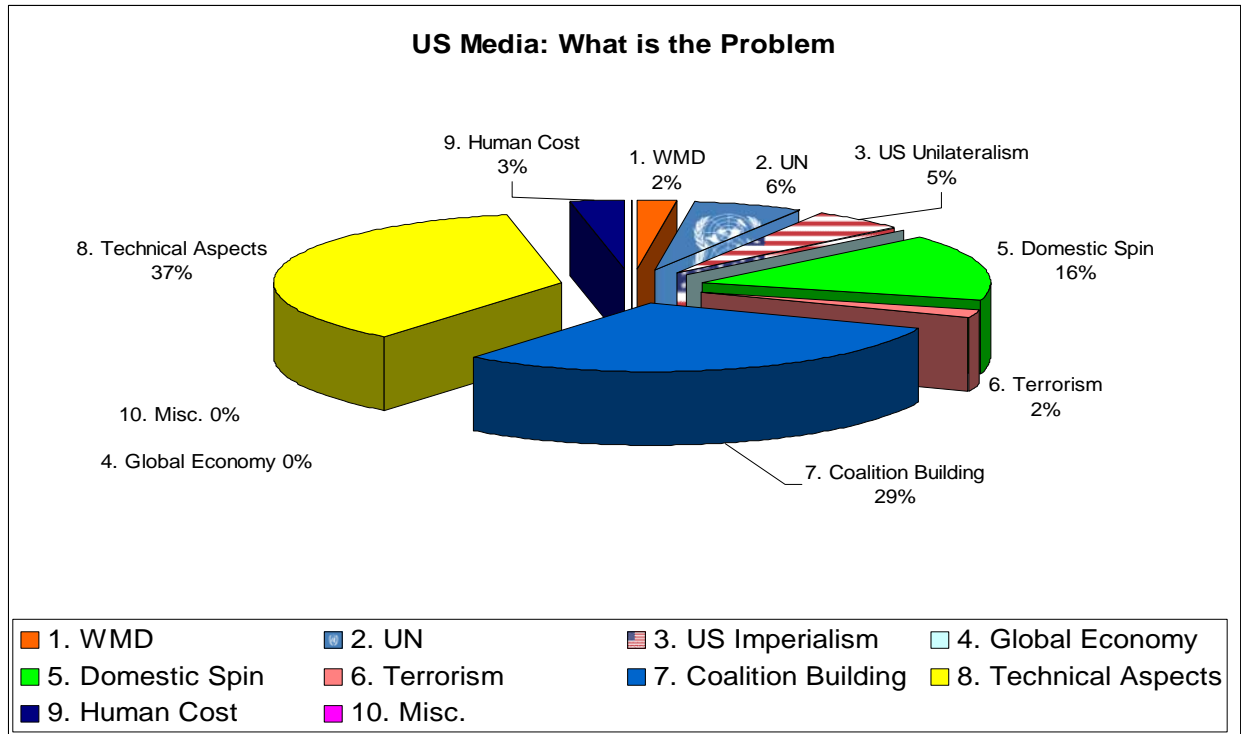**Chart 2**. Topical distribution of the news from US-based media
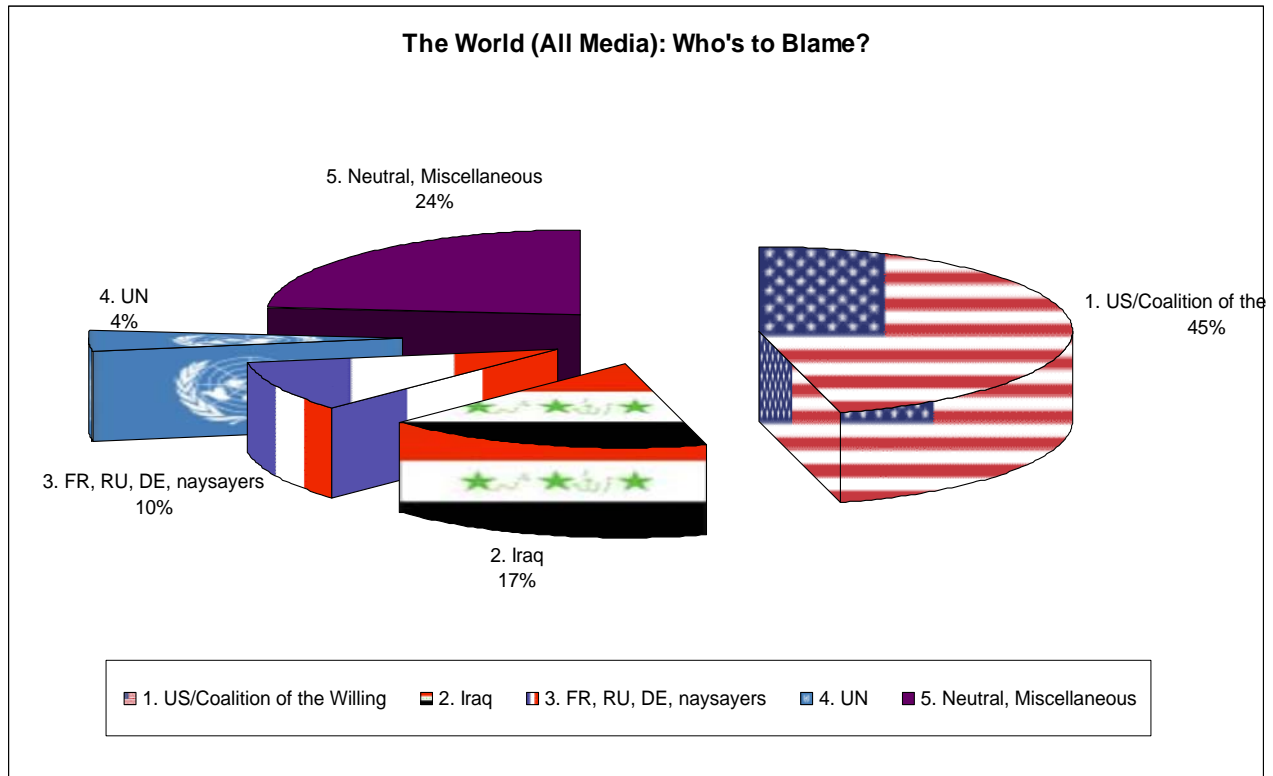

Chart 3. Blame distribution from the total sample

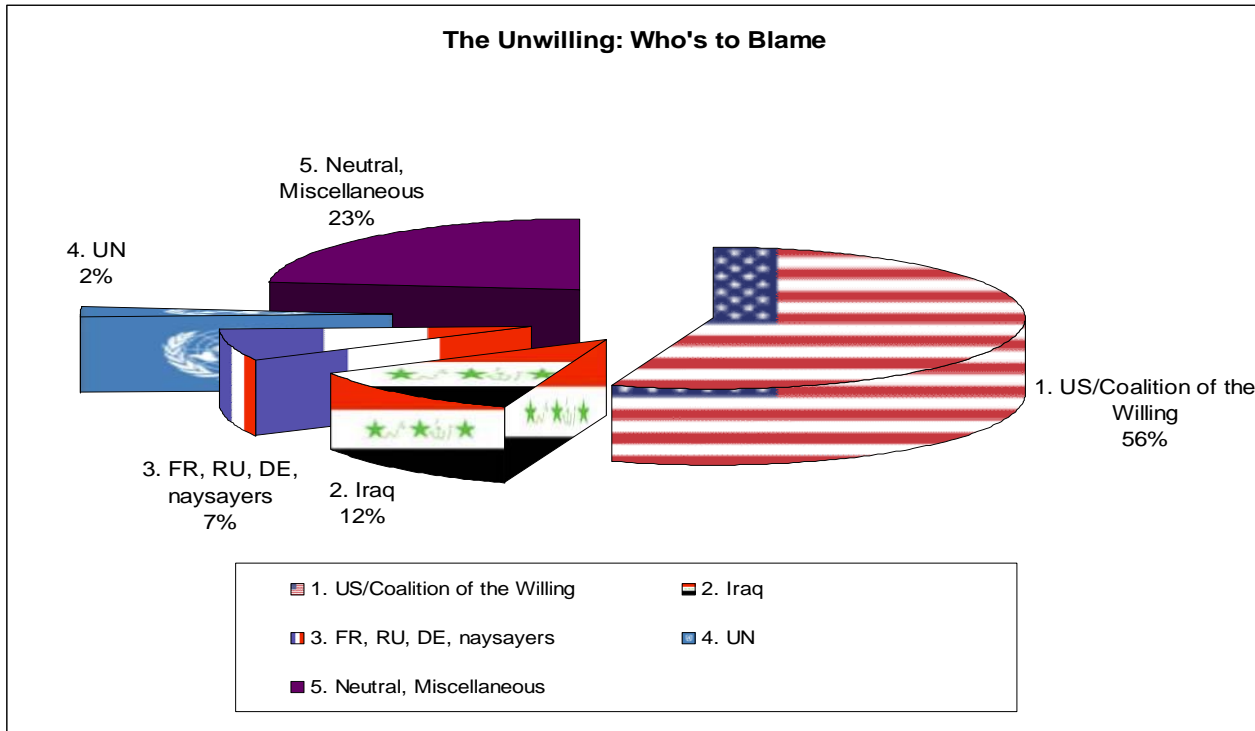**CHART 4.** BLAME DISTRIBUTION - COUNTRIES OPPOSING THE US INTERVENTION

The Unwilling: Who's to Blame

5. Neutral, Miscellaneous
23%

4. UN
2%

1. US/Coalition of the Willing
56%

3. FR, RU, DE, naysayers
7%

2. Iraq
12%

- 1. US/Coalition of the Willing
- 2. Iraq
- 3. FR, RU, DE, naysayers
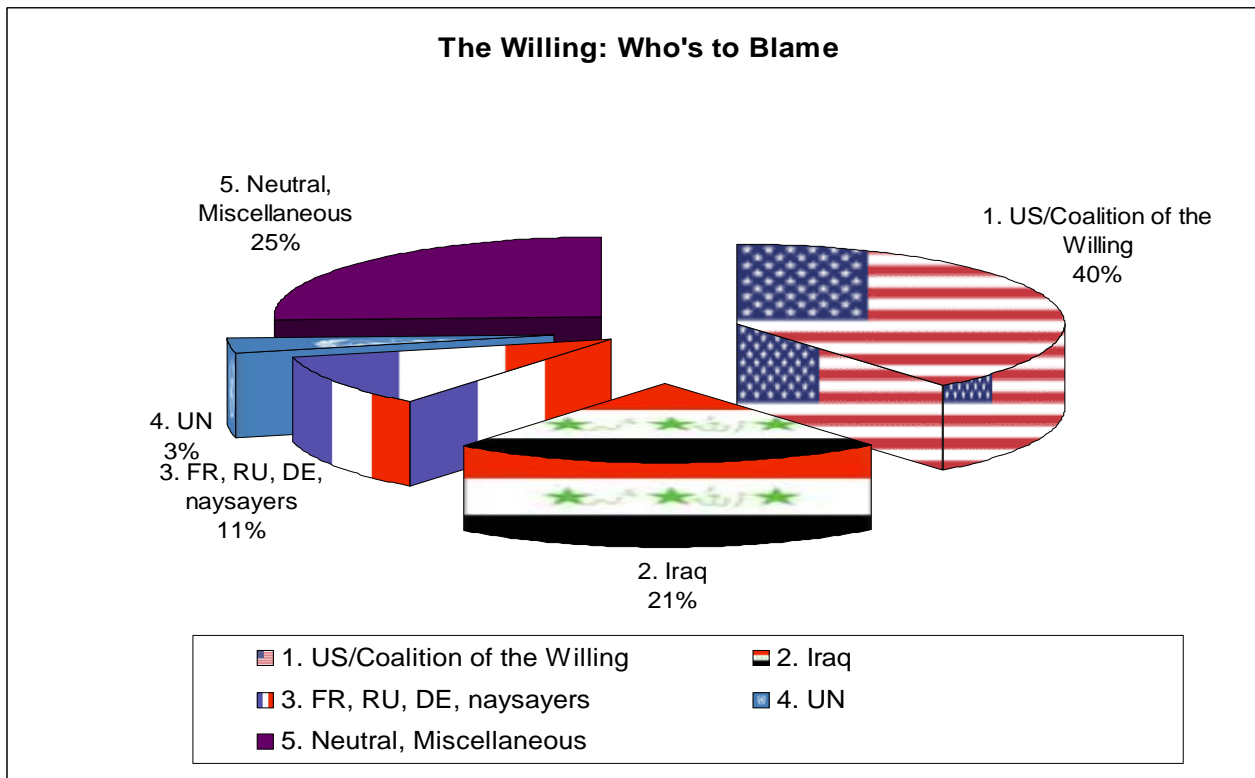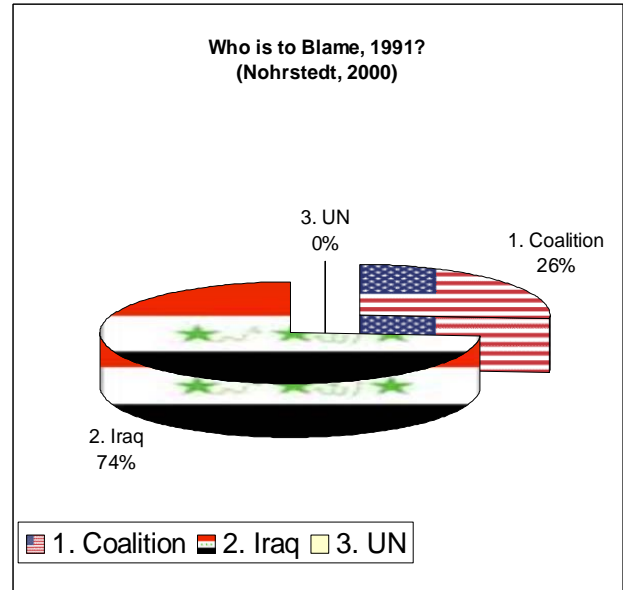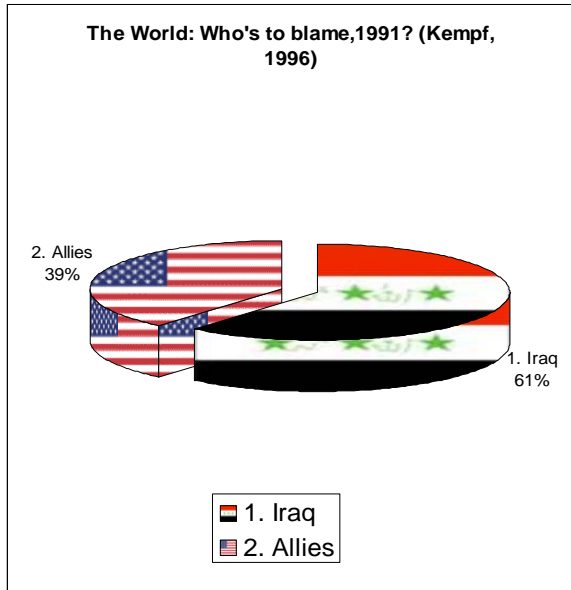- 4. UN
- 5. Neutral, Miscellaneous

**CHART 5**. BLAME DISTRIBUTION FROM THE 'COALITION OF THE WILLING'.

The Willing: Who's to Blame

5. Neutral, Miscellaneous
25%

1. US/Coalition of the Willing
40%

4. UN
3%

3. FR, RU, DE, naysayers
11%

2. Iraq
21%

- 1. US/Coalition of the Willing
- 2. Iraq
- 3. FR, RU, DE, naysayers
- 4. UN
- 5. Neutral, Miscellaneous

CHARTS 6 AND 7. BLAME DISTRIBUTION DURING GULF WAR 1991

Source: Kempf (1996)   Source: Nohrstedt (2000)

CHART 8: BLAME DISTRIBUTION IN THE STORIES FROM US-BASED MEDIA.
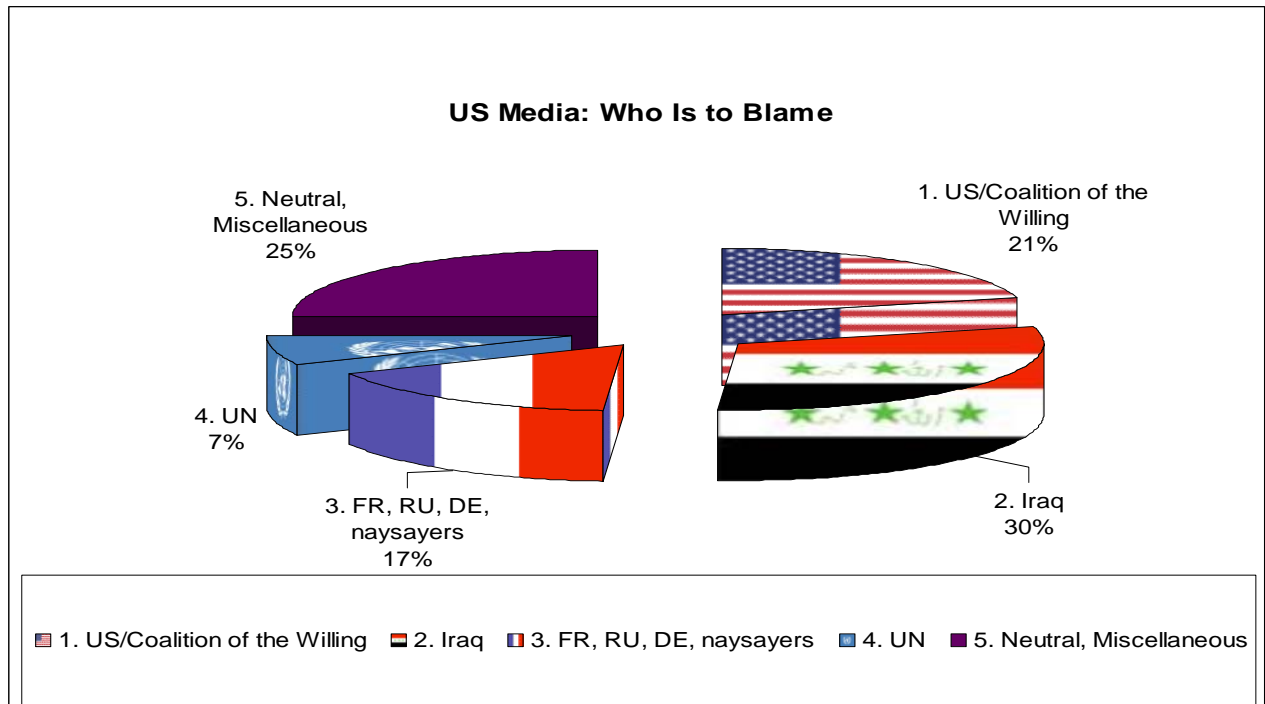
INTERNATIONAL REGIMES FOR THE PROTECTION OF HUMAN RIGHTS: ANALYTICAL IMPLICATIONS OF THE EU CHARTER OF FUNDAMENTAL RIGHTS

Victor D. Bojkov[*]

Abstract:

This article taps into the experience of creating regional human rights regimes in three different regions in order to extract certain commonalities that help create an analytical framework that is valid across the board. It then positions the EU Charter of Fundamental Rights into the so-constructed framework in order to examine the extent to which the two are compatible with each other. While the Charter clearly lends itself to analysis through reference to the framework's four main dimensions – historical context, regional ethics, strong commitment to implementation and jus commune *– it also introduces two additional ones. These stem from the particular context within which the Charter was created and are related to its purpose of legitimising the EU integration project and giving it a written constitutional form. Although the Charter presents itself as a peculiar case among the analysed regional human rights regimes, the article argues that on the most fundamental level its kinship with the family of international human rights instruments is uncontested.*

INTRODUCTION

The present article is an attempt to construct and operationalise a tentative analytical framework conceptualising the establishment of regional human rights regimes. For this purpose, it first draws upon the experience of three regions and the regimes they have established in order to extract the framework's dimensions. Subsequently, the article takes up the case of the EU[10] Charter of Fundamental Rights and searches for the possible analytical implications of its creation. Both levels, the regional and the sub-regional (i.e. the EU) are treated as locations in which sources of explanations for the observed phenomena, the creation of human

---

[10] Hereinafter referred to as the European Union, or the Union, regardless of the period.

rights regimes, can be found (Buzan 1995:199). In this sense, they are distinguished ontologically as being different units of analysis. The main purpose of the article is to establish whether they should also be distinguished along the second of Moul's (1973:495) principles, epistemologically, as introducing different variables in explaining the particular outcome.

Conceptually, the article bases itself on regime theory in international relations, broadened by the specificity introduced by the subject-matter of human rights regimes, and on the two contrasting positions regarding the reasons and motives of states to create them. The purpose of the theoretical discussion is to come up with relevant analytical dimensions that help construct a conceptual framework for the analysis of regional human rights regimes. Although they exhibit a number of differences in terms of the type of rights they codify and the implementation mechanisms they contain, the article claims that they can be explained through reference to fundamental characteristics shared among them.

Structurally, the article is divided in two parts. At the outset, the presentation is focused on the tenets of regime theory and the two resulting perspectives on the creation of human rights regimes. It is argued that the latter widen the scope of regime theory by introducing the notion of normative motivation drawing on a purportedly universalisable sense of justice besides the idea of self-interest. Subsequently, human rights regimes span this widened scope of regime theory as they are the outcome of varied calculations. It is thus possible to observe a combination of interest and ideology in any of them and this forms the fundamental background to their analysis. Through reference to three regional human rights regimes, the article defines four conceptual dimensions of such analysis: historical context, regional ethics, strong commitment to implementation and *jus commune*.

In the second part, the article takes up the case of the EU Charter of Fundamental Rights in order to ascertain whether the so constructed analytical framework is adequate for its analysis or whether the Charter presents it with irreconcilable conceptual tensions. Although the Charter lends itself to discussion through reference to the four analytical dimensions, it also introduces two additional ones – legitimacy and constitutionalism. Because of the specificity of the European Union, any consideration of the Charter that does not incorporate the latter is necessarily incomplete. In view of this, the answer to the question posed in the second part of the article is negative.

REGIME THEORY AND REGIONAL HUMAN RIGHTS INSTRUMENTS

In international relations (IR), states often resort to regulating their cooperation in the form of specific regimes, which postulate the expected behaviour in given areas and ensure, with more or less rigour, that the norms they contain are complied with. The abundance of such regimes codifying the regulation of various sites where states' interests meet and interact, ranging from the regulation of waterways navigation, through trade, monetary and environmental policies, to nuclear weapons non-proliferation, has given rise to a strand within IR thought dealing exclusively with their formation, functioning and place within the wider theoretical foundations of the discipline. Through its focus of study and the host of relevant insights generated thereof, regime theory has "made considerable progress in its own right" within the field of international relations (Buzan 1993:328).

REGIME THEORY

Regime theory is the outcome of the analytical endeavour to articulate a concept that captures and explains the multiple patterns of interaction observed among states in their relations (Keohane and Nye 1977, Krasner 1983a, Keohane 1989a, Rittberger 1995, Hasenclever *et al.* 1996). One of the widest definitions of regimes sees them as "patterned behaviour" (Puchala and Hopkins 1983:26), thus encompassing an enormous set of phenomena in interstate interaction. Limiting those to the explicit agreement among governments within a given policy area, Keohane (1989b:4) defined regimes as "institutions with explicit rules, agreed upon by governments, which pertain to particular sets of issues in international relations". The prevailing definition, however, was provided by Krasner (1983b:2) who was much more inclusive by claiming that international regimes are "implicit or explicit principles, norms, rules, and decision-making procedures around which actors' expectations converge in a given area of international relations".

Although the last definition offered to widen the scope of regime contents by acknowledging the importance of principles and norms besides rules and considered them in their implicit character as well, Krasner preserved the overwhelming focus on material self-interest behind regime formation and functioning. For the latter to be effective and indeed possible, some sense of common interest was perceived as an indispensable condition. Young (1994) supported this claim in observing that, despite the acknowledged need for a regime regulating environmental policy, the divergence of economic goals

between industrialised and less developed nations makes its formation difficult. And since the interests underlying any regime are articulated in the structure of preferences within individual countries, the more convergence and overlap among them, the higher the success in implementing the regime (Milner 1997).

All of the above inevitably invites the question of whether international human rights instruments should be considered within the framework of regime theory and whether, in fact. they deserve the label "regimes" at all. They do represent institutions with explicit rules agreed upon by governments, and they also imply the convergence of actors' expectations, but do they really pertain to an area of international relations? Their subject matter being the regulation of relations between rulers and ruled within political communities,[11] human rights instruments are perhaps more aptly categorised as a phenomenon of domestic-political rather than international-relations importance. However, on the account that by signing up to international human rights instruments governments accept a commitment towards the other government-parties to that instrument, the last claim is unreasonable and the natural belonging of such instruments to the area of interstate relations seems uncontested. With respect to this, human rights instruments naturally belong to the family of international regimes at a fundamental level: the fact of state acceptance of certain normative and procedural constraints as legitimate and of international authority replacing a certain area of the original national sovereignty (Donnelly, 1986:602). Human rights thus represent just another issue-area in which states choose to renounce parts of their sovereign national authority through an international regime, in order to reduce the costs of anarchy.

It is in another related aspect, that their conceptualisation within regime theory is more problematic and here it is the theory that widens and adapts, rather than the idea of human rights instruments. Analysing them, Beitz (2003) posed the thesis that they do not only institutionalise existing interaction. On the contrary, being normative standards within various political arenas, they propagate change and ideals. Because of its nature, human rights codification attracts a host of normative thinking basing itself on a purportedly universalisable sense of justice rather than on the idea of self-interest. It is precisely the seeming irreconcilability between these two that Hurrell (1995) took as his cue in making the case for expanding the focus of regime theory. In his analysis, human rights codification

---

[11] According to Jones (1994:3), human rights developed in the mid-eighteenth century as political instruments fulfilling the function of checks upon political power.

came as a useful tool to conceptualise the relation between law and norms on the one hand, and power and interests on the other beyond the narrowing view of seeing the former as simply a reflection of the latter.

The argument can be advanced in two steps. Firstly, the sustained interaction of states within the international system develops quasi-societal qualities by generating the interest of maintaining common rules and institutions often based on normative considerations (see Bull and Watson 1984). Secondly, the existence of such qualities of interaction, implying a degree of common identity among its actors, is indispensable for the creation and functioning of any regulatory regime (Buzan 1993). Within this idea, Hurell (1995) saw international law as the political foundation that is necessary before regimes can come into play. The degree of identity sharing in this sense ranges from the mutual recognition of sovereign actor-ness (minimal) to the acceptance of the fundamental values of the other as one's own (maximal). This view is consistent with Kratochwil's influential contentions that classic regime theory is characterized by an egregious lack of familiarity with legal theory (1984:344) and that the conception of law as a coercive order needs revision (1984:345).

The above presents the case for widening the scope of regime theory by inserting normative considerations into the process of preference formation by participating actors. International human rights regimes[12] create another pole in its categorisation structure where cooperation is prompted not exclusively by the states' self-interest, but also by legitimate normative thinking resulting from their perception of shared identity and the need to preserve the established political order, both domestically and internationally. As much as human rights regimes are defined by material state interest (e.g. Britain and the regime of abolishing slave trade in the eighteenth century), they are also the product of defending shared values and principles, such as human life and human dignity - an especially relevant idea after the Second World War - and liberalism and democracy, carefully protected among Western European states after 1950. In other words, to discuss human rights in terms of regimes requires the important reconciliation of the convenient view that regimes lend structure to politics with the far less congenial position that rules lend structure to structure (see Onuf and Peterson 1984:329).

---

[12] After the preceding discussion it is justified to label international human rights instruments 'regimes'.

The idea of human rights is plagued by difficult-to-reconcile debates at a number of levels. Firstly, the understanding of human rights as naturally belonging to individual human beings[13] opposes the view that they only exist within codes agreed collectively that provide a corresponding duty, usually held by an authoritative institution.[14] Secondly, and related to the above, human rights are contested with reference to their spatial applicability. One side, espousing Burton's (1972) ideas on world society, holds that they are universally applicable across the globe. The other sees them as socially embedded and only making sense if emerging within a certain social context and corresponding to its particular conception of the "good life". The latter view challenges the former's individualist approach as socially destructive by arguing the need for a more community-oriented stance (Marx 1987).[15] The third distinction refers to generations of rights, the most contested one discussing the relative importance of civil and political rights on the one hand, and economic and social rights on the other. It is a debate of primacy, within which one side holds that without civil and political rights no community of people at any level can achieve economic and social rights;[16] the other side countering that without enjoying economic and social rights in the first place it makes no sense to possess the civil and political rights.[17]

---

[13] The idea of natural rights is seen as directly linked to the concept of liberalism that evolved in Western political thought from the Enlightenment period onwards. Human rights are thus 'natural', conceived as a moral entitlement which human beings possess in their natural capacity as humans, and not by virtue of any special arrangement into which they have entered or of any particular system of law under which jurisdiction they fall (Finnis 1980). Locke is arguably the most prominent defender of the idea claiming that certain rights self-evidently belong to the individuals as human beings (see Locke 1990).

[14] Bentham held that human rights are "nonsense upon stilts" and a contradiction in terms if not established by a system of positive law with the corresponding duty of an institution of authority (Bentham 1987:53). Relatedly, Burke saw the proclamation of "natural rights" in declarations and charters as a socially dangerous and inadequate substitute for effective legislation (Burke 1790).

[15] The individualist approach was defended by Dworkin as a possibility to "trump" collective objectives which infringe on individual freedoms (Dworkin 1977: xii). Habermas (2001), on the other hand, argued that the very concept of rights makes sense only within a collectivity of individuals who agree through deliberation on their exact contents, scope and form.

[16] Sartori (1965) saw it as an inherent feature of any democratic political system that it is the most socially and economically vulnerable who will make full use of their civil and political rights in order to better their condition. For Cranston (1964, 1967:43-52), economic and social entitlements do not satisfy a number of conditions, which prevents one from qualifying them as rights proper.

[17] Beetham (1995:59) defended the view that corresponding duties for economic and social rights are assignable and practicable. Relatedly, Wieruszewski (1994:69) attacked the problem of whether

ANALYSING HUMAN RIGHTS REGIMES

Stemming from the above and vindicating human rights regimes as spanning a wide range of possible explanations as to their emergence, there exists most broadly two conflicting approaches to analysing them. One holds that states form such regimes out of altruistic and ideological reasons. It puts predominant stress on the power of ideas to reshape the understanding of national interest (Sikkink 1993). The outcome is twofold: a willingness to surrender a degree of sovereignty and a preparedness to project human rights standards internationally. Through a process of transnational socialisation, helped by the inherent "logic of appropriateness" of human rights regimes, eventually all states see it as an important element of their membership in international society to sign up to them (Finnemore and Sikkink 1998). Because of the impact of principled ideas and norms on identities and interests, the "spiral model" of socialisation easily becomes self-sustainable after exerting international pressure solely defined by ideological reasoning on hesitant states (Risse and Sikkink 1999:17-35).

Putting the emphasis on material interests, the other approach informed by realism in IR sees human rights as yet another instrument of pursuing geopolitical goals. Krasner, who defined international human rights regimes as mechanisms "designed to encourage some states to adopt policies that they would not otherwise pursue' (1995: 140), claimed that 'only when powerful states [had a material interest to] enforce principles and norms were [such] regimes consequential" (1995: 141).[18] Relatedly, Miller (1979) saw human rights as mere interests in disguise - a view supported by Herman and Chomsky (1979) who accused the US of often abusing the language of human rights in order to ensure a favourable investment climate abroad. Evans (2001) supported this claim by defining human rights as the outcome of politics, and human rights regimes as reflecting the interests of the hegemon in international relations.

economic and social rights should be taken seriously at all with the problem of how to proceed once the inevitable agreement that they should be taken seriously had finally been arrived at.

[18] In his study Krasner took up four cases. Religious toleration was successfully imposed only in the 17th century in areas where local rulers were too weak to resist (1995:144-52). Slave trade was abolished because major European powers, notably Great Britain, vigorously monitored and enforced the regime (1995:152-5). The protection of minority rights in Europe in the 19th and the beginning of the 20th centuries failed because the dominant powers were unwilling to enforce treaty provisions (1995:155-61). Finally, the modern regime of individual human rights protection has been only fitfully and incompletely accepted, because the most powerful advocates of universal human rights, such as the USA and West European states, have not had the resources and inclination to compel or entice recalcitrant states to accept such practices (1995:161-4).

It is obvious that the above two views are conflicting, but are they mutually exclusive? If human rights regimes do indeed span a wide range of categorisations within regime theory, e.g. explanations arising out of state interest and explanations arising out of their inherent logic of appropriateness, then it makes sense to identify analytical dimensions belonging to both sides in analysing any of them. Ignatieff (2001) recognised this duly in seeing the complex nature of human rights regimes as necessarily implying that different states join them for different reasons. Both the politics of interest and the power of ideas exist and are observable in different composition in the reasons of every state to become a contracting party to a certain human rights instrument. Because it is specific to the state parties, this analytical dimension is hard to capture in its totality for any given regime only by referring to the regime itself. It does, however, create a useful conceptual background to the effort of identifying and analysing four other explanatory factors that together establish a framework fit for application across the board.

In the current state of affairs, there are a host of global international human rights instruments spread along the issue areas that they codify. Three of them, the Universal Declaration of Human Rights of 1948 and the two International Covenants of 1966[19] form the core of the global human rights regime. The Covenants span the globe in having almost universal membership. In accordance with the UN Charter, there have also been several successful attempts at establishing regional human rights regimes open for membership to the states within a given region and applicable only within that region. So far there have been three such regimes: (1) the 1950 Convention for the Protection of Human Rights and Fundamental Freedoms (ECHR); (2) the 1969 American Convention on Human Rights (the American Convention); and (3) the 1981 African Charter on Human and Peoples' Rights (the African Charter). In the Asian continent it has not yet been possible to establish a regime of a comparable level of detail.

Bearing in mind the above, the question arises: how can we explain the emergence of those regional regimes in broad enough terms that are valid for all? Each of them, of course, has its own idiosyncrasy based on the interaction among its contracting parties and their motives to participate. If, however, commonality exists this makes it possible to construct through comparison a generalisable model of analysis – a line of research that has been well defined and defended by

---

[19] These are the International Covenant on Civil and Political Rights (ICCPR) and the International Covenant on Economic, Social and Cultural Rights (ICESCR).

Landman (2002). After all, the resemblance that regional human rights regimes have with each other are hardly coincidental (Onuf and Peterson 1984:338). Starting from the background analytical dimension, that interest and ideology are simultaneously present in the foundations of any of them, the following is an attempt to identify an explanatory framework empirically based across the regions where such regimes exist.

To start with, there is the important element of historical context generating a certain geopolitical interest in establishing each of the regimes. The end of the Second World War, dubbed the "human rights war",[20] brought home the realisation that codifying certain norms and monitoring their implementation is indispensable to the effort of avoiding its recurrence. This realisation gave the necessary political impetus to initiate the creation of the global human rights regime in the first place. Completing the dimension of historical context is the following sharp ideological division of political doctrine between East and West, which resulted in a bi-polar world of enhanced cohesion within both sides and prolonged confrontation among them. It split the global regime in two parts (i.e. the two International Covenants) and, more importantly, provoked the geopolitical interest of both Western Europe and the USA[21] in establishing human rights regimes making political authoritarianism less likely.

For similar reasons, Eastern Europe remained without a human rights regime while, in the post-colonial context, Africa responded to the predominantly individualist conception adopted by Western liberal democracies with a more socially oriented instrument codifying a host of collective duties and rights within its norms. Thus diversity, for the most part, arose out of the context within which the regional regimes were established. It materialised in the set of rights enshrined by the given instrument and, relatedly, the nature and degree of effectiveness of the implementation mechanism it contains. The European system of human rights protection personified by the ECHR, for example, restricted itself to civil and political rights "necessary in a democratic society", and did not accord much prominence to rights contributing to an "ideal commonwealth" (Robertson

---

[20] "The last [the Second World] War was essentially the 'human rights' war, inflicted on peoples by those who espoused a monstrous racist doctrine, and waged simultaneously against man and the community of men, with unprecedented systematic cruelty" (René Cassin at a Press Conference on 8 July 1947, quoted in Leben 1999: 87).

[21] Donnelly (1986:625, 637) found a reasonable explanation for the establishment of the American Convention in the dominant power of the USA, which employed its hegemonic status to ensure the regime's creation and support its operation.

1982:83, van Dijk and van Hoof 1990, Vasak 1982). By contrast, the American Convention, drawing on the 1948 American Declaration of the Rights and Duties of Man, incorporated a wide set of social and economic rights, owing to the negative effect that unemployment and social exclusion have had on Latin American societies (Panizza 1993, Panizza 1995:187).

In its turn, the Charter of Banjul, establishing the regime of human rights protection within the Organisation of African Unity, added a rather comprehensive set of social duties towards the family, the nation and the state (see Espielli 1982, M'Baye 1982, Ndiaye 1982, Kaballo, 1995). Howard (1986:15-7) saw this as the outcome of the specific set of social values characteristic of the African continent, whereby life is communal and decision-making is consensual and distributive. Finally, in Asia, a human rights regime spanning all the continent still remains a remote eventuality (see Halliday 1995, Christie 1995, Yamane 1982, Boutros-Ghali 1982). The Cairo Declaration of 1990 and the Bangkok declaration of 1993[22] demonstrate a certain level of agreement, but fall short of establishing a fully fledged regional human rights regime containing a comprehensive set of rights and determining an implementation mechanism.[23]

The above description leads to the second analytical dimension in conceptualising regional human rights regimes. It is derived from Dower's (1998) idea of distinguishing between systems of global and regional ethics. Regional human rights regimes prove to be much more suitable than their global counterparts in grasping and adapting to regional ethics. They aptly pay attention to local circumstances and benefit from a regionally-tailored approach, which does nevertheless incorporate certain universal principles. Being "the local bearers of a global burden" (Vincent 1986:95), regional human rights regimes are consistent with the ideas of IR theorists, for whom the world of states is organised in an

---

[22] The Bangkok Declaration of April 1993 preceded the 1993 World Conference on Human Rights and was a regional, Asia Pacific, contribution to the Vienna Declaration along with the Tunis Declaration of November 1992 and the San José Declaration of January 1993 (see Boyle 1995:80-1).

[23] The implementation mechanisms of these regimes also differ substantially. ECHR (see Hhttp://conventions.coe.int/treaty/en/Treaties/Html/005.htmH) only incorporated individual complaints later in its development. The judgements of the Court in Strasbourg, however, have had an enormous effect on domestic legislation regarding the protection of human rights. Within the American Convention (see Hhttp://www.cidh.oas.org/Basicos/basic3.htmH) states were obliged to accept individual complaints. However, its Court has been less influential. Finally, the African Charter (see Hhttp://www.hrcr.org/docs/Banjul/afrhr.htmlH) resorts to the well-established but much less effective mechanism of periodical state reporting and monitoring compliance. The Cairo Declaration is available at Hhttp://www.humanrights.harvard.edu/documents/regionaldocs/cairo_dec.htmH and the Bangkok Declaration at Hhttp://www.thinkcentre.org/article.cfm?ArticleID=830H

international society exhibiting various layers of cohesion and commonality embedded in each other (Bull 1977, Buzan 2004). Regional instruments bring the analysis one level down, which opens the space for a more detailed codification in terms of human rights of the system of regionally specific ethics of interaction between states, and between states and the individuals under their jurisdiction.

Thirdly, and related to their embeddedness within a stronger social environment, regional human rights regimes emerge as counterweight to the realisation that ratification of global instruments may not be even a crude guide to the actual commitment to human rights protection in the contemporary world (Vincent 1986:99, Falk 1981:33). Indeed, as Landman (2001) and Keith (1999) demonstrated empirically, the bigger number of states signing up to global human rights regimes does not necessarily imply an improvement in the standard of protection. Regional regimes are thus a way to withdraw the possibility for states to reap the legitimacy of being party to the International Covenant on Civil and Political Rights, for example, without bearing the costs of compliance.[24] They are an expressed manifestation of the interest on the part of their contracting parties in mutually binding each other to a certain mode of political behaviour, thus extracting a stronger commitment to implementation than the global regimes. This idea relates positively with Moravcsik's (2000) republican liberalism thesis explaining the creation of the ECHR.[25]

Finally, regional regimes appear to be the best operationalisation of the division between *jus commune* and *jus proprium* in human rights norms. Leben (1999) conceptualised it as the fundamental distinction in human rights protection that is observed at each level of analysis. At the regional level, it separates the individual understanding of human rights protection by each state (*jus proprium*) from the dispositions shared across the region (*jus commune*). The bigger the latter, the more ground for creating an effective regional human rights regime. The division can be seen as mirroring internationally, at a higher level of analysis, the reconciliation of individual moralities held by autonomous persons within bounded political communities (Ingram 2002:217-8) and relates the creation of regional regimes to the political theory of reconciling conflicting claims to rights.

---

[24] This statement must be qualified as, no doubt, some regional regimes are more effective than others. Among its counterparts, the most far-reaching are the effects produced by the ECHR, which remains the "jewel in the crown" in human rights protection (Lalumiére 1993:xv).

[25] Moravcsik (2000:225-8) claimed that the self-interest on the part of its contracting parties to "lock in" democratic rule domestically and abroad through the enforcement of human rights, was essential in the creation of the ECHR.

In view of the above, it is important to analyse regional regimes as initially originating from the human rights *jus commune* within the region and subsequently sustaining and developing it. Such regimes are never constructed on *tabula rasa* (Dower, 1998). They draw norms from both one level up - the global human rights regimes, and one level down - the national constitutions and legal systems of their contracting parties. The case of the ECHR is particularly relevant here. Its norms combined much of what was already codified by the ICCPR with the common traditions of the participating states. In the words of one of its creators:

> *…[t]he nations of western Europe [were] co-heirs to an inheritance, a common heritage [in need of] protection. It was only necessary to make a comparison of the provisions in the constitutions, declarations of rights, statutes and customary laws […] with reference to human rights [in order to extract] the points of resemblance* (Teitgen 1993:3).

The *just commune* on which the Convention could be based was thus particularly large. Relatedly, the operation of the Convention itself and the case-law of its Court time and again reinforced and re-interpreted this *jus commune* by requiring "guilty" governments to amend legislation, grant human rights remedies or pay monetary damage to claimants (Carter and Trimble 1995: 309).

These four analytical dimensions, historical context, regional ethics, commitment to implementation and *jus commune*, form a coherent conceptual framework for the understanding of regional human rights regimes. It is embedded in both the wider regime theory and the resulting two contrasting approaches to explaining state motives for signing up to human rights instruments. As much as these dimensions are relevant in the analysis of the regional human rights regimes placed at the level immediately below the global, it is not self-evident whether they can be successfully utilised at an even lower level of analysis. The case of the EU Charter of Fundamental Rights is particularly relevant in this regard as it represents an effort of sub-regional norm codification. Is the so constructed analytical framework adequate for its analysis or does the Charter present it with irreconcilable conceptual tensions? An answer to this question is the objective of the remainder of the article.

ANALYTICAL IMPLICATIONS OF THE EU CHARTER OF FUNDAMENTAL RIGHTS

If the subject-matter of human rights presents regime theory with interesting horizons, so does the European experience among its counterparts. It stands out as the environment where norms and principles have found their strongest support and have generated a considerable compliance pull beyond what other regional human rights regimes have managed to secure within their geographical remits. Yet it seems to be on the verge of splitting, following the creation of the EU Charter of Fundamental Rights. The latter represents an ontologically separate level of analysis in representing a human rights regime within an already existing regional regime, the ECHR. The Charter is influenced by, and borrows from the Convention in many respects. But does it also create another epistemological level of analysis by introducing analytical dimensions additional to those already established above? In other words, can the creation of the Charter be explained through reference to historical context, regional ethics, stronger commitment to implementation and *jus commune,* or does it make those irrelevant and require the introduction of additional analytical concepts?

Before engaging with these questions, a few words on the Charter are in order. The idea for its creation acquired the first joint high-level public acknowledgment at the European Council of Cologne in June 1999 during the German Presidency of the European Union.[26] The member-state executives agreed to give a mandate to a special body, whose composition was to be decided by the end of the same year, to start working on the text. After several months of discussing which institutions should be represented in the drafting convention and how, the 1999 Tampere European Council defined its representation to include national governments, national parliaments, the European Parliament and the Commission, with representatives of the European Court of Justice involved as observers. Work commenced soon after that and at the Nice Summit at the end of 2000, the European Parliament, the Commission and the Council solemnly proclaimed its outcome: the Charter of Fundamental Rights of the European Union consisting of

---

[26] "Presidency conclusions of the Cologne European Council", 3-4 June 1999, European Council Decision on the drawing up of a Charter of Fundamental Rights of the European Union, available at Hhttp://europa.eu.int/council/off/conclu/june99/june99_en.htmH.

seven sections and fifty four articles and containing no implementation mechanism.[27]

In comparison to the three regional human rights regimes considered in the first part of the article, the Charter stands out as a qualitatively new type. It not only binds the EU member states, but also the Union's common institutions. This has not been the case with the Council of Europe, the Organization of American States or the Organization of African Unity. In addition, its ratification by the contacting parties is not independent but forms an integral part of the process of ratifying the so-called Constitutional Treaty of the Union finalised in June 2003. As things stand now, a cursory reference to the Charter is included in the main body of the latter, while the full text is attached as its second part. The articles of the Charter envisage no implementation mechanism and contain no provisions creating a special organ charged with monitoring its application, which distinguishes it as well from the other three regional human rights regimes.

The Charter does indeed seem to be incomparable to them in many respects. However, since it involves the authorities of sovereign states in a regulatory framework of behaviour in relation to the people under their jurisdiction, it makes sense to treat it on a par with other human rights regimes. It is a peculiar document in a particular context and in its preparation involved many different institutional actors including members of the European Parliament, members of national member-state parliaments, representatives of member-state governments and representatives of the European Commission. This distinguishes it from classic human rights instruments, both regional and global, which are usually drafted by governmental representatives and submitted for subsequent parliamentary approval and ratification. In addition, the Charter was prepared within a peculiar framework among other international organizations – the EU is not a state, nevertheless possesses far-reaching authority within its field of competence. These are the arguments against qualifying the Charter as a regional human rights regime.

On the other hand, the charter looks very similar to an international human rights instrument. It repeats normal standards contained in a number of existing and

---

[27] Three years later the text of the Charter, which formed Part Two of the Draft Constitutional Treaty of the European Union presented by D'Estaing to the Heads of State at Thessaloniki on 20th June 2003, contained some amendments in Section VII – General Provisions. A modest implementation mechanism has been established by the European Parliament through the appointment of a network of experts (the Human Rights League) with recognised authority in human rights matters with the task to assess the implementation of each of the rights listed in the Charter (see De Schutter 2003:4).

operative international documents that have guided state behaviour, including the behaviour of EU member states for decades now. And most importantly, it limits state power with regard to the people under their authority. The potential argument that since the EU is not a state, it is not strictly state power that the Charter limits, holds little ground. The fact that the EU, through its institutions, possesses any powers at all is only attributable to a location of primary sovereignty, i.e. that of its member states. The power it yields can thus only be satisfactorily conceptualised as an extension of state power. The EU has it no more than by the exclusive consent of its members. And since none of the human rights regimes binding these states contains self-executing norms that apply for every authority to which they extend their power, there is a need for a special regime when the latter escapes the remit of the former. In these circumstances, the Charter is needed to remedy this discrepancy by a subsequent regulation of the pooled authority of the Union resulting from the gradual transferral of state power.

Most broadly, there are four points justifying the qualification of the Charter as a regional human rights regime and not just an EU specific code of rights. Firstly, it contains articles that are hardly relevant for the EU, such as the prohibition of torture and inhuman and degrading treatment.[28] The reason for including such a provision is not due to the risk of the European Commission becoming an agent of torture, but more likely due to the wish to demonstrate the belonging of the Charter to the family of human rights regimes. Secondly, and as already discussed above, the Charter is clearly a measure against an institution yielding power over the people in its authority. Thirdly, the Charter visually looks like an international human rights instrument of the type of the Universal Declaration of Human Rights of 1948 or the Helsinki Final Act of 1975. The latter two were not officially ratified or even signed, but proclaimed just as the Charter was at Nice in December 2000. Nevertheless, their belonging to the family of human rights regimes is uncontested. Finally, the discourse during the Convention drafting the Charter is well indicative of its nature as a human rights regime as it emphasised the universal dimension of fundamental rights and underlined commonalities rather than distinctions. The main points of reference in the drafting process were global norms and rules, agreed upon and accepted by organisations beyond the national or EU level, and even beyond the Council of Europe (see Lerch, 2003:6).

---

[28] Article 4 of the EU Charter of Fundamental Rights: "No one shall be subjected to torture or to inhuman or degrading treatment or punishment".

Considering the most fundamental dimension of analysis, that of the combination between ideology and interests in state motives behind signing up to it, the Charter makes the first step of fitting positively into the conceptual model. The calculation of its contracting parties indeed exhibits both the politics of interest and the power of ideas in prompting them to consent to its creation. It is beyond the scope of this study to analyse the composition of motives for every EU member state. Instead the case of Germany, the main proponent of the idea of the Charter, is taken up below.

In terms of nation-state identity, following the catastrophe of the Second World War, Germany underwent a process of its thorough and profound reconstruction and based it on the three pillars of Christianity, democracy and social market economy. European integration proved to be the most potent anchor for it and, as a result, Germany had been the staunchest supporter of various policies within the European Union, including EU-specific human rights codification. In the current government, it was the ideological conviction of the Green Party on the normative inappropriateness of continuing the process of economic integration without an explicit and specific human rights regime for the Union, that played a central role in the creation of the Charter.

The idea was laid down in the coalition agreement, with which the party entered government (Eicke 2000), figured in its Chapter IX *Sicherheit für alle – Bürgerrechte stärken* under the heading "EU Initiatives" and its promotion was taken very seriously by the Party chief and Germany's Foreign Minister, Joschka Fischer (Tarschys 2003:170). Consequently, upon commencement of its Union Presidency in January 1999, the German government included in its programme *Europe's Path into the 21st Century* a commitment that EU policies must demonstrably protect human rights so that European decisions are meaningful to its people (Miller 2000).

Besides the power of ideas, however, the promotion of the Charter was also dictated by the political interest of preserving the compatibility of the legal orders of the Union and Germany. The German Constitutional Court is legally required to ensure the screening of legislation operative within the country's boundaries for conformity with the national constitutional guarantees of fundamental rights (*grundrechte)*. In at least a couple of cases in the 1990's it held that as long as an adequate standard of fundamental rights protection was not offered under EU law, it would not regard itself precluded from scrutinising Union measures for conformity with German fundamental rights, and where necessary, from

invalidating or disapplying such measures within Germany (Shaw 2000:345). Supporting the idea of the Charter has thus been a continuous interest of the German political establishment.

In terms of historical context, the end of the Cold War in Europe in the late 1980's presented the Union with a challenge of self-reflection, with an effect that was similar to the one that the end of Second World War had on the creation of global and regional human rights regimes. There were two main mechanisms through which it worked. Firstly, the Union faced an unprecedented number of membership applications, which made its upcoming enlargement incomparable to any previous ones (Hafner 1999:783). There had been human rights conditionality before,[29] but not in same explicit format as the 1993 Copenhagen criteria for membership.[30] One of the important reasons for this is the fact that most of the applicant states have post-communist, newly democratised political systems with little tradition and experience in human rights protection, and this logically generates "nervousness about how authority [will be] exercised within an Union [that includes states] with weak and short liberal democratic traditions" (Duff 2000).

Secondly, and related to the above idea that the Charter is provoked by the historical context of opening up the Union to newly democratised states, is the fact that in the 1990's the ECHR as a regional human rights regime stretched far beyond its original design and, as a result, diminished its capability of ensuring the desired commitment to implementation. By 1999 the ECHR was ratified by more than forty-one states, almost half of which only recently emerged from the human-rights unfriendly grips of communism. In such circumstances, the Union is justified in fearing that the human rights regime that has served its development for more than four decades (De Schuter 2003) is perhaps becoming overstrained and less effective in monitoring compliance. In this respect it is relevant to note that among the sources of the Charter's provisions, the ECHR stands out as the

---

[29] Most relevant are the examples of Greece, Portugal and Spain, which were newly democratised in the 1970's when they applied for Union membership. For a comparative analysis of the role of the EU in their democratisation see Bojkov (2000).

[30] The Copenhagen membership criteria require that the candidate country must have achieved: (1) stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities; (2) the existence of a functioning market economy as well as the capacity to cope with competitive pressure and market forces within the Union; (3) the ability to take on the obligations of membership including adherence to the aims of political, economic & monetary union. See Hhttp://europa.eu.int/comm/enlargement/intro/criteria.htmH.

most oft-used one, which transpires as well in the explanatory memorandum commissioned by the Presidium[31] demonstrating which rights in the Charter are equivalent to those contained in the ECHR.

The latter explanation links two of the analytical dimensions discussed in the previous part, historical context and commitment to implementation, in addressing the Charter. At the sub-regional level of analysis represented by the European Union, they prove to be relevant conceptualisations for its newly established human rights regime. It can be reasonably claimed that the dimensions of regional ethics and *jus commune* are also pertinent analytical tools. Regional ethics would conceptualise the Charter as marking the Union's transition from the ethics of economic integration that at times contravenes human rights considerations[32] to the ethics of reaching its *finalité* (Menéndez 2003) as a fully-fledged human rights organisation (Von Bogdany 2000). *Jus commune* would in turn stress the Cologne mandate stating that "the European Council believes that this Charter should contain the fundamental rights and freedoms […] derived from the constitutional traditions common to the Member States".[33] Evidently, the Charter benefits from a wide *jus commune* stemming from the liberal democratic constitutions of the EU members.

But this is not all. There are two additional analytical dimensions that were not discussed earlier, since they are irrelevant for the creation of the three regional human rights regimes, but are extremely relevant in the analysis of the Charter. They stem from the characteristics of the European Union as a unit of analysis that has gone far beyond the classic international regime or organisation (Peters 1999:133) and has acquired a number of *sui generis* systemic properties justifying treating it as an instance of nothing other than itself (Rosamond 2000:15). The latter point has led some authors in their effort to analyse the EU with the help of comparative politics (Hix 1994) and to define it as a political system closely resembling the domestic political organisation of nation states (Hix 1999). It is in this respect that the dimensions of legitimacy and constitutionalism need to be added in analysing the EU Charter of Fundamental Rights.

---

[31] Convention document CHARTE 4473/00.

[32] Maclaren (2000) held that often the choices of national governments in protecting their citizens' economic and social rights are constrained for the sake of implementing measures promoting the global competitiveness and functioning of the common market of the Union.

[33] "Presidency Conclusion of the Cologne European Council", 3-4 June 1999, European Council Decision on the drawing up of a Charter of Fundamental Rights of the European Union, available at Hhttp://europa.eu.int/council/off/conclu/june99/june99_en.htmH

Legitimacy is related to the fact that the Charter fulfils the function of legitimating the integration project in which member-state governments have involved their countries, and which is recognised as increasingly alienating the ordinary citizen. Schönalu (2001), for example, saw the process of creating the Charter within the drafting Convention as a revealing debate over the fundamental values keeping the Union together and giving it legitimacy in the eyes of its citizens. It is uncontested that the Charter deepens the human rights legitimacy of the Union beyond what the ECHR is able to provide in terms of making sure that its contracting parties respect the norms they have signed up to in all their activities. The latter has become largely ineffective in controlling the Union due to the gradual "clever sleight of hand" (De Schutter 2003:5) by which EU member states transferred powers to the common institutions without making sure that they are bound in the same way as by the ECHR.

Both texts related to the Charter contain direct reference to legitimacy and improved visibility of fundamental rights within the Union. The Cologne Conclusions held that the "protection of fundamental rights is a founding principle of the Union and an indispensable prerequisite for her legitimacy". It also noted that "there appears to be a need […] to establish a Charter of fundamental rights in order to make their overriding importance and relevance more visible to the Union's citizens".[34] Reaffirming those statements, the draft presented at the Nice summit saw the Union as contributing to the preservation and development of common values, to which end "it is necessary to strengthen the protection of fundamental rights […] by making [them] more visible in a Charter".[35] Such references point undoubtedly to the motivation shared by all EU member states to create the regime of the Charter in order to enhance the legitimacy of the integration project that they are part of.

The dimension of constitutionalism is supported by Castiglione's (2002) idea to see reasons of constitutional procedure behind creating the Charter. The Convention drafting was later repeated at a higher level in the Convention on the Future of Europe charged with preparing the Union's Constitution. It preserved similar mechanism of work and was composed of a similar ratio of representatives of national governments, parliaments and Union institutions. The Charter itself found its place in the outcome of the work of the second Convention, which alone provides a perfect justification for why it was created in the first place. This also

---

[34] Ibid.
[35] Charter Preamble - Hhttp://www.europarl.eu.int/charter/pdf/text_en.pdfH

proves to be a reasonable explanation for why the Charter does not contain any implementation mechanism, since Constitutional Bills of Rights usually do not.

Relatedly, the greatly increased powers of governance of Union institutions in comparison to the first decades of its existence necessarily invites a more vigorous re-consideration of its objectives and guiding principles.[36] Rearranging the treaties has been an issue of long standing in EU politics, and in the absence of treaty-enshrined protection of fundamental rights, it was the European Court of Justice that laid the initial foundations vindicating their respect and within its efforts of constitutionalising the Union declared them as "general principles" of Union law (Weiler 1999:107). Such status, however, has been seen as unsatisfactory since, in the potential clash between community objectives enjoying firm legal basis in the treaties and human rights defended merely as "general principles", the former will naturally enjoy priority (Meehan 2000). It is precisely this inconsistency that the Charter, being part of a wider constitutional process, addresses.

CONCLUSIONS

If the subject-matter of human rights presents regime theory with interesting horizons, so does the European experience among its regional counterparts. It stands out as the environment where norms and principles have found their strongest support and have generated a considerable compliance pull. Two explanations are advanced in addressing this outcome. Europe is the historical source of the idea of human rights (Leben 1999) and it played a prominent part in "the ruthless and wholesale destruction of individuals and groups" and in "the extreme deterioration" of relations between states and their people (Szabo 1982:21). The ECHR is currently being supplemented with another regime that has the potential to further and strengthen the protection of human rights in Europe in the years to come.

The EU Charter of Fundamental Rights lends itself to analysis based on the broad conceptual framework constructed with reference to the European, American and African human rights regimes. It is defined by historical context, is a reflection of particular regional ethics, and promotes a strong commitment to implementation. It steps on the wide *jus commune* of human rights norms available across the

---

[36] The Charter can thus be seen as addressing the greatly increased powers of governance acquired by EU institutions and the emerging possibility that, as these powers are exercised, human rights within the Union will inevitably be affected (Goldsmith 2000).

liberal democratic member states of the European Union. However, the Charter also introduces two additional analytical dimensions: legitimacy and constitutionalism. They appear irrelevant in the analysis of the other three regional regimes, since none of them were aimed at legitimising or constitutionalising the organisation that provided the framework for their establishment, but are indispensable in conceptualising the Charter itself.

The need for broadening the analytical perspective arises out of the specificity of the Charter and the specificity of the political domain within which it emerged – the European Union. On the one hand, the Union certainly presents regime theory with a substantial empirical strain. It cannot be simply analysed as a group of rational states for whom cooperation and its regulation is defined without any reference to norms and principled ideas. On the other hand, the Charter itself bears a multiple identity representing an interesting combination of two poles: a constitutional bill of rights with partial resemblance to domestic human rights guarantees in liberal democracies, and a veritable regional human rights regime of the type that helped articulate the analytical dimensions of historical context, regional ethics, commitment to implementation and *jus commune*.

The Charter proves to represent a separate level of the analysis both ontologically and epistemologically. It goes one step further than the three regional human rights regimes in its relation to both the organisation within which it emerged and the member states forming it. Ontologically, it is a qualitatively different human rights regime which in its specificity comes close to a constitutional bill of rights. Epistemologically, it widens the framework of analysing such regimes by introducing two new elements indispensable for its conceptualisation.

REFERENCES

Beetham, David (1995) "What Nature for Economic and Social Rights?" in David Beetham (ed.) *Politics and Human Rights*. 21-49. Oxford: Blackwell.

Beitz, Chalres (2003) "What Human Rights Mean", *Dædalus* 132(1). 36-46.

Bentham, Jeremy (1987) "Anarchical Fallacies" in Jeremy Waldron (ed.) *Nonsense upon Stilts: Bentham, Burke and Marx on the Rights of Man*, 43-56. London: Methuen.

Bojkov, Victor D. (2001) *The European Union and Democratisation in Small European States*. Venezia: Marsilio Editori, *EMA Awarded Theses Collection*, Vol. 3.

Boutros-Ghali, Boutros (1982) "The League of Arab States" in Karel Vasak (ed.) *The International Dimensions of Human Rights*, 3-10. Westport: Greenwood Press.

Boyle, Kevin (1995) "Stock-Taking on Human Rights: The World Conference on Human Rights, Vienna 1993" in David Beetham (ed.) *Politics and Human Rights*, 79-95. Oxford: Blackwell Publishers.

Bull, Hedley (1977) *The Anarchical Society: A Study of Order in World Politics*. Basingstoke: Macmillan.

Bull, Hedley and Adam Watson (1984) "Introduction" in Hedley Bull and Adam Watson (eds) *The Expansion of International Society*, 1-9. Oxford: Oxford University Press.

Burke, Edmund (1790) *Reflections on the Revolution in France*. New York: P.F. Collier & Son (edited by C. Eliot, the Harvard Classics Series, Vol. 24, Part 3).

Burton, John (1972) *World Society*. Cambridge: Cambridge University Press.

Buzan, Barry (1993) "From International System to International Society: Structural Realism ad Regime Theory Meet the English School", *International Organization* 47(3): 327-352.

Buzan, Barry (1995) "The Level of Analysis Problem in International Relations Reconsidered" in Ken Booth and Steve Smith (eds) *International Relations Theory Today*, 23-49. Cambridge: Polity Press.

Buzan, Barry (2004, forthcoming) *International Society and World Society: English School Theory and the Social Structure of Globalisation*. Cambridge: Polity Press.

Carter, Barry E. and Phillip R. Trimble (1995) *International Law*. Boston: Little Brown.

Castiglione, Dario (2002) "From the Charter to the Constitution of Europe? Notes on the Constitutionalisation Process in the EU", Queens Paper on Europeanisation 5/2002, Queens University of Belfast available from:< http://www.qub.ac.uk/ies/onlinepapers/poe5-02.pdf>

Christie, Kenneth (1995) "Regime Security and Human Rights in Southeast Asia" In David Beetham (ed.) *Politics and Human Rights*, 204-218. Oxford: Blackwell Publishers.

Cranston, Maurice (1964) *What are Human Rights?* New York: Basic Books.

Cranston, Maurice (1967) "Human Rights, Real and Supposed" in David D. Raphael (ed.) *Political Theory and the Rights of Man*, 112-148. London: Macmillan.

De Schutter, Olivier (2003) "The Questions to be Decided: Protecting Fundamental Rights - an Issue in the Convention on the Future of Europe" Expert commentary available from: <http://europa.eu.int/comm/justice_home/unit/charte/en/questions.html>

Donnelly, Jack (1986) "International Human Rights: A Regime Analysis", *International Organization* 40(3): 599-642.

Dower, Nigel (1998) "Human Rights, Global Ethics and Globalisation" in Roland Axtmann (ed.) *Globalisation and Europe: Theoretical and Empirical Investigations*, 201-232. London: Pinder.

Duff, Andrew (2000) "Towards a European Federal Society" in Kim Feus (ed.) *The EU Charter of Fundamental Rights: Text and Commentaries*, 67-89. London: Kogan Page.

Dworkin, Ronald (1977) *Taking Rights Seriously*. London: Duckworth.

Eicke, Tim (2000) "The European Charter of Fundamental Rights – Unique Opportunity or Unwelcome Distraction", *European Human Rights Law Review* 3(2): 280-296.

Espiell, Héctor G. (1982) "The Organization of African States (OAS)" in Karel Vasak (ed.) *The International Dimensions of Human Rights*, 543-574. Westport: Greenwood Press.

Evans, Tim (2001) *The Politics of Human Rights: A Global Perspective*. London: Pluto Press.

Falk, Richard (1981) *Human Rights and State Sovereignty*. New York: Holmes and Meier.

Finnemore, Martha and Kathryn Sikkink (1998) "International Norm Dynamics and Political Change". *International Orgnaization* 52(4): 887-917.

Finnis, John (1980) *Natural Law and Natural Rights*. Oxford: Clarendon Press.

Goldsmith, Peter, QC (2000) "Consolidation of Fundamental Rights at EU Level: The British Perspective" in Kim Feus (ed.) *The EU Charter of Fundamental Rights: Text and Commentaries*, 45-53. London: Kogan Page.

Habermas, Jürgen (2001) *The Post National Constellation: Political Essays*. London: Polity Press (translated, edited and introduced by Max Pensky).

Hafner, Danica F. (1999) "Dilemmas in Managing the Expanding EU: the EU and Applicant States' Points of View", *Journal of European Public Policy* 6(5): 783-801.

Halliday, Fred (1995) "Relativism and Universalism in Human Rights: The Case of the Islamic Middle East" in David Beetham (ed.) *Politics and Human Rights*, 152-167. Oxford: Blackwell Publishers.

Hasenclever, Andreas, Peter Mayer and Volker Rittberger (1997) *Theories of International Regimes*. Cambridge: Cambridge University Press.

Herman, Edward S. and Noam Chomsky (1979) *The Political Economy of Human Rights*. Boston: South End Press.

Hix, Simon (1994) "The Study of the European Community: the Challenge to Comparative Politics", *West European Politics* 17(1), 1-30.

Hix, Simon (1999) *The Political System of the European Union*. Basingstoke: Macmillan.

Howard, Rhoda (1986) "Is there an African Concept of Human Rights" in John R. Vincent (ed.) *Foreign Policy and Human Rights*, 11-32. Cambridge: Cambridge University Press.

Hurrell, Andrew J. (1995) "International Society and Regimes: A Reflective Approach" in Volker Rittberger (ed.) *Regime Theory and International Relations*, 49-72. Oxford: Clarendon Press.

Ignatieff, Michael (2001) *Human Rights as Politics and Idolatry*. Princeton: Princeton University Press).

Ingram, Attracta (2002) *A Political Theory of Rights*. Oxford: Clarendon Press.

Jones, Peter (1994) *Rights: Issues in Political Theory*. Basingstoke: Macmillan.

Kaballo, Sidgi (1995) "Human Rights and Democratization in Africa" in David Beetham (ed.) *Politics and Human Rights*, 189-203. Oxford: Blackwell Publishers.

Keith, Linda C. (1999) "The United Nations International Covenant of Civil and Political Rights: Does it Make a Difference in Human Rights Behaviour?", *Journal of Peace Research* 36(1), 95-118.

Keohane, Robert O., ed. (1989a) *International Institutions and State Power: Essays in International Relations Theory*. Boulder: Westview Press.

Keohane, Robert O. (1989b) "Neoliberal Institutionalism: A Perspective on World Politics" in Keohane, Robert O. (ed.) *International Institutions and State Power: Essays in International Relations Theory*, 78-102. Boulder: Westview Press.

Keohane, Robert O. and Joseph S. Nye (1977) *Power and Interdependence: World Politics in Transition*. Boston: Little Brown.

Krasner, Stephen D., ed. (1983a) *International Regimes*. Ithaca: Cornell University Press.

Krasner, Stephen D. (1983b) "Structural Causes and Regime Consequences: Regimes as Intervening Variables" in Krasner, Stephen D. (ed.) *International Regimes*, 56-82. Ithaca: Cornell University Press.

Krasner, Stephen D. (1995) "Sovereignty, Regimes, and Human Rights" in Volker Rittberger (ed.) *Regime Theory and International Relations*, 139-167. Oxford: Clarendon Press.

Kratochwil, Friedrich (1984) "Thrasymmachos Revisited: On the Relevance of Norms and the Study of Law for International Relations", *Journal of International Affairs* 37(2), 343-361

Lalumiére, Catherine (1993) "Human Rights in Europe: Challenges for the Next Millennium" In R. St. J. Macdonald, Franz Matscher and Herbert Petzold (eds) *The European System for the Protection of Human Rights*. xii-xvi. Dordrecht: Martinus Nijhoff Publishers.

Landman, Todd (2001) *Measuring the Human Rights Regime*. (Paper presented at the 97th Annual Meeting of the American Political Science Association, San Francisco, Fall 2001.)

Landman, Todd (2002) "Comparative Politics and Human Rights", *Human Rights Quarterly* 24(4): 890-923.

Leben, Charles (1999) "Is there a European Approach to Human Rights?" in Philip Alston (ed.) *The EU and Human Rights*, 69-98. Oxford: Oxford University Press.

Lerch, Marika (2003) "European Identity in International Society: A Constructivist Analysis of the EU Charter of Fundamental Rights". *Constitutionalism Web Papers, ConWEB No. 2/2003,* available from: < http://les1.man.ac.uk/conweb/>

Locke, John (1990) *Questions Concerning the Law of Nature*. Ithaca: Cornell University Press, edited and introduced by R. Horowitz, J. Clay and D. Clay.

Marx, Karl (1987) "On the Jewish Question" in Jeremy Waldron (ed.) *Nonsense upon Stilts: Bentham, Burke and Marx on the Rights of Man*, 34-52. London: Methuen.

M'Baye, Kéba (1982) "Human Rights in Africa" in Karel Vasak (ed.) *The International Dimensions of Human Rights*, 583-600. Westport: Greenwood Press.

Maclaren, David (2000) "Economic Rights in Contemporary Europe" on Linda Hancock and Chris O'Brien (eds) *Rewriting Rights in Europe*, 76-92. Aldershot: Ashgate.

Meehan, Michael (2000) "(Un)charted Waters: the Legal Background to Fundamental Rights Protection in the EU" in Kim Feus (ed.) *The EU Charter of Fundamental Rights: Text and Commentaries*, 81-112. London: Kogan Page.

Menéndez, Agustín J. (2003) "*Finalité* through Rights" in Erik Eriksen, John Fossum and Agustín Menéndez (eds) *The Chartering of Europe: The European Charter of Fundamental Rights and its Constitutional Implications*, 34-51. Baden-Baden: Nomos Verlagsgesellschaft.

Miller, Bruce (1979) "Morality, Interests and Rationalization" on Ralph Pettman (ed.) *Moral Claims in World Affairs*, 31-59. London: Croom Helm.

Miller, Vaughne (2000) *Human Rights in the EU: the Charter of Fundamental Rights*. (Research Paper 00/32, 20 March 2000, House of Commons Library.)

Milner, Helen V. (1997) *Interests, Institutions and Information: Domestic Policies and International Relations*. Princeton: Princeton University Press.

Moravcsik, Andrew (2000) The Origins of Human Rights Regimes: Democratic Delegation in Postwar Europe. *International Organization* 54(2), 217-52.

Moul, William B. (1973) "The Levels of Analysis Problem Revisited", *Canadian Journal of Political Science* 61(1), 494-513.

Ndiaye, Birame (1982) "The Place of Human Rights in the Charter of the Organization of African Unity" in Karel Vasak (ed.) *The International Dimensions of Human Rights*, 601-615. Westport: Greenwood Press.

Onuf, Nicholas G. and V. Spike Peterson (1984) "Human Rights from an International Regimes Perspective", *Journal of International Affairs* 37(2), 329-342

Panizza, Francisco (1993) "Human Rights: Global Culture and Social Fragmentation", *Bulletin of Latin American Research* 12(4), 198-227.

Panizza, Francisco (1995) "Human Rights in the Processes of Transition and Consolidation of Democracy in Latin America" on David Beetham (ed.) *Politics and Human Rights*, 168-188. Oxford: Blackwell Publishers.

Peters, Guy B. (1999) *Institutional Theory in Political Science: The 'New Institutionalism'*. London: Pinter.

Puchala, Donald J. and R. F. Hopkins (1983) "International Regimes: Lessons from Inductive Analysis" in Stephen D. Krasner (ed.) *International Regimes*, 25-42. Ithaca: Cornell University Press.

Risse, Thomas and Kathryn Sikkink (1999) "The Socialization of International Human Rights Norms into Domestic Practices: Introduction" in Thomas Risse, Stephen C. Popp and Kathryn Sikkink (eds) *The Power of Human Rights: International Norms and Domestic Change*, 1-38. Cambridge: Cambridge University Press.

Rittberger, Volker, ed. (1995) *Regime Theory and International Relations*. Oxford: Clarendon Press.

Robertson, Arthur H. (1982) *Human Rights in the World*. New York: St. Martin's Press.

Rosamond, Ben (2000) *Theories of European Integration*. Basingstoke: Macmillan.

Sartori, Giovanni (1965) *Democratic Theory*. New York: Praeger.

Schönalu, Justus (2001) *The EU Charter of Fundamental Rights: Legitimation through Deliberation*. PhD Dissertation, University of Reading.

Shaw, Jo (2000) *Law of the European Union*. Basingstoke: Palgrave.

Sikkink, Kathryn (1993) "The Power of Principled Ideas: Human Rights Policies in the United States and Western Europe" in Judih Goldstein and Robert O. Keohane (eds) *Ideas and Foreign Policy: Beliefs, Institutions, and Political Change*, 43-59. Ithaca: Cornell University Press.

Szabo, Imre (1982) "Historical Foundations of Human Rights and Subsequent Developments" in Karel Vasak (ed.) *The International Dimensions of Human Rights*, 11-40. Westport: Greenwood Press.

Tarschys, Daniel (2003) "Goal Congestion: Multi-Purpose Governance in the European Union" in Erik O. Eriksen, John E. Fossum and Agustín J. Menéndez (eds) *The Chartering of Europe: The European Charter of Fundamental Rights and its Constitutional Implications*, 161-178. Baden-Baden: Nomos Verlagsgesellschaft.

Teitgen, Pierre-Henri (1993) "Introduction to the European Convention on Human Rights" in R. St. J. Macdonald, Franz Matscher and Herbert Petzold (eds) *The European System for the Protection of Human Rights*. 3-14. Dordrecht: Martinus Nijhoff Publishers.

Van Dijk, P. and van Hoof, G. J. H. (1990) *Theory and Practice of the European Convention on Human Rights*. Deventer: Kluwer Law and Taxation Publishers.

Vasak, Karel (1982) "The Council of Europe" in Karel Vasak (ed.) *The International Dimensions of Human Rights*, 457-542. Westport: Greenwood Press.

Vincent, John R. (1986) *Human Rights and International Relations*. Cambridge: Cambridge University Press.

Von Bogdany, Armin (2000) "The European Union as a Human Rights Organization? Human Rights and the Core of the European Union" *Common Market Law Review* 37(6): 1307-1338.

Weiler, Joseph H. H. (1999) *The Constitution of Europe*. Cambridge: Cambridge University Press.

Wieruszewski, Roman (1994) "Some Comments Concerning the Concept of Economic and Social Rights" in Karl Drzewicki (ed.) *Social Rights as Human Rights: A European Challenge*. Åbo Academy University: Institute for Human Rights.

Yamane, Hiroko (1982) "Asia and Human Rights" in Karel Vasak (ed.) *The International Dimensions of Human Rights*, 651-670. Westport: Greenwood Press.

Young, Oran (1994) *International Governance: Protecting the Environment in a Stateless Society*. Ithaca: Cornell University Press.

HYDROPOLITICS IN CENTRAL ASIA: TOWARDS A REGIONAL WATER REGIME?

Bezen Balamir Coskun[*]T

Abstract

Following the dissolution of the Soviet Union, in Central Asia five new independent states –Kazakhstan, Kyrgyztan, Tajikistan, Turkmenistan and Uzbekistan – found themselves in a highly globalised international system and a liberalized economic order. One of the reflections of the drastic changes in the dynamics of the region is the growing tension over the waters of Amu Darya and Syr Darya rivers. Since 1991, transboundary water management has become one of the most complex security problems among newly independent Central Asian states. This article analyses the efforts to form a regional water regime in the region, within the context of a regional security complex explanation, and explores the role of internal and external dynamics on regional cooperation over water resources.

INTRODUCTION

Following the dissolution of the Soviet Union in Central Asia, five new independent states – Kazakhstan, Kyrgyztan, Tajikistan, Turkmenistan and Uzbekistan – found themselves in a highly globalised international system and a liberalized economic order. Their present borders and infrastructure designed by the Soviet Union were based on the idea of an unbreakable union of republics. As a result, integration of these newly independent republics into a globalised international system and liberalized economic order was a real challenge. Besides the systemic challenge, Central Asian governments have had difficulties dealing with internal problems, such as stagnating economies, high levels of corruption and environmental degradation, each as a result of their loss of traditional revenue from Moscow (Weinthal 2000).

[*] Graduate of the master's program at the Research Centre on Development and International Relations.

After 1991, Russia's preoccupation with its internal economic and political crisis led to an involuntary disengagement from Central Asia. Thus, it has made it easier for the Central Asian governments to pursue their own foreign policies and national security agendas. Growing engagement of other regional powers - Turkey, Iran, China - into Central Asia as well as the global powers - the US and the EU - is a consequence of the Russian disengagement from the region (Jonson & Allison 2001).

Central Asia's location at the crossroads of Eurasia and its rich oil and gas reserves have attracted external actors' attention. Since its war against terrorism, the US has been actively involved in the region in terms of economic and military aid. But the claim that the active engagement of external powers in the region would pave the way for the Central Asian states to overcome economic and political problems and resolve conflicts has not yet been confirmed. Rather, the engagement of external actors' has caused intensification in the division among regional actors (Jonson & Allison 2001).

One of the reflections of the drastic changes in internal and external dynamics of the region is the growing tension over the waters of Amu Darya and Syr Darya rivers (see figure 1: Map of Aral Sea Basin) The misallocation of waters from these rivers has been one of the key issues contributing to the tension among riparian states. Disputes have developed between the downstream countries, Kazakhstan, Turkmenistan and Uzbekistan, which are heavy consumers of water for agriculture, and the upstream countries, Kyrgyztan and Tajikistan. Whereas large scale water is required by the downstream states in order to support their growing agricultural sector, upstream countries also need more water for electricity generation and farming (ICG Asia Report 2002).

Given its economic value, water problems can be considered as a security threat for the Aral Sea basin republics, especially for Turkmenistan and Uzbekistan. As a result of the dissolution of the integrated Soviet economic system, water based economic structures have weakened and paved the way for the promotion of national economic interests and mutually incompatible demands for water (Horsman 2001). On the other hand, disputes over water allocation and desiccation of the Aral Sea have offered a soft issue for external actors, some of which have a more direct and negative influence on the security dynamics of the region.

FIGURE 1. THE ARAL SEA BASIN
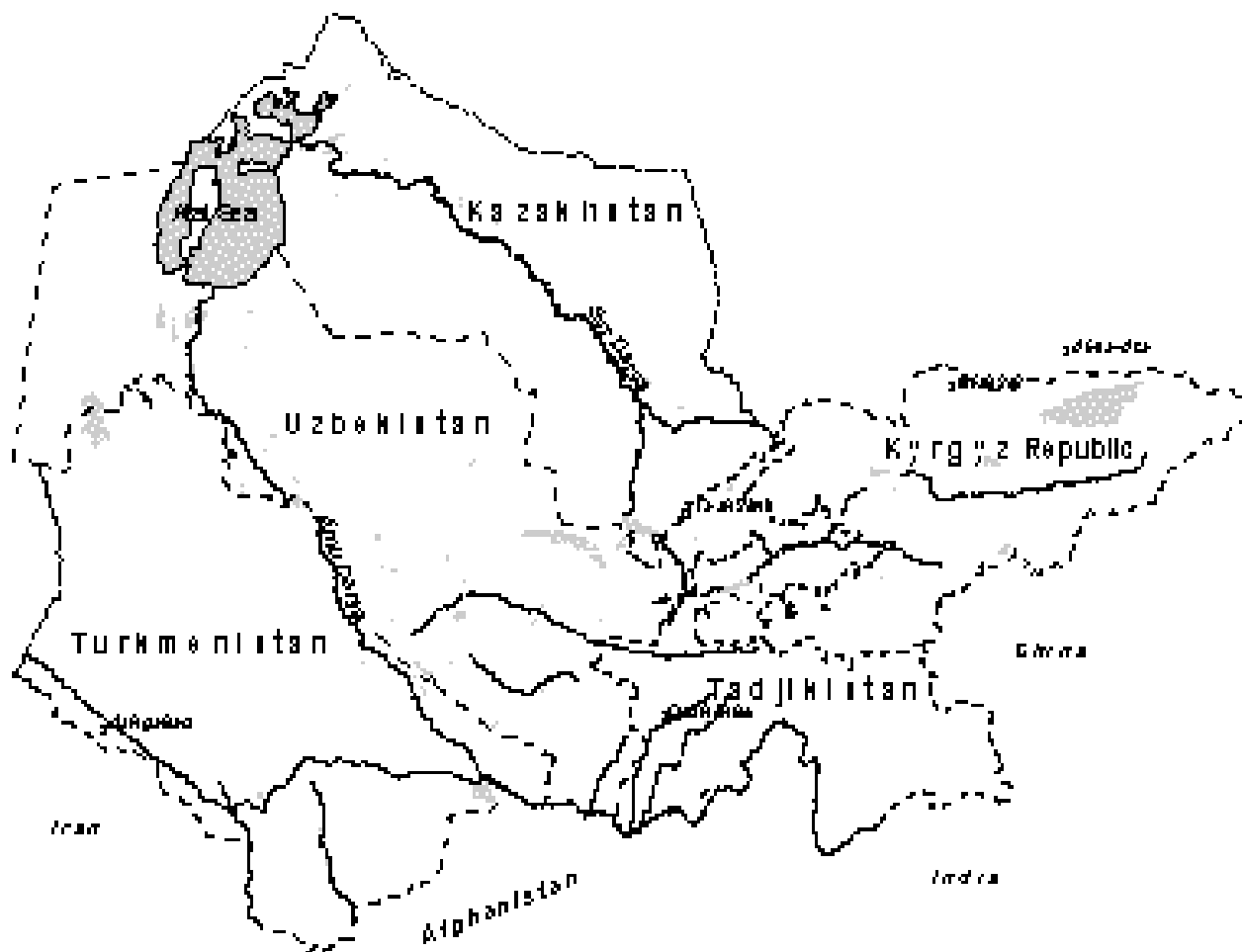
Source: Dukhovny and Sokolov (2003)

The main hypothesis of this article is that hydropolitics are an indispensable part of the regional security complex that exists where states share the same river basin. Therefore, the possibility of conflict or cooperation over transboundary water issues should be analysed within the context of security dynamics of the particular region. In order to visualize this hypothesis, transboundary water management efforts on the Aral Sea basin among five Central Asian states will be examined. The efforts to develop a regional water regime will be analysed within the context of a regional security complex and security dynamics in Central Asia. In light of the analysis, the following question will be addressed: *To what extent are external and internal security dynamics interacting in the resolution of disputes over river basins and in the development of a water regime?*

In the first part of the article five Central Asian Republics will be analysed as a regional security complex. Here Barry Buzan and Ole Wæver's regional security complex theory will be applied since the theory aims at empirical studies on specific regions. Moreover, regional security complex theory offers a systematic framework in the study of internal conditions, relations among units in the region, relations between regions, and the role of global actors. In this section, internal and external security dynamics of Central Asia will be explored within the framework of regional security complex theory.

The second part of the article will focus on the hydropolitics of the Aral Sea. In order to analyse hydropolitics of the region and regional states' efforts to form an institutionalised water regime, international regime theory will be examined. In light of regime theory, the disputes and cooperation efforts over the allocation of waters of Amu Darya and Syr Darya will be explored.

CENTRAL ASIA AS A REGIONAL SECURITY COMPLEX

In *People, States and Fear* (1991), Buzan defines security complex as "a group of states whose primary security concerns link together sufficiently closely that their national securities cannot realistically be considered apart from another" (Buzan 1991:190). Later, the definition of a regional security complex was reformulated by Buzan and Wæver to include the possibility of different actors besides states and several sectors besides the military sector. It is redefined as "a set of units whose major processes of securitisation,[37] desecuritisation, or both are so interlinked that their security problems cannot reasonably be analysed or resolved apart from one another" (Buzan and Wæver 2003:44). The states in a particular regional complex must possess security interdependence sufficient enough to establish a set and to differentiate them from neighbouring security regions. That is to say, regional security complexes are defined as substructures of the international system by possessing a relative intensity of security interdependence among units and security indifference between and surrounding them (Buzan and Wæver 2003).

---

[37] According to Ole Wæver (1993) securitisation and de-securitisation are related to the questions of when, why and how do elites label issues and developments as security problems? When, why and how do they succeed and fail respectively? What attempts are made by other groups to press securitisation on the agenda?

Considering the anarchical characteristic of the international system, regional security complexes are defined with two types of relations: power relations and patterns of amity and enmity. Like the international system, regional security complexes could be examined in terms of power relations and they could be classified as unipolar, bipolar, tri-polar or multi-polar. Moreover, within a particular regional security complex the concept of regional balance of power plays a significant role (Buzan and Wæver 2003). On the other hand, external factors are also effective in stimulating changes in the power balance in the region, taking the form of alignments with particular regional units. Besides regional power relations, regional security complexes are mainly determined by patterns of amity (relationships raging from genuine friendship to expectations of protection and support) and enmity (relationships set by suspicion and fear) among regional actors (Jonson & Allison 2001). The patterns of amity and enmity are socially constructed within historical factors or common cultures.

In order to better understand regional security dynamics, either cooperative or conflictual, it is inevitable to explore the interactions of internal and external factors. In most cases, regional security complexes are penetrated by outside powers. The interplay of internal and external factors determines the structure for interaction both at the regional and international level. As it can be observed in some cases like the EU, intensification of contacts and exchanges within particular regional security complexes promote security cooperation in the form of a security community (Jonson & Allison 2001).

According to Buzan and Wæver, the most well-established function of regional security complex theory is that it offers a framework for empirical studies of regional security by specifying four levels of analysis: (1) domestic, in the states of the region; (2) state-to-state relations; (3) the region's interaction with neighbouring regions; and (4) the role of global powers in the region. These four levels of analysis constitute the security constellation in the specified region (Buzan & Wæver 2003).

When it comes to the five Central Asian states, although they are defined as parts of a larger security complex around Russia, they could be considered a candidate for a separate regional security complex. Buzan and Wæver classify Central Asia as a sub-complex in a process of forming internal dynamics. Moreover, the Central Asian republics consist of a more or less consistent system based on geographical and cultural terms. In security terms the region has its own dynamics

and preoccupations, although each individual state pursues their own national policies, and their security policies are interconnected (Jonson & Allison 2001). On the other hand, there are questions raised with regards to a regional security complex consisting of five Central Asian republics. Are there obvious common grounds for security interactions among the units? Is it possible to consider a Central Asian security complex without Afghanistan, which plays a significant role in exporting instabilities across the region? Is it possible to distinguish a Central Asian security complex from a Caucasian security complex?

Given the configuration of forces, interests and threats, Burnashev discerns three circles of participants in the Central Asian Security Complex: (1) the Inner Circle, consisting of regional states including Afghanistan; (2) the Second Circle, including actors with vitally important and important national interests in the inner circle like Russia, China, Pakistan, Iran and Turkey; and (3) the Third Circle, encompassing actors that either have their own interests in the region or are capable of playing a substantial role such as the US and the EU (Burnashev 2002).

For the purpose of this article, only five Central Asian Republics will be taken into consideration with their ongoing process of forming a transboundary water regime as a part of their overall security considerations. Afghanistan and its possible involvement in the Central Asian water regime will not be considered as part of the analysis. Furthermore, the Caucasus sub-security complex will be separated from the Central Asian one because of the obvious geographical and geo-strategic differences, as well as cross cutting differences such as the importance and nature of religiosity and the possession or absence of oil.

Central Asia consists of five fairly weak states without any leading power among them, despite Uzbekistan's will to be most powerful actor in the region. Since their independence, dynamics of destabilization have played a major role in the regional states' development. For the regional states, with each passing year, problems are getting deeper and deeper. The main problems common for all regional states are various degrees of bad governance and internal instability; low socio-economic standards and varying degrees of dependence on Russia; shortage and mismanagement of natural resources, i.e. water; and a high degree of vulnerability to "new threats" such as crime, smuggling, drug trafficking, terrorist infiltration and uncontrolled migration (Bailes 2003). Furthermore, for most of the Central Asian governments, Islamic extremism is the major threat for their

countries' stability. As a result of these security challenges, military expenditures have been rising in most of the Central Asian republics. But, as illustrated in Figure 2 (Military Expenditures of Five Central Asian States)**,** military expenditures constitute 1-2 percent of GDP for all these countries except Turkmenistan, whose military expenditure was 3.8 percent of GDP in 2000. This is an extension of Turkmenistan's neutral position and its ambition to be self-sufficient in terms of military security (Perlo-Freeman & Stålenheim 2003).

Tajikistan is the poorest among the five republics of Central Asia. With the dissolution of the Soviet Union, Tajikistan was faced with serious economic problems. The civil war in 1997 between Moslem opposition and the Tajik government has also caused damages to the infrastructure and economic structures of the country. As its economy is highly dependent on agriculture, the issue of water allocation is a vital issues for Tajikistan. However, in contrast to other regional states, Tajikistan has not suffered from water shortages due to its upstream position over both Amu Darya and Syr Darya. With regards to its relations with other regional republics, Tajikistan with its largely Persian population has a strategic inclination toward Iran and Afghanistan rather than toward "modern and secular" models. This is leading to fear among other republics that if Tajikistan's radical Islamic movement gains control, it will attempt to influence neighbouring countries (Alaolmolki 2001).

Krgyztan is the most vulnerable among the Central Asian Republics, in terms of dealing with security threats, due to its lack of military and economic structures. This was evident when armed militant Islamist groups attacked Fergana Valley - a valley shared by Kyrgyztan, Tajikistan and Uzbekistan. Because of this vulnerability, Kyrgyztan still depends on Russia for military assistance (Alaolmolki 2001). With regards to the importance of water resources for Krgyztan, like Tajikistan, Kyrgyztan's population heavily depends on agriculture. In addition, hydroelectricity is also of vital importance for the Kyrgyz economy (Alaolmolki 2001).

FIGURE 2. MILITARY EXPENDITURE OF THE 5 CENTRAL ASIAN REPUBLICS[38]

All figures in US $Million, at constant 2000 prices and exchange rates and for calendar year

. . = Data not available or not applicable **( )** = Uncertain figure, **[ ]** = estimate.

UZBEKISTAN

Military expenditure in constant US dollars														
	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Uzbekistan	..	..	..	..	..	..	92.8	77.7	104	[121]	..	184	..	137	..
Military expenditure as a share (%) of gross domestic product (GDP)														
	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	
Uzbekistan	..	..	..	..	..	..	1.5	1.1	1.2	[1.4]	..	1.7	..	1.1	

KAZAKHSTAN

Military expenditure in constant US dollars														
	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Kazakhstan	..	..	..	..	..	(248)	(158)	163	177	165	188	137	143	210	[202]
Military expenditure as a share (%) of gross domestic product (GDP)														
	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	
Kazakhstan	..	..	..	..	..	(1.0)	(0.9)	1.1	1.1	1.1	1.3	0.9	0.8	1.0	

TURKMENISTAN

Military expenditure in constant US dollars														
	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Turkmenistan	..	..	..	..	..	..	102	90.5	87.1	132	112	121	[163]	..	..
Military expenditure as a share (%) of gross domestic product (GDP)														
	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	
Turkmenistan	..	..	..	..	..	..	1.8	2.3	2.0	4.0	3.1	3.4	[3.8]	..	

---

[38] Source for all countries: The SIPRI Military Expenditure Database (2004)

TAJIKISTAN

Military expenditure in constant US dollars														
	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Tajikistan	..	..	..	..	24.7	102	32.4	[9.4]	10.1	14.4	12.8	13.8	11.9	11.9	..
Military expenditure as a share (%) of gross domestic product (GDP)														
	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Tajikistan	..	..	..	..	0.4	3.9	1.7	[1.1]	1.3	1.7	1.3	1.4	1.2	1.2

KYRGYZTAN

Military expenditure in constant US dollars														
	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Kyrgyzstan	..	..	..	..	11.8	9.5	8.9	16.3	15.4	18.7	17.4	20.9	24.6	[24.9]	..
Military expenditure as a share (%) of gross domestic product (GDP)														
	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Kyrgyzstan	..	..	..	..	0.7	0.7	0.9	1.7	1.5	1.6	1.5	1.7	1.8	[1.7]

Source: SIPRI Military Expenditure Database (2004)

In Uzbekistan, Islamic extremism and the fear of "Tajikisation" of the country are perceived as the main security threats. Thus, this situation has forced the Uzbek government to make the army, which is the largest military organization in the region, ready and reform the armed forces. As an extension of its aggressive policy against extreme Islamic movements, Uzbekistan has been one of the enthusiastic supporters of the US-led war against transnational terrorism. The Uzbek government has agreed to the deployment of 1500 American troops and, in return, the US provided Uzbekistan USD 160 million in aid in 2002 (Rasizade 2002). This economic assistance and security guarantees have paved the way for the Uzbek government's ambitions to be the regional hegemon. Despite its military strength, Uzbekistan is very vulnerable in terms of maintaining its agricultural sector, which is the main sector of the Uzbek economy. The agricultural sector, based mainly on monocultures of cotton, is steadily declining because of the water supply problems, soil degradation and droughts. Due to its reliance on cotton production and its objectives for food self-sufficiency, Uzbekistan views irrigation as one of the key security issues.

Turkmenistan is the most stable country of the region. The Turkmen government has been successful in containing any significant political opposition within the

country. In contrast to other regional states, Turkmenistan has stressed its neutral position and within this context has started a massive increase in the size of its armed forces (Perlo-Freemen & Stålenheim 2003). As Turkmenistan has the fourth largest gas reserves in the world, its economy is mainly based on the export of natural gas and related products (Alaolmolki 2001). In spite of its sufficient income from natural gas, Turkmenistan has aimed to achieve food self-sufficiency. As a result, like Uzbekistan, the issue of water allocation is viewed as a part of national security by the Turkmen government.

Kazakhstan, thanks to its rich endowment of natural resources, has the most developed economy in the region. It is the second largest oil producer among the former Soviet Republics, producing over five hundred thousand barrels per day. Because of its oil and mineral resources, Kazakhstan has the potential for attracting foreign investment. Its economy is virtually self-sufficient with a well-developed agricultural sector, a productive extractive industry, and an extensive transportation network (Rumer 2002). In terms of social and political threats, unlike other Central Asian states, a militant Islamic threat has been less visible in Kazakhstan As with Uzbekistan and Turkmenistan, water resources for irrigation is one of the security issues for Kazakhstan.

Since their independence, the Central Asian republics have tried to overcome the acute internal problems and external challenges. Another major problem of the region is the disunified character of the regional states due to the fact that each individual state has acted to defend its own interests and ensure its survival. This self-interested behaviour of the Central Asian states has led to tensions among them particularly in terms of conflicts over water and energy resources. As a result of these acute internal problems and external challenges accompanied with conflictual interests, the Central Asian republics remain as weak states and dependent on alignments with powerful external powers.

The major problems inherent in the internal dynamics of the region, which are also interlinked with each other, are the lack of regional cooperation and the unsettled disputes over natural resources. As already briefly touched upon, the Central Asian states are sharing similar problems after the dissolution of the Soviet Union with different paths to overcome these problems. As an extension of the common threats and problems, they have tried to form institutions for developing cooperation among them. Up until now, all of the institutional structural efforts were able to achieve full participation of all five republics except

for the case of water management institutions. In spite of these cooperative regional efforts, according to Jonson and Allison, conflictual dynamics are more deeply embedded in the region (Jonson & Allison 2001).

Apart from disputes over water allocation, security problems in the region are generally transnational, e.g. international terrorism (mainly Islamic terror activities) and illegal trafficking, not inter-state. According to Buzan and Wæver (2003), no pattern of amity and enmity has formed among regional states. The most remarkable characteristics of internal dynamics within the Central Asian security complex is the existence of lower level structural alignments among regional states. In general regional states have not formed structural alignments as a result of their self-interested policies. "Nobody is looking to set up a system of alliances between the republics of Central Asia" (Roy in Buzan and Wæver 2003). Thus, regional dynamics have formed at other levels. Regional states prefer to develop structural alignments with powerful actors from the second or third circle such as Kazakhstan's relations with Russia, Uzbekistan's pro-American attitudes, and Kyrgyztan's military dependency on Russia. Furthermore, within the regional context, the ongoing competition between Kazakhstan and Uzbekistan, and Uzbekistan's ambition to be the regional hegemon on the one hand and Turkmenistan's unilateral isolationist regional policy on the other have shaped the power relations within the inner circle of the regional security complex. Competitions have influenced Kazakhstan, Turkmenistan and Uzbekistan's alignments with regional states as well as other external actors.

In the second and third circle of the regional security complex, the policies of Russia, China, Turkey, Iran and the US might be seen. The relations between these extra regional actors and regional actors are characterized by economic consideration, gaining control over the region's rich energy resources, security concerns, and historical and cultural backgrounds. The strategic interests of external powers are changing in a broad spectrum from maintaining the status quo to increasing their own influence in the region. Within this context, Russia, China, Iran, Turkey and the US are the major external powers which link their national interests to Central Asia.

Besides its geo-strategic considerations, Russia has two reasons to be involved in Central Asia: (1) to protect ethnic Russians in the region; and (2) to maintain access to important natural resources, such as oil, natural gas and some other minerals, of the region (Jones 2000). However, Russia's own internal problems

have not allowed a deep involvement in the region. With the exception of Kazakhstan, which has a long border with Russia and a fairly large Russian population, and Kyrgyztan, which depends on Russia in terms of military assistance, Russia has not actively engaged with the Central Asian republics.

On the other hand, after the dissolution of the Soviet Union it was expected that Turkey and Iran would play crucial roles in the region. In order to fill the political vacuum after the collapse of the Union, both Iran and Turkey attempted to establish ties, mainly based on ethnicity, language, culture, religion, geography and economics, with particular Central Asian states. Iran has been attracted by the prospect of its own sphere of influence in the region. In the beginning, Iran tried to become a source of religious inspiration, especially for Tajikistan, but since then it has adopted a different policy. Besides its relations with Tajikistan, Iran has relations with Turkmenistan, with which it shares a long border, through proposals to construct new pipelines across Iran to the Persian Gulf (Rumer 2002). However, with the exception of Turkmenistan, the other Central Asian republics are reluctant to have close relations with Iran due to their suspicions of Iranian support for the Tajik Islamic groups. Furthermore, Iran's prospects to control Turkmenistan's natural gas resources through building pipelines have been opposed by the US, which has significant opposition to any plans to route Turkmenistan's gas through Iran and to any cooperation between Turkmenistan and Iran. As far as Turkey is concerned, it failed to follow its ambitions to play a leading role in Central Asia because of its own economic problems as well as a lack of enthusiasm in the region for Turkey's leading role (Winrow 2001). However, thanks to its status as a member of NATO and the Western world's willingness to show Turkey as a "modern and secular" model for the Central Asian republics, the situation turned in favour of Turkey especially in terms of pipeline routes.

On the other hand, because of its dominating Muslim region of Xinjiang, China has always supported oppressive regimes that have pursued policies against extremist Islam in Central Asia. It has also developed economic and trade relations with regional states. Furthermore, it is one of the important donors of military aid to Central Asia and is reported to have provided a total of USD 4.2 million in 2002 (Perlo-Freeman and Stålenheim 2003).

For the US, one of the most significant reasons to engage in the region is its campaign against the new threats of transnational terrorism, weapons of mass

destruction and "rogue states". Since 9/11 the American military existence in the region has expanded. Within this context, all Central Asian republics signed agreements with the US for the use of their military bases and deployment of US troops. Even neutral Turkmenistan has granted permission for the US' military overflights (Rasizade 2002). In return, the US has provided economic and military assistance and security guarantees for the regional states.

Since 1991, Russia, China and the US have attempted to exert power on Central Asia. On the one hand, China, with developing economic relations with the Central Asian republics, has gradually increased its own sphere of influence. On the other hand, the US also has paid greater attention to the region as a periphery of its foreign policy. Especially after 9/11 the existing power structure has drastically changed with some of the Central Asian states' sudden turn towards the US. As a consequence of American and Chinese involvement in the region, Russia's role in the region has been threatened. Accompanied by the regional states' attitudes in favour of the US and China, a conflictual dynamic has developed in terms of relations between external powers engaging in the region. On the one hand, the Russian Central Asia agenda has been occupied with the growing American influence. On the other hand, the US has tried to fetter Iranian involvement in the region. Furthermore, both Russia and China have competed in developing economic and political ties with the Central Asian states. As a reflection of these conflictual external dynamics and previously mentioned disunified internal dynamics of the region, it can be foreseen that Central Asia is developing into a region of strategic rivalry.

The preceding section has analysed Central Asia as a regional security complex, examining the external and internal dynamics which determine the characteristics of the security. In the following section, hydropolitics as one of the major security issues among the regional states will be explored, and in light of the characteristics of the regional security complex, the possibility of a properly functioning water regime will be discussed.

HYDROPOLITICS IN CENTRAL ASIA: TOWARDS A REGIONAL WATER REGIME

Considering the vital importance of water for human beings and societies, water resources are one of the particular issues that reflects a link between environmental degradation and the outbreak of conflicts (Horsman 2001). Thus, water has security implications while maintaining the core foci of security –

competition and violence (Horsman 2001). In most cases, water threats are perceived as threats to national security, as in the case of deprivation of water for irrigation by other riparians which may lead to economic problems, which in turn makes a state vulnerable to foreign pressure (Møller 2003). According to Levy "for any environmental threat to be a security threat, there must be some demonstrable connection to some vital national interests" (Levy 1995:45). As a result of its security implications, disputes over water and efforts to form a water regime will be considered as an indispensable part of the Central Asian regional security complex.

International regimes have important effects on interdependent relations within the particular regional security complex. Since World War II, specific sets of rules have been applied as guides for international actors. International regimes are intermediate factors between the power structures and the bargaining that take place in it. Within this context, it is necessary to examine international regimes in order to understand their effects on the patterns of interdependence and power relations among units within a security complex.

Regimes are defined as:

> *sets of implicit or explicit principles, norms, rules, and decision-making procedures around which actors' expectations converge in a given area of international relations* (Krasner 1991:2*).*

According to Krasner regimes are more than temporary arrangements which change with power and interest shifts. In this respect Keohane and Nye differentiate between agreements and regimes. According to them, agreements are "one-shot" arrangements while the purpose of regimes is to facilitate these arrangements (Keohane & Nye 1989). Furthermore, regime governed behaviour must be beyond short-term interests. In order to establish a regime, states should accept reciprocity and sacrifice short-term interests with the expectation that other actors reciprocate in the future (Krasner 1991).

According to Krasner, regimes are not regarded as ends in themselves, as they affect related behaviour and outcomes. In the international system, mainly based on the idea of sovereign states, the main function of regimes is to coordinate state behaviour in order to achieve desired outcomes. In other words, regimes help to achieve desired outcomes, which cannot be achieved through uncoordinated individual self-interests (Krasner 1991). According to Keohane, international

regime formation relies on rational-choice analysis, and self-interested actors within the international system try to establish international regimes through mutual agreement (Keohane 1991). Within this context, Stein is concerned with the demand for regimes and his argument is also based on rational choices of self-interested actors. He argues that:

> *…the same forces of autonomously calculated self-interest that lie at the root of the anarchic international system also lay the foundation for international regimes…there are times when rational self-interested calculation leads actors to abandon independent decision making in favour of joint decision making* (Stein 1991:132).

Moreover, he states that by providing a legal framework, regimes may make agreements easy to enforce.

When it comes to regime formation, Young defines three different paths to regime forms: (1) spontaneous, in which regimes emerge from converging expectations; (2) negotiated, in which regimes are formed by agreements; and (3) imposed, in which regimes are forced by external powers. Among these formation shifts, imposed regimes are the most sensitive ones to power shifts in the division of power in the international system since it is closely tied with the power structures (Young 1991). Moreover, in all types of regime formation hegemonic powers use their powers to sustain a regime which promotes their interests, or they can veto the formation of a regime which challenges their interests. In other words, in regime formation power, defined by Keohane and Nye (1989:1) as "the ability of an actor to get others to do something they otherwise would not do", plays a vital role. Besides the influence of hegemons, the power relations among actors within a sub-system should be taken into consideration. Both in formation and in continuation of a regime, interdependency among actors and the vulnerability of actors towards others' actions within the system also play major roles. According to Keohane and Nye, the power structure affects the nature of a regime and the regime in turn governs the political bargaining and decision making within the system (Keohane and Nye 1989).

With regards to international waters, the concept of "water regimes" has been attracting more and more attention. Water regimes refer to the constrained mechanisms that guide the actions of parties in a river basin (Jagerskog 2001:1). Regime theory can be applied to the analysis of cooperation over river basins, and

offers a relevant tool for the analysis of how compromised solutions could be found (Jagerskog 2003:49).

According to Hafterdorn (2000:65), water regimes come into existence "when affected states to a conflict observe a set of rules designed to reduce conflict caused by use, pollution or division of a water resource or the reduction of the standing costs and the observance over time of these rules". He distinguishes between regimes that are established to deal with all future water conflicts like the 1992 *Convention on the Protection and Use of Transboundary Water Courses and International Lakes* and the 1997 *UN Convention on the Law of the Non-Navigational Uses of International Watercourses*, and water regimes that are connected to a particular conflict.

As far as general water regimes that are established to deal with all future water conflicts are concerned, it is mainly the 1997 *UN Convention on the Law of the Non-Navigational Uses of International Watercourses* that can be applied for transboundary river management issues in addition to regional agreements aiming at the resolution of particular conflicts. In the 1997 Convention, development of rules of international law regarding non-navigational uses of international watercourses is aimed to promote and implement the main principles for non-navigational uses of transboundary watercourses. Furthermore, the general principles with regard to "equitable and reasonable utilization and participation" and "obligation not to cause significant harm" are determined by the convention (articles 6 and 7).

In fact, the existing international water law documents are ambiguous and vague in the case of transboundary waters because of the uniqueness of each water dispute. As a result of the ambiguity of the "equitable" and "reasonable" distribution of water definitions in international documents, generally the riparian states have different perceptions and interpretations. Regardless of how specifically the body of law might identify what really constitutes "equitable and reasonable" distribution, the parties are inclined to interpret the law according to their own interests. Therefore, the riparians' arguments on what constitutes equitable and reasonable distribution of water reflect their interests and needs. Within this context, riparian states have sought for regional basin-wide regimes in order to resolve transboundary water management problems instead of just relying on existing international water regimes.

Given its economic value, in Central Asia, where water scarcity and competition are acute, water has become a part of high politics and the possibility of water related conflicts has been increasing. The problems of increasing demand and declining supplies have led to unfettered competition for water. Tensions focus on the two main rivers of the region that both flow to the Aral Sea: the Syr Darya from Kyrgyzstan through Uzbekistan and Kazakhstan, and the Amu Darya from Tajikistan through Uzbekistan and Turkmenistan. The Amu Darya and its tributaries form part of the border between the Central Asian states and Afghanistan (see figure 1: Map of Aral Sea Basin). So far the tensions have been contained without any conflict, but because the regional states continue to consider the problem to be a "zero-sum game", the possibility of a cooperative resolution is getting harder to reach.

Around 90% of the region's crops need irrigation. Cotton is the most valuable product for the regional economies, particularly for Turkmenistan and Uzbekistan. Cotton production employs 44% of Turkmenistan's work force and makes up 76% of Uzbekistan's revenues (Horsman 2001). As far as upstream countries are concerned, over 50% of Kyrgyztan's and Tajikistan's electricity production relies on hydroelectric power. Within this context:

> *…an annual cycle of disputes has developed between the three downstream countries - Kazakhstan, Turkmenistan and Uzbekistan - that are all heavy consumers of water for growing cotton, and the upstream nations - Kyrgyzstan and Tajikistan. The downstream countries require more water for their growing agricultural sectors and rising populations, while the economically weaker upstream countries are trying to win more control over their resources and want to use more water for electricity generation and farming* (ICG Asia Report 2002:i).

After the collapse of the Soviet Union, water management has become a complex transboundary water management problem. During the Soviet Union era, the Ministry of Land Reclamation and Water Resources in Moscow was the single official agency responsible for water allocation. It was also assigned as the final arbiter for solving disagreements. With the independence of the Central Asian states, this centralized structure fragmented into the hands of five governments who have different policy priorities and are very reluctant to work together. Furthermore competition among regional states has caused failures in providing a feasible regional approach to replace the Soviet water management system, in which quotas, fixed by Moscow, favoured the downstream cotton-producers at the

expense of mountainous and less developed Kyrgyztan and Tajikistan (ICG Asia Report 2002).

In other regions, where water is shared by different states, water management strategies between riparians have evolved gradually. But in the Central Asia case, states were forced to develop a ground for water management as a result of an urgent need for a set of implicit or explicit principles, norms, rules, and decision-making procedures regulating water allocation relations among regional states. With the interventions of international donor organizations and environmental NGOs, five newly independent states signed the *Almaty Agreement* in 1992, as an expression of their willingness to work towards joint coordination and action over water resources. Following the *Almaty Agreement*, a number of institutions concerning water management were established: the Interstate Coordinating Water Commission (ICWC), the sub-ordinate Amu Darya and Syr Darya Basin Management Authorities (BVOs), the Interstate Council on Problems of the Aral Sea Basin (ICAS), and the International Fund for the Aral Sea (IFAS). In spite of the existence of external intervention in the regime formation over shared river basins, the "water regime" that is formed by Central Asian states cannot be called an imposed regime. Rather, it has emerged from converging expectations and formed spontaneously, aiming at water allocation among the republics, regulation, use and protection of watercourses, and avoidance of disputes before they arise.

While some optimistic donor organizations and international institutions consider these institutionalisation efforts to establish a water regime as an example of a success story, there are still serious areas of tensions over water management among the Central Asian states. According to the ICG's report entitled *Central Asia: Water and Conflict*, these institutionalised efforts for transboundary water management in the region have just imposed a very similar version of Soviet central planning and not provided an effective ground for long-term water allocation disputes since the new states will not be satisfied with the economic roles previously assigned by Moscow. Furthermore, the inter-state institutions', namely the ICWC and the IFAS, lack of transparency and narrow focus emphasizing mainly water division, have led to a failure in dealing with rising tensions over water resources (ICG Asia Report 2002). In spite of the agreements signed, institutional arrangements cannot be regarded as successful because of the weak political commitment and cooperation, and financial and legal constraints (Bedford and Micklin in Horsman 2001). In this regard, the question that arises is:

can transboundary water management in Central Asia be considered as a regional water regime?

According to Krasner, in the international system the main function of regimes is to help achieve desired outcomes which cannot be achieved through uncoordinated individual self-interests (Krasner 1991). In order to form international regimes, rational self-interested calculations must lead actors to abandon independent decision-making in favour of joint decision-making. However, in the Central Asia case, individual states still put their own self-interest and decision-making before joint interests and decision-making. The disunified character of the internal dynamics of the region does not encourage efforts to form a regional water regime. Furthermore, amongst the Central Asian states there is no particular state that has the power to enforce a regime formation. As previously mentioned, Turkmenistan, Kazakhstan and Uzbekistan are equally powerful and they are far from forming alignments with each other especially in light of the political rivalry between the leaders of Turkmenistan and Uzbekistan. Thus, as far as regional decisions are concerned this rivalry restricts the potential for compromise.

The potentially unstable water security issue of the region has attracted extra-regional interests. Three neighbouring states, Afghanistan, China and Iran, outside the Commonwealth of Independent States, plus the US have direct impacts on regional water security because of their hydrologic boundaries with the regional states. Among the three, Iran has a trivial effect because only 2% of its territory and less than 1% of its population are within the basin (Horsman 2001). On the other hand, Afghanistan with 40% of its territory and 33% of its population within the Aral Sea Basin has a more complex impact. The absence of Afghanistan from regional water institutions weakens the possibility of a long-term regional water regime. For China, water demands and policies are interlinked with its economic and political objectives in Xinjiang region. China has planned to extract water from two of the tributaries in order to stimulate the economy of Xinjiang, to raise living standards and to reduce support for Uigur irredentism. If this plan succeeds, it will reduce one of the sources of transboundary security issues for the region (Horsman 2001). As far as the US is concerned, it has used environmental assistance for security objectives. According to Weinthal, the Aral Sea crisis has offered a safe issue area for US foreign policy in Central Asia (Weinthal 2000). Through the Agency for International Development (USAID), confidence building and cooperation among regional states have been attempted and some

environmental projects have been implemented. But the main objective for the US is to create a stable regional environment for its economic interests in the oil and gas sector and create a counter balance for Iranian influence in the region.

CONCLUSION

Disputes over water resources are one of the major threats for the Central Asian republics' security. After the dissolution of the Soviet Union, water management has turned into a very complicated transboundary water management problem among five Central Asian states. Both internal and external dynamics of the Central Asian regional security complex have played roles in the resolution or non-resolution of the water management disputes.

In spite of the existence of some half-hearted attempts, a regional water security regime has not been achieved yet. As a result of the competition among regional states in terms of enforcing their own national interests at the expense of other states' vulnerabilities, regional cooperation over water allocation is still problematic and fragile.

Internal dynamics of the region, competing interests, and the absence of powerful actors among the regional states has negatively effected the formation of a water regime. On the other hand, international involvement has acted neither as a medium nor as a solution for regional water disputes. External actors are unable to influence the internal dynamics of the region since their involvement has been aimed at securing their own interests regardless of regional dynamics.

REFERENCES

Alaolmolki, N. (2001) *Life After the Soviet Union*. New York: State University of New York Press.

Bailes, A.J.K (2003) "Armament and Disarmament in the Caucasus and Central Asia: An Introduction" in A.J.K Bailes, B. Hegelin, Z. Lachowski et al (eds.) *Armament and Disarmament in the Caucasus and Central Asia*, 1-6. Stockholm: Stockholm International Peace Research Institute.

Burnashev, R. (2002) "Regional Security in Central Asia: Military Aspects" in B. Rumer (ed.) *Central Asia: A Gathering Storm*, 114-168. New York: M.E. Sharpe.

Buzan B. and Wæver O. (2003) *Regions and Powers: The Structure of International Security*. Cambridge: Cambridge University Press

Buzan B. (1991) *People, States and Fear*. New York: Harvester Wheatsheaf.

Dukhovny, V. and V. Sokolov (2003) *Lessons on Cooperation Building to Manage Water Conflicts in the Aral Sea Basin*. UNESCO-IHP, available from: <http://unesdoc.unesco.org>

Haftendorn, Helga (2000) "Water and International Conflict", *Third World Quarterly* 21(1): 51-68.

Horsman S. (2001) "Water in Central Asia: Regional Cooperation and Conflict?" in R. Allison and L. Jonson (eds.) *Central Asian Security*, 69-94. Washington DC: Brookings Institution Press.

International Crisis Group (ICG) (May 30, 2002) Central Asia: Water and Conflict, (ICG Asia Report 34, Brussels, available from: <URL>http://www.crisisweb.org//library/documents/report_archive/A400668_30052002.pdf>)

Jagerskog, Anders (2003) *Why States Cooperate over Shared Waters: The Water Negotiations in the Jordan River Basin.* Linkoping: Linkoping Studies in Arts and Science.

Jagerskog, Anders (2001) *The Jordan River Basin: Explaining Interstate Water Cooperation Through Regime Theory*. (Water Issues Study Group, University of London School of Oriental and African Studies (SOAS) Occasional Paper 31)

Jones, S.A. (200) "Introduction" in G.K Bertsch, C. Craft, S.A Jones et al. (eds.) *Crossroads and Conflict: Security and Foreign Policy in the Caucasus and Central Asia*, 1-24. New York: Routledge.

Jonson, L. and Allison R. (2001) "Central Asian Security: Internal and External Dynamic" in R. Allison and L. Jonson (eds.) *Central Asian Security*, 1-23. Washington DC: Brookings Institution Press.

Keohane R.O. and Nye J.S. (1989) *Power and Interdependence*. US: Harper Collins Publishers

Keohane R.O. (1991) "The Demand for International Regimes" in S.D Krasner (ed.) *International Regimes*, 141-172. London: Cornell University Press.

Krasner, S.D. (1991) "Structural Causes and Regime Consequences: Regimes as Intervening Variables" in S.D Krasner (ed.) *International Regimes*, 1-22. London: Cornell University Press.

Levy, M.A. (1995) "Is the Environment a National Security Issue", *International Security* 20(2): 35-62

Møller, B. (2003) *Water, Security and Conflict: An Overview of the Linkages* (Paper for the Conference on *From 'Water Wars' to 'Water Riots'?*, DIIS Copenhagen, December 3, 2003.)

Perlo-Freeman, S. and Stålenheim, P. (2003) "Military Expenditure in the South Caucasus and Central Asia" in A.J.K Bailes, B. Hegelin, Z. Lachowski et al (eds.) *Armament and Disarmament in the Caucasus and Central Asia*, 7-20. Stockholm: Stockholm International Peace Research Institute.

Rasizade, A. (2002) "Washington and the Great Game in Central Asia", *Contemporary Review* 280(1636): 257-270.

Rumer, B. (2002) "The Search for Stability in Central Asia" in B. Rumer (ed.) *Central Asia: A Gathering Storm*, 3-66. New York: M.E. Sharpe.

SIPRI Military Expenditure Database (2004), available from: <http://first.sipri.org/non_fast/result_milex.php?send>

Stein, A.A. (1991) "Coordination and Collaboration: Regimes in an Anarchic World" in S.D Krasner (ed.) *International Regimes*, 115-140. London: Cornell University Press.

Weinthal, E. (2000) "Central Asia: Aral Sea Problem", *Tel Aviv University Interhemispheric Resource Centre and Institute for Policy Studies*, 5(6), available from: <URL>http://www.fpif.org/briefs/vol5/v5n06aral_body.html>

Winrow, G.M. (2001) "Turkey and Central Asia" in R. Allison and L. Jonson (eds.) *Central Asian Security*, 199-218. Washington DC: Brookings Institution Press.

Wæver, O. (1993) *Securitization and Desecuritization*. (Copenhagen: Centre for Peace and Conflict Research Working Paper 5.)

Young, O.R. (1991) "Regime Dynamics: the Rise and Fall of International Regimes" in S.D Krasner (ed.) *International Regimes*, 93-172. London: Cornell University Press.

1997 UN Convention on the Law of the Non-Navigational Uses of International Watercourses available from <http://www.internationalwaterlaw.org/>

THE POLITICAL DILEMMA OF THE ECONOMIC AND MONETARY UNION

Piotr Stolowski[*]

Abstract

This article examines the political dilemma faced by the Economic and Monetary Union decision-makers with regards to fiscal policy co-ordination. It argues that two alternatives are available: national fiscal policies, constrained by budgetary rules at a central level, or a federal fiscal system. The operation of both of these options is discussed in accordance with the Optimal Currency Area theory and with reference to the monetary union in Europe. The former proves to be feasible, but not desirable; whereas the latter is desirable, but not feasible.

INTRODUCTION

> *A monetary union without an accompanying economic and fiscal policy union would prove a house of cards that would collapse with every gust of wind.*

(Schiller in Dyson and Featherstone 1999:292)

Having decided to move to the third stage of the monetary integration process in Europe in January 1999, the European Union's member states took a gamble[39] hoping for a buoyant future. The euro was meant to reinforce the process of an "ever closer union" and guarantee robust economic growth in the years to come. However, so far the gamble has not paid off as the performance of the Economic and Monetary Union (EMU) over the last five years has been a bitter disappointment. Some of the blame can be put on the European Central Bank (ECB), which pursued an extensively restrictive monetary policy that kept the interest rates uncomfortably high,[40] and the membership countries themselves, especially the core countries like Germany and France, who failed to introduce the

---

[*] Current master's student in the European Studies Program, Aalborg University. The author would like to thank anonymous referees for their helpful comments.

[39] See M. Obstfeld "Europe's Gamble" (1996).

[40] Although it has to be stressed that the interest rates have been brought down to historically low levels.

needed structural reforms. However, none of the above are mentioned as often as the Stability and Growth Pact (SGP) as the main reason for EMU sluggishness. Although it is widely accepted that fiscal stimulus is not the best long-term route to growth, it is the Pact's inflexibility that is held responsible.

Moreover, the establishment of the EMU brought about a very bizarre policy mix in Europe consisting of a centralised monetary policy accompanied by national fiscal policies. The implementation of the SGP, aiming at securing a viable policy mix, proved to be inefficient. Therefore further development of a European State, based on the embryo of the monetary union, requires in the first place an amendment to the fiscal policy co-ordination rules. Such an action, though, must be backed by a clear recognition of the political project implicit in EMU and development of a fully fledged political arena (Boyer 2000:25, 88).

Taking into consideration the above facts, this article looks at the fiscal aspect of the monetary union in Europe. It envisages a political dilemma facing the EMU decision-makers who are bound to choose between democratic politics and national self-determination as far as fiscal policy of "Euroland" is concerned. By taking the Optimal Currency Area (OCA) theory as a point of departure, it concentrates both on the current co-existence of national budgets and the case of fiscal federalism and discusses the viability of both of these solutions.

THE POLITICAL DILEMMA OF THE EUROZONE

In his article "Feasible Globalizations", Rodrik (2002)[41] conceptualises the political trilemma of the global economy (figure 1) by arguing that "the nation-state system, democratic politics, and full economic integration are mutually incompatible. We can have at most two out of three" (Rodrik 2002:1). As a way-out, he calls for the creation of a renewed "Bretton Woods compromise", preserving some limits on integration while establishing some global rules to handle the growing interconnectedness.

---

[41] See also Rodrik (2000).

FIGURE 1. THE POLITICAL TRILEMMA OF THE WORLD ECONOMY
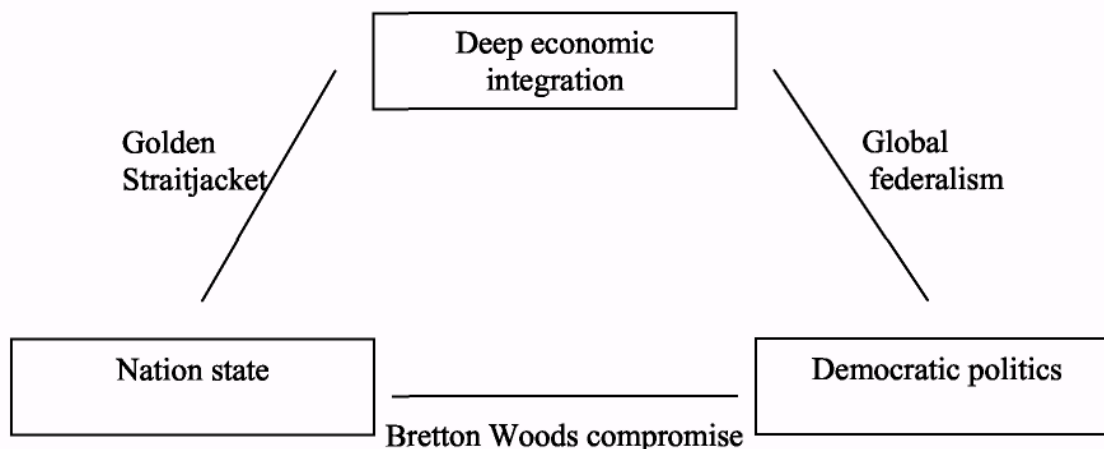
Source: Rodrik (2002)

The present author tries to bring this deliberation onto European grounds with special reference to the fiscal dimension of the EMU. Nevertheless, as the process of economic integration has almost been completed in Europe with the implementation of the single currency, backing out of it is not in question.[42] Therefore there are only two options available (figure 2). We can either have a monetary union with national fiscal policies, strictly limited by fiscal constraints,[43] for example in the form of the existing SGP, or a monetary union with a democratic federal fiscal system. However, in order to analyse their sustainability, we first have to examine their roles in accordance with the OCA theory underpinning the concept of a monetary union.

---

[42]However, as noted by Eichengreen and Frieden (2001:15): "Technically, exiting the monetary union is straight forward: the government of the participating member state needs only to restart the printing press and reissue the national currency. If a country left the monetary union because it felt that the ECB was following excessively inflationary policies, its 'good' domestic currency would drive out the 'bad' European currency. If the country instead left because it felt that the ECB's overly restrictive policies were aggravating unemployment, it would in addition have to declare that the euro would no longer be accepted as legal tender within its borders."

[43] Friedman (in Rodrik 2002:15) calls such constraints the "Golden Straitjacket" that a country puts on: "Golden Straitjacket narrows the political and economic policy choices of those in power to relatively tight parameters. […] Once your country puts on the Golden Straitjacket, its political choices get reduced to Pepsi or Coke – to slight nuances of tastes, slight nuances of policy, slight alterations in design to account for local traditions, some loosening here or there, but never any major deviation from the core golden rules."

FIGURE 2.
THE POLITICAL DILEMMA OF THE ECONOMIC AND MONETARY UNION
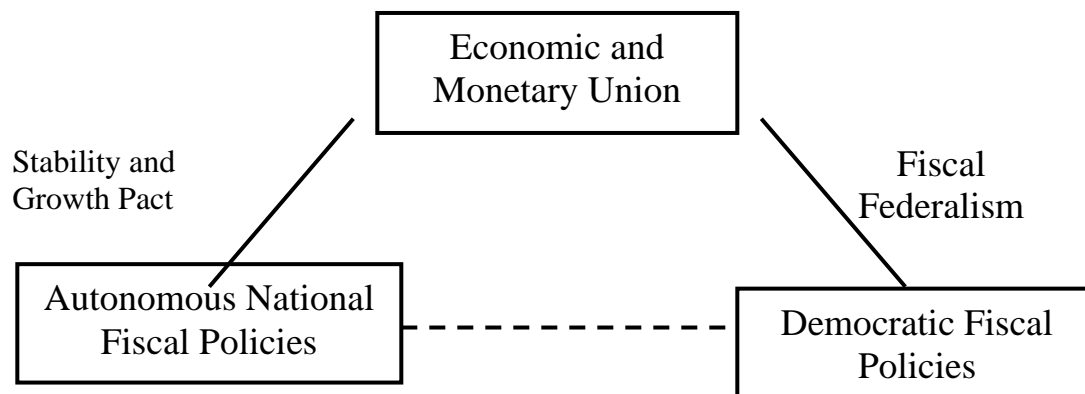
Source: Own model based on Rodrik (2002)

MONETARY UNION AND NATIONAL BUDGETS

The OCA theory[44] sets up conditions that countries planning to introduce a common currency have to meet. It approaches the impact of a single exchange rate policy by taking into consideration the exposure of particular monetary union members to asymmetric shocks. It emphasises the operation of adjustment processes based on mobility of labour and wage flexibility, which enable partial or full accommodation of such shocks. Additionally, it lays stress on the high level of fiscal integration between countries or national fiscal flexibility as a further mechanism helping to restore equilibrium.

Let us assume that neither labour mobility nor wage flexibility is able to accommodate fully an asymmetrical shock, and fiscal policy is needed to restore equilibrium. To proceed with this analysis we will concentrate on the case where a monetary union, formed of two countries - Country A and Country B, is accompanied by independent fiscal policies run autonomously by the membership countries. Therefore, a negative demand shock in Country A (figure 3) will cause the budget of this country to go into deficit or will increase the already existing one, because of declining tax revenues and a rising level of unemployment payments. On the contrary, Country B will experience increasing budget surpluses or declining deficits. If capital markets work efficiently, the need for the government of Country A to borrow will be accommodated by the increasing

---

[44] For the original texts see Mundell (1961), McKinnon (1963), and Kenen (1969). For contemporary analysis of the OCA theory see for example De Grauwe (1997).

supply of savings in Country B[45] and the equilibrium will be restored (De Grauwe 1997:192).

FIGURE 3: AGGREGATE DEMAND AND SUPPLY
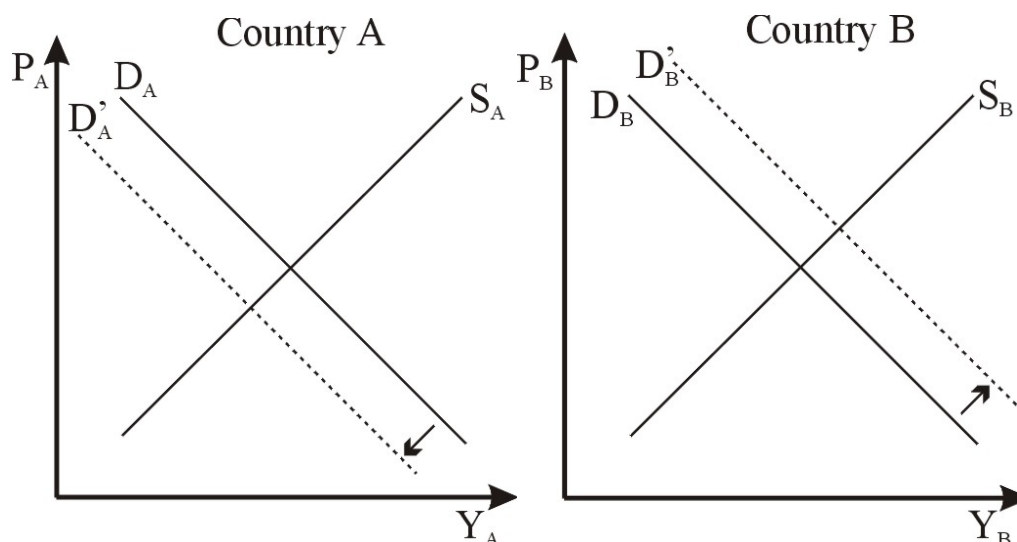
Source: P. De Grauwe (1997:6)

Based on this simplified model, an argument can be made in favour of fully flexible and autonomous fiscal policies conducted by national governments participating in a monetary union. Moreover, such a way of managing fiscal policy is in line with the principle of subsidiarity as defined by Pius XI (in Inman and Rubinfeld 1998:1):

> *Just as it is wrong to take away from individuals what they can accomplish by their own ability and effort and entrust it to a community, so it is an injury and at the same time both a serious evil and a disturbance of right order to assign a larger and higher society what can be performed successfully by smaller and lower communities.*

As argued by Boyer (2000:88), the implementation of subsidiarity might appear to be a solution to the long-term viability of the single currency.

However, fiscal expansion may appear to be a source of shock itself.[46] First of all, increasing debt today implies higher taxes tomorrow. If factors of production are

---

[45] However, one has to remember that the level of these budgetary effects depends to a large extent on the degree of wage flexibility and labour mobility (De Grauwe 1997:192).

mobile, as in the case of a monetary union, the prospect of raising taxes can lead to a situation of capital flight and labour migration, thus leading to the erosion of the tax base. It would also decrease substantially the competitiveness of a particular country. Therefore, the more integrated the factor markets are, the more difficult it is for a government to increase spending (Eichengreen 1993:1335). Secondly, expansionary fiscal policies of some countries can cause a rise in the interest rates in all the member states, hence, crowd out investment. Furthermore, financial capital inflow will lead to the single currency appreciation and reduction in the competitiveness of export production (Kenen 1995:91). Lastly, there is a problem of budget deficit sustainability.[47] It is defined as follows (De Grauwe 1997:194):

> *A budget deficit leads to an increase in government debt which will have to be serviced in the future. If the interest rate on the government debt exceeds the growth rate of the economy, a debt dynamic is set in motion which leads to an ever-increasing government debt relative to GDP. This becomes unsustainable, requiring corrective action.*

For that reason, the use of fiscal policy has limits in offsetting negative economic shocks. In addition, due to the spill over effects, national fiscal policies can generate economic instability in all the members of the monetary union.

These arguments, however, were played down constantly by proponents of fiscal autonomy. De Grauwe (1996) argued that once an independent central bank is set up and the governments lose control over their central banks, the capital markets will be able to force them to fiscal retrenchment. The assumption here is that, if the capital markets work efficiently, the problem of growing indebtness in one country will not be transferred outside its borders as the markets will attach a risk premium only to that particular country's bonds. Therefore, interest rates in other monetary union members will remain unchanged (De Grauwe 1997:198). Dornbusch (1997) points also to the provision of "no-bailout". In accordance with article 103 of the Treaty establishing the European Community (TEC):[48]

---

[46] As argued by Obstfeld (1996:280), the fiscal expansion of the Johnson administration during the 1960's helped to bring down the Bretton Woods, whereas the German reunification can be held responsible for the 1992/1993 European Monetary System crisis.

[47] For further analysis of this problem see De Grauwe (1997).

[48] The no-bailout clause was also implemented in the "Protocol on the Statue of the European System of Central Banks and of the European Central Bank" (art. 21).

The Community shall not be liable for or assume the commitments of central governments, regional, local or other public authorities, other bodies governed by public law, or public undertakings of any Member State, without prejudice to mutual financial guarantees for the joint execution of a specific project. A Member State shall not be liable for or assume the commitments of central governments, regional, local or other public authorities, other bodies governed by public law, or public undertakings of any Member State, without prejudice to mutual financial guarantees for the joint execution of a specific project.

In view of the above, borrowing commitments of Member States are their internal problem, hence, any externalities of fiscal expansions are unlikely. Additionally, regardless of the above critique, von Hagen and Eichengreen (1996) argue that, in the event of financial difficulties, countries retain the possibility of raising their own taxes, which reinforces the credibility of the no-bailout rule.[49]

Nevertheless, none of the above advocates seem to fully recognise the prospect of free-riding once the monetary union is in place. As the Maastricht Treaty does not allow for any country to be expelled from the EMU, a monetary union becomes a public good, and as with every public good, it is exposed to the aforementioned problems. By over borrowing, countries risk defaulting on their debt by means of stopping interest payments on the outstanding debt[50] (De Grauwe 1997:203). As an ex-post bailout is prohibited under the current readings of both the TEC and the ESCB Statute, the remaining option for the ECB is to bailout countries facing debt crisis by keeping interest rates low to lighten the debt-service burden (ex-ante bailout) (von Hagen and Eichengreen (1996). Such actions, though, might endanger the prime objective of the ECB, i.e. price stability. Therefore, fiscal rules can help to make ECB less likely to face such a dilemma (Masson 1996).[51]

---

[49] In the debate between the proponents and opponents of biding fiscal rules in the EMU, the United States monetary union experience was also claimed as supporting both positions. The former group pointed to the existence of a state's own voluntary constitutional limitations on borrowing and their usefulness, whereas the latter emphasised the joint absence of post-war defaults by state governments and of federally-imposed fiscal rules (Goldstein and Woglom 1992:253).

[50] This option is labelled in the literature as an "outright default". The other option available, an "implicit default", is achieved by creating surprise inflation and devaluation in order to reduce the real value of the debt (see De Grauwe 1997).

[51] Another way of eliminating free-riding, stemming from the traditional "realist" approach, would be emergence of a dominant state, a local hegemon, willing to use its power to keep the monetary union functioning effectively on terms agreeable to all (Cohen 2001:192).

FISCAL CONSTRAINS ON NATIONAL BUDGETS IN THE EMU

The above analysis suggests that fully flexible national fiscal policies of monetary union members may be unsustainable in the long-run. Hence, constraints on them seem to be interpreted as safeguards for the Union's credibility. However, in the case of the EMU, the "Golden Straitjacket" was put on countries even prior to the euro introduction. Initially, it took form through the Maastricht convergence criteria[52] which were meant to secure the establishment of a deeply rooted "stability culture" that would ensure a viable monetary union and enable the ECB to produce stable prices at low real costs (Winkler 1995). Nevertheless, once it appeared that the third stage of the EMU would be composed of a wide number of countries, the fear of free-riding intensified. It led to the implementation, mostly on the German insistence, of the SGP obliging Member States to "respect the medium-term budgetary objective of close to balance or in surplus" (European Council 1997). It also set out the borderline for the budget deficit at the level of 3% of the GDP[53] and gave the Council the right to use sanctions amounting to 0.5% of the GDP against countries that are found in breach of the Pact.

Both the Excessive Deficit Procedure, which is a part of the Maastricht Treaty, and the SGP itself, reflect the "structure [of the EMU] that is preoccupied by a 'sound money' view, in which the central risk is perceived to be a 'debt trap'" (Dyson 2000:9). They try to bridge the gap between economic rationale, calling for a closer co-operation of economic policies, and political feasibility. As noted by Tsoukalis (2003:157):

> *We have created a European single currency with a weak and unbalanced institutional structure, and rigid rules to compensate for those faults. This is what was politically feasible at the time, and the architects of EMU went for it, postponing several difficult decisions – only half-consciously perhaps, since their design closely reflected current economic fashion.*

Such a feeble structure may, however, jeopardise the outcome of the monetary integration process.

---

[52] For the analysis of the Maastricht convergence criteria see for example Winkler (1999) and De Grauwe (1997).

[53] The German preoccupation with the reference value of 3% of the GDP seemed to be theoretical and artificial as no theory supported such a precise figure (see Dyson and Featherstone 1999:9).

The SGP has recently come under severe criticism. It has been renamed the "Stupidity Pact" after the President of the European Commission, R. Prodi, called it stupid (*The Economist* 2002a), and "The Instability and Depression Pact" (*The Economist* 2002b). Moreover, De Grauwe (2002) sees it as a vote of no confidence by the European authorities in regards to the strength of the member countries. According to him:

> *It is quite surprising that EU-countries have allowed this to happen, and that they have agreed to be subjected to control by European institutions that even the International Monetary Fund does not impose on banana republics* (De Grauwe 2002*).

Although a requirement of some fiscal constraint within the EMU is widely recognised, the Pact has failed to strike a right balance between the need for rules and flexibility. According to De Grauwe (1997:206-9), "the stability pact has been guided more by the fear of unsustainable debts and deficits than by the need for flexibility". It is too inflexible, especially at a time of economic slowdown when it forces countries to tighten fiscal policies in the situation of falling tax revenues as their economies slide into recession. It has also failed to distinguish properly between cyclical and structural factors (The Economist 2003). Moreover, the reference value of GDP 3% appears to be arbitrary and "could hamper the operation of the automatic stabilisers and thus increase the volatility of output" (Beetsma 2001:24).[54] Additionally, in November 2003 the SGP appeared to be unenforceable. After it has been breached for two consecutive years by France and Germany, the majority of the Member States voted against the recommendations of the Commission that wanted to initiate the Excessive Deficit Procedure against both of them. In fact, the decision of the ECOFIN Council meant the abolishment of the Pacts rules.

At the very least, the SGP should be redefined in terms of the fiscal balance adjusted over the economic cycle which would give governments a bit more room to respond to a slump (The Economist 2002b). It also has to pay more attention to the aggregate fiscal stance. As argued by Buti et al. (2002: 11), "the aggregation of nationally-determined fiscal policies may not result in an optimal fiscal stance at the euro area level… and may not be suitable to ensure an adequate policy mix". Such an inappropriate fiscal stance may occur even without violation of the Pact.[55] Reform of it should also eliminate the disincentives to government

---

[54] See also Eichengreen and Wyplosz (1998).
[55] For more on the reform of the SGP see De Grauwe (2003) and Buiter (2003).

investment in infrastructure and human capital, created by the current rules, which are said to be crucial for boosting long term economic growth (De Grauwe 2003). Remodelling the Pact, however, would not remove the "Golden Straitjacket" circumscribing autonomy of national fiscal policies. Therefore, it appears to be worthwhile to consider the option of fiscal federalism in Europe.[56]

MONETARY UNION AND FISCAL FEDERALISM

Let us recall the assumption made earlier in the text: a monetary union, formed by two countries, Country A and Country B, experiences an asymmetrical shock (figure 3) that neither labour mobility nor wage flexibility is able to accommodate fully, and fiscal policy is needed to restore equilibrium. However now we suppose that both countries, apart from centralising their monetary policy conduct, have also centralised a substantial part of their national budgets. Thus, the centralised budget will work as a shock absorber. The decline in tax revenues in Country A will be offset by the increase in transfers from the central budget, whereas the tax revenue increase in Country B will be accompanied by the decline in spending of the central budget. In this way equilibrium will be restored. The main difference between a centralised budget and national fiscal policies is that in the former case the country does not have to increase its external debt and face the prospect of servicing it in the future (De Grauwe 1997:191-192).

The above analysis gives us a reason to claim that the creation of a monetary union should be accompanied by the implementation of fiscal federalism between the countries considered.[57] The theory of fiscal federalism states that:

> *…the central government should have the basic responsibility for the macroeconomic stabilisation function and for income redistribution in the form of assistance to the poor. […] In the absence of monetary and exchange rate prerogatives and with highly open economies that cannot contain much of the expansionary impact of fiscal stimuli, provincial, state, and local governments simply have very limited means for traditional macroeconomic control of their economies* (Oates 1999:1121).

---

[56] See for example Korkman (2001), Grahl (2001) and the references therein.
[57] This argument was raised originally by Kenen (1969).

Three distinct functions are being assigned to fiscal federalism (Eichengreen 1993:1337): first, the equalisation function that allows the low-income regions to continuously receive transfers from the rest of the federation;[58] second, the stabilisation effect that causes the federal tax liabilities of all regions to go down and transfer receipts to go up once all regions enter recession simultaneously; and third, the regional co-insurance function that allows for the increase in the net transfers from the federal budget to a country that enters a recession not experienced by the rest of the federation members, i.e. a country hit by an asymmetrical shock. The last effect is meant to be a necessary component of a viable monetary union.

FISCAL FEDERALISM AND THE EMU

The problem of fiscal co-ordination in the future monetary union in Europe was brought to light during the work of the Werner Group in the 1970's. The MacDougall Report (Commission 1977) suggested the creation of a centralised European budget capable of containing potential asymmetrical shocks. It recommended a three-stage approach (Hitiris 2003:101):

- "pre-federal integration, with a Community public sector taking up 2-2.5% of Community GDP;
- federation with a small Community public sector, 5-7% of GDP;[59] and
- union with a large Community public sector, 20-25% of GDP."

Lack of "political homogeneity" at that time to justify such a move was seen as an impediment on the road to a deeper fiscal integration (Hitiris 2003:101). The Delors Report (Commission 1989) reinforced that call by arguing in favour of the establishment of a powerful fiscal shock absorber at the central level, in order to deal with asymmetrical shocks (Kletzer and von Hagen 2001:2). However, none of these claims have been reflected in the Maastricht Treaty.

The debate on fiscal mechanisms in the future monetary union in Europe rests to a large extent on the United States experience. The study of Sala-i-Martin and Sachs (1992), argues that the existence of a federal tax system was the reason behind the

---

[58] In the European Union the effect of equalisation is addressed by the notion of cohesion (Eichengreen 1993:1337).

[59] It has to be remembered that "the Report was considering a monetary union among a smaller and less heterogeneous group of countries than the current members of EMU" (Kletzer and von Hagen 2001:17).

viability of the dollar exchange rate, and found that approximately 40% of the one-dollar shock in a particular State is absorbed by the Federal Government.[60] Also Bayoumi and Masson (1995) support this view by taking into consideration the case of both the American and Canadian fiscal systems.[61] A more recent study by Kletzer and von Hagen (2001) calls not only for the introduction of fiscal federalism, but an advanced co-ordination of economic policies. It argues that:

> *...the adoption of a common currency among a set of highly integrated regions implies that governments of these regions should no longer regard policies aiming at structural reforms of their local goods and labour markets as matters of purely regional concern* (Kletzer and von Hagen 2001: 37).

Nevertheless, the implementation of fiscal federalism faces at least two major problems as far as the current European Union budget is concerned. First and foremost, it is too small. The budgetary ceiling rests at the level of 1.27% of the GNP and, together with the prohibition of borrowing, it makes the EU budget hardly comparable to the central budget common to federations and the provisions made by the MacDougall Report (Tondl 2000:235-6). Second, the structure of both the revenues and expenditures is far from meeting the functions of fiscal federalism. The revenue side consists of four sources. However, the GNP-based national contributions and the community's share in the VAT account for almost 82% of the total revenues.[62] The two remaining resources include custom duties and agriculture levies (Hitiris 2003:95-96). The revenues are primarily regressive as the poorer countries generally spend a higher share of their income on consumption and are more import-dependent compared to richer members. A limited progressiveness is reflected only in the case of the GNP-based contributions (Tondl 2000:239). Almost 80% of the budget expenditures are devoted to the Common Agriculture Policy and Structural Funds. The cohesion impact of the former is rather mixed. Although within countries it has a positive redistributive impact, on average it transfers income from richer regions to the poorer ones, where higher food prices have a regressive impact on consumers, as lower income households spend a higher share of their budget on food (Tsoukalis 1997:214). The operation of the latter has a clear redistributive effect. The total transfers in the period of 1994-99 represented 0.45% of the EU GDP and are

---

[60] Their results were criticised by von Hagen (1992) for failing to distinguish between the equalisation and insurance functions of transfers.

[61] According to their measures, the stabilisation effect is around 30%.

[62] Data concerning the EU's general budget for 2002.

estimated to have an income equalisation effect of 5% (Commission data cited by Tsouklais 1997:204). However, it has to be noted that structural fund transfers are not used to correct income differentials, but to finance public investment in the weaker regions (Commission 1989:22).

Therefore, the implementation of the principles of fiscal federalism requires a general modification of the EU budget. As proposed by G. Tondl (2000:252-3):

> *The central points are the introduction of individual EU taxes, social transfers to individuals, and a sharp reduction of CAP guarantee payments in favour of other expenditure items. The management of interregional distribution, now operated by several funds, could be effected by a single, new cohesion fund.*

Having such a healthy-constructed budget would allow at least for the establishment of a system of fiscal equalisation based, for example, on the German *Länderfinanzausgleich* (Kletzer and von Hagen 2001:17).

CONCLUSION

The creation of the EMU in Europe was made possible by political consensus among state leaders. It was meant to become an embryo for a future European State. However, to date the centralisation has taken place only in the monetary component of economic policy. The implementation of the SGP as an element of fiscal co-ordination has proved inefficient. Therefore, the EMU decision-makers are facing a dilemma concerning the conduct of fiscal policies in the monetary union. As neither backing out of the single currency project nor keeping fully autonomous national fiscal policies is possible, they must choose between national fiscal policies, constrained by the 'Golden Straitjacket' in the form of some central rules, or the federal fiscal system. This article has analysed their operation in accordance with the Optimal Currency Area theory only, which limits the validity of the agreed upon conclusions, as the problems of the EMU go far beyond the fiscal aspects. Nevertheless, it can be argued that decentralised budgetary policies are feasible, but not desirable. The recent troubles of the Euro zone's two biggest economies, namely France and Germany, reaffirm that statement. The latter may be desirable, but it is not feasible.[63] Fiscal federalism has not yet won enough support in Europe to be treated as more than a theoretical

---

[63] See Rodrik (2002).

option. Still, its implementation appears to be desirable as it could help to correct the democratic deficit in the EMU. The "traditional mystique" surrounding monetary policy could be offset by more democratic accountability required in the case of the federal budget. Thus, a new institution accountable to the European Parliament is required in order to balance the domination of the ECB in the economic debate at the European level. The new born Eurogroup, consisting of finance ministers from the EMU participating countries, seems to be the natural selection (see e.g. Tsoukalis 2003). As Tocqueville predicted, writing in the first half of the nineteenth century, "in the democratic ages which are opening upon us [...] centralisation will be the natural government" (Tocqueville in Oates 1999:1145).

During the work of the European Convention, a great opportunity for changing the current readings of the treaty passed. The draft constitution, prepared by the group chaired by Giscard d'Estaing, has not changed anything as far as the excessive-deficit procedure is concerned. Another chance that is nearing on the horizon is the perspective of budget 2007-13 talks. However, a serious impediment on the road to a federal budget, and further to a European State, might be far beyond economic rationale and political commitments. A successful EMU, where both the "E" and the "M" are in place, might require a genuine sense of community among countries, defined by Keohane and Hoffmann (1991:13) as "a network form of organization, in which individual units are defined not by themselves but in relation to other units". From that point of view, federalism has still a long way to go in Europe.

REFERENCES

Bayoumi, T. and P. Masson (1995) "Fiscal Flows in the United States and Canada: Lessons for Monetary Union in Europe", European Economic Review 39: 253-74.

Beetsma, R. (2001) "Does EMU Need a Stability Pact?" in A. Brunila, M. Buti and D. Franco (eds.) The Stability and Growth Pact - The Architecture of Fiscal Policy in EMU. New York: Palgrave.

Boyer, R. (2000) 'The Unanticipated Fallout of European Monetary Union: The Political and Institutional Deficits of the Euro' in C. Crouch, C. (ed.) After the Euro. Shaping Institutions for Governance in the Wake of European Monetary Union. Oxford: Oxford University Press.

Buiter, W. (2003) "How to Reform the Stability and Growth Pact?" available from <http://www.nber.org/~wbuiter/banker.pdf.>

Buti, M., S. Eijffinger, S. and D. Franco (2002) "Revisiting the Stability and Growth Pact: Grand Design or Internal Adjustment?" available from <http://www.cepii.fr/anglaisgraph/communications/pdf/2002/211102/franco.pdf>

Cohen, B. (2001) "Beyond EMU: The Problem of Sustainability" in B. Eichengreen, and J. Frieden (eds.) The Political Economy of European Monetary Unification. Boulder, Colorado: Westview.

Commission (1977) Report of the Study on the Role of Public Finance in European Integration (The MacDougall Report). Brussels.

Commission (1989) Report on Economic and Monetary Union in the European Community (The Delors Report). (Luxembourg: Committee for the Study of Economic and Monetary Union.)

De Grauwe, P. (1996) "Reforming the Transition to EMU" in P. Kenen (ed.) Making EMU Happen, Problems and Proposals: A Symposium. (Princeton Essays in International Finance, No. 199, 16-29.)

De Grauwe, P. (1997) The Economics of Monetary Integration. Oxford: Oxford University Press.

De Grauwe, P. (2002) Financial Times, 07/25.

De Grauwe, P. (2003) "The Stability and Growth Pact in Need of Reform" available from: <http://www.econ.kuleuven.ac.be/.../Degrauwe/PDG-papers/2003%2001%20Stability%20and%20Growth%20Pact%20CEPS%202003.pdf >

Dornbusch, R. (1997) "Fiscal Aspects of Monetary Integration", The American Economic Review 87(2):221-3.

Dyson, K. (2000) The Politics of the Euro-Zone. Stability or Breakdown?. Oxford: Oxford University Press.

Dyson, K. and K. Featherstone (1999) The Road to Maastricht- Negotiating Economic and Monetary Union. Oxford: Oxford University Press.

Eichengreen, B. (1993) "European Monetary Unification", Journal of Economic Literature 31(3): 1321-57

Eichengreen, B. and C. Wyplosz (1998) "Instability Pact?", European Economic Perspectives, CEPR (04/09)

Eichengreen, B. and J. Frieden (2001) 'The Political Economy of European Monetary Unification: An Analytical Introduction" in B. Eichengreen and J. Frieden (eds.) The Political Economy of European Monetary Unification. Boulder, Colorado: Westview.

European Council (1997) "Resolution of the European Council of 17 June 1997 on the Stability and Growth Pact"

Goldstein, M. and G. Woglom (1992) "Market-based Fiscal Discipline in Monetary Unions: Evidence from the US Municipal Bond Market" in M. Canzoneri, V. Grilli, and P. Masson (eds.) Establishing a Central Bank: Issues in Europe and Lessons from the US. Cambridge: Cambridge University Press.

Grahl, J. (2001) European Monetary Union: Problems of Legitimacy, Development and Sustainability. London: Kogan Page.

von Hagen, J. (1992) "Fiscal Arrangements in a Monetary Union: Evidence from the US" in D. Fair and C. de Boissieu (eds.) Fiscal Policy, Taxation and the Financial System in an Increasingly Integrated Europe. Dordrecht: Kluwer Academic Pub.

von Hagen, J. and B. Eichengreen (1996) "Federalism, Fiscal Restraints, and European Monetary Union", The American Economic Review 86(2): 134-8.

Hitiris, T. (2003) European Union Economics. England: Pearson Education Ltd.

Inman, R. and D. Rubinfeld (1998) Subsidiarity and the European Union. (NBER Working Paper Series, Working Paper 6556, available from <http://www.nber.org/papers/w6556>)

Kenen, P. (1969) "The Theory of Optimal Currency Areas: An Eclectic View" in R. Mundell and A. Svoboda (eds.) Monetary Problems of the International Economy. Chicago: University Chicago Press.

Kenen, P. (1995) Economic and Monetary Union in Europe. Cambridge: Cambridge University Press.

Keohane, R. and S. Hoffmann (1991) "Institutional Change in Europe in the 1980's" in R. Keohane and S. Hoffmann (eds.) The New European Community: Decision making and Institutional Change. Colorado: Westview.

Kletzer, K. and J. von Hagen (2001) "Monetary Union and Fiscal Federalism" in C. Wyplosz (ed.) The Impact of EMU on Europe and the Developing Countries. Oxford: Oxford University Press.

Korkman, S. (2001) "Fiscal Policy Coordination in EMU: Should it Go Beyond the SGP?" in A. Brunila, M. Buti, and D. Franco (eds.) The Stability and Growth Pact - The Architecture of Fiscal Policy in EMU. New York: Palgrave.

Masson, P. (1996) "Fiscal Dimension of EMU", The Economic Journal 106(437): 996-1004.

McKinnon, R. (1963) "Optimum Currency Areas", The American Economic Review 53(4): 717-25.

Mundell, R. (1961) "A Theory of Optimum Currency Areas", The American Economic Review 51 (4): 657-65.

Oates, W. (1999) "An Essay on Fiscal Federalism", Journal of Economic Literature 37(3): 1120-49.

Obstfeld, M. (1996) "Europe's Gamble", Brookings Papers on Economic Activity 1997(2): 241-300.

Rodrik, D. (2000) "How Far Will International Economic Integration Go?", Journal of Economic Perspectives Winter 2000.

Rodrik, D. (2002) "Feasible Globalizations", available from: <http://ksghome.harvard.edu/~.drodrik.academic.ksg/Feasglob.pdf>.

Sala-i-Martin, X. and J. Sachs (1992) "Fiscal Federalism and Optimum Currency Areas: Evidence for Europe from the United States" in M. Canzoneri, V. Grilli and P. Masson (eds.) Establishing a Central Bank: Issues in Europe and Lessons from the US. Cambridge: Cambridge University Press.

The Economist (2002a) "Farewell to the stupidity pact?", available from: <http://www.economist.com> Oct. 22.

The Economist (2002b) "Re-engineering the euro", available from: <http://www.economist.com> Oct. 17.

The Economist (2003) "Deficits and defiance", available from: <http://www.economist.com> Sept. 2.

Tondl, G. (2000) "Fiscal Federalism and the Reality of the European Union Budget" in C. Crouch (ed.) After the Euro - Shaping Institutions for Governance in the Wake of European Monetary Union. Oxford: Oxford University Press.

Tsoukalis, L. (1997) The New European Economy Revisited. Oxford: Oxford University Press.

Tsoukalis, L. (2003) What Kind of Europe? Oxford: Oxford University Press.

Winkler, B. (1995) *Reputation for EMU: An Economic Defence of the Maastricht Criteria.* (European Institute Working Paper, No. ECO 95/18.)
Winkler, B. (1999) "Is Maastricht a Good Contract?", *Journal of Common Market Studies* 37(1): 39-58.