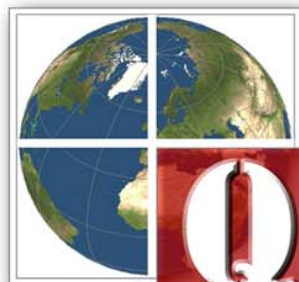


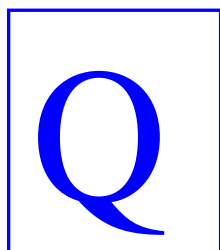


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SOUTH EASTERN EUROPE

The future of Kosovo and the future of Eulex, the Slovenian – Croatian relations, elections in Macedonia, Turkey and Iraq, new sentences at the Hague

Paolo Quercia

5

MIDDLE EAST

After Annapolis' failure: The chances of the Israeli-Palestinian peace process in the light of Hamas' control of Gaza

Diego Baliani

13

COMMONWEALTH OF INDEPENDENT STATES EASTERN EUROPE

Rebooting relations with Russia

Andrea Grazioso

31

South Eastern Europe

THE FUTURE OF KOSOVO AND THE FUTURE OF EULEX,
THE SLOVENIAN – CROATIAN RELATIONS, ELECTIONS IN MACEDONIA,
TURKEY AND IRAQ, NEW SENTENCES AT THE HAGUE

Paolo Quercia

Kosovo, one year after independence

The 17th of February Kosovo celebrated its first, historic anniversary of independence from Yugoslavia. The final account of this first year of independence is naturally full of ups and downs, but represents an important transition in the yet-to-be stabilized Balkan region. In this past year of independence Pristina has succeeded in obtaining recognition from 54 states, in large part members of the Euro-Atlantic community. The fact that almost all of the states that have not recognized Kosovo come from the Asian, African and Latin American continents is significant in that the international community does not consider the independence of Kosovo as being consistent with the principles of written and customary international law and that instead it is especially considered politically 'dangerous' in a world where the vast majority of States may have problems with religious or ethnic It is given politically significance because of the fact that the European Union and Atlantic Alliance have long made the prevailing aspect of regional security of South East based on the principle of humanitarian aid, on the international relations between states and the world-at-large, and on the principle of non-interference in internal affairs. This division between the security interests of the Euro-Atlantic community at the European level and the principles of the coexistence of states at the international level has been one of the major problems that, from 1999 to 2008, has slowed the process of defining Kosovo's status, thus granting independence to Pristina. This difference of interests has arisen in relations between the two organizations primarily involved in this decade in the management of the Kosovo issue, NATO - in Kosovo with the KFOR Mission - and the United Nations – present under the UNMIK mission.

Finally, in February 2008, the situation was resolved in the only way possible, that is with a formalization of the state of affairs through a unilateral declaration of independence, as the UN had not been able to find a compromise solution after the failure of UNOSEK, nor was it able to authorize the independence of Pristina against the will of the Security Council.

It is important to emphasize the fact that Pristina's independence, lacking the political conditions to realize alternative projects, was the only possible solution in that maintaining Kosovo in a dangerous situation of *frozen conflict* could have been a far worse solution. It is however also necessary to consider that the past year has seen little news, and nothing substantial, regarding the principal issues that the independence of Kosovo has raised; the majority of unresolved questions have not found, in these twelve months, possible solutions. The unsettled questions of Kosovo's independence are of four different typologies: internal, regional, bilateral with Belgrade and international.

From the internal point of view, the first year of independence has not produced any kind of improvement in the devastated internal situation of the country, a situation made just bearable by the large quantity of money that the international community spends in a variety of ways in order to run the economy of the country and avoid unmanageable social protests.

South Eastern Europe

The country remains the poorest in Europe with more than 40% of the population below the poverty line and the survival of most families is made possible by remittances from the very large portion of the population of Kosovo that lives abroad (an estimate of more than 30% of the population). Unemployment is near 50% and even higher among the young and minorities. Each year 30,000 people appear on the labor market in search of employment. Of these, just a fifth succeeds in being partially absorbed into the domestic labor market. To curb this potential social bomb, the government is working with the European Union to implement programs to absorb this surplus labor into the EU countries. Energy continues to be given to families and businesses in a sporadic and unreliable manner and the planned interventions and implementation of new power plants were not able to be undertaken, despite the high costs incurred in these ten years by the international community. The country is not sufficient as regards drinking water, whose reserves are mostly in the territory controlled by Serbs and supplies are potentially subject to restrictions, even with respect to food Kosovo has not imported - mainly from Macedonia - enough of the essential foodstuffs. Agriculture is almost abandoned - partly because of emigration - and there is no sign of settlement or the launch of new industrial or manufacturing. The state industries, a legacy of socialist Yugoslavia— which are indeed very old and not particularly profitable - are also burdened with the question of ownership and obstacles to privatization. Currently Serbia, which does not recognize the independence of Pristina, continues to pay international institutions, such as the World Bank, the share of Kosovo's external debt accumulated over the years from Yugoslavia to the industrialization of the province. This public debt, if it were to be inherited by Kosovo, would be a further financial burden on the extremely weak economy of the country making it difficult to honor.

The issue with the Serbian minority is far from settled after independence and in the enclaves, but especially in the north of the country, there is in fact a parallel state with parallel institutions that are beyond the control of both Pristina as that of the international community. Even in areas controlled by the Serbs, the economic situation is extremely precarious and the social problems considerable, reduced only by the exiguity of the population and by the assistance that Belgrade continues to abundantly provide for political and electoral reasons (the Kosovo Serbs continue to have Serbian citizenship and vote in general Serbian elections). Positively, on the inter-ethnic front, independence has not led to any major incidents, mostly due to the fact that on the ground nothing has changed since February 17.

Also on the regional level, the independence has not had significant consequences, nor caused significant destabilization. The situation in Bosnia Herzegovina had been looking especially uncertain and, which had deteriorated considerably in 2007 with the approach of Pristina's proclamation of independence. Instead, Bosnia Herzegovina, despite disconcerting ethnicities, has held and it has indeed confirmed the "soundness" of an inefficient state model but it is based on strong ethnic pacts which essentially suit all of the national groups. The only real destabilization, which really is serious, occurred in an area adjacent to the Balkans, the Caucasus, concerning the issue of *frozen conflicts* in Abkhazia and South Ossetia. However in this scenario the Kosovo situation has only played the role of instigator of the conflict while the real causes for what has happened are attributable to the lingering issues from the former Soviet Union's process of dissolution, the enlargement of NATO and, especially, the evolution of the bilateral relationship between Washington and Moscow. Also with regard to Macedonia, which shares a border with Kosovo and where there is a serious issue of Albanian irredentism hidden under the ashes, there have been no significant consequences regarding the independence of

South Eastern Europe

Pristina and, although with some difficulty, the Macedonian government has managed to proceed towards recognition of Kosovo independence.

In terms of bilateral rapport with Belgrade, the situation has not been precipitated and altogether there has not been a worsening of political post-independence. Belgrade's retaliations have been contained to the "necessary minimum", that is protests in the piazza, formal protests made from a distance, declarations to not recognize the state, withdrawal of ambassadors, etc. Instead the disclosure of legal action taken by Belgrade at the International Court of Justice of the United Nations to obtain a declaration of illegality of the independence of Pristina would be of greater significance. Naturally Belgrade continues to refuse any form of dialogue with the new Kosovo government, but this is nothing new compared to the ten years since Serbia lost de facto control over Kosovo. Belgrade has not, on the contrary, implemented of an effective strategy of retaliation against Kosovo nor the countries of the region that have recognized it because, besides there not being a desire in Belgrade in this sense-- particularly after the exit of the radicals scene - any retaliation would have ended up economically penalizing Serbia itself.

From the international point of view, the main change from independence to date is represented by the bringing into action the European Union EULEX mission in Kosovo. This mission met with several different types of problems before it could be deployed and, in particular, has failed to alternate with the United Nations mission UNMIK. The countries of the United Nations that are against the independence of Kosovo, Russia and China in particular, have also charged that the new mission of the European Union did not come out of nowhere but is attributable to the United Nations mission that continues to survive. The practical effect of this coupling of the UN and the EU is to tie EULEX to Resolution 1254 of the Security Council in 1999, a resolution that provides for the inviolability of Serbian borders. On the one hand this made possible the extension of EULEX activity also in territories inhabited by the Serbian minority, and on the other hand it has made less clear, almost paradoxical, the legal situation of Kosovo. A situation where the three different legalities coexist, at times competing and at times complementary: that of independent Kosovo, that of Belgrade, which continues to hold shares of power, and that of the international community (UNMIK and EULEX) which remains suspended in limbo due to the now inapplicable Resolution 1254.

Kosovo: EULEX in difficulty, reduction in the international community's capacity for surveillance.

The effects of the economic crisis and the necessity for most European countries to reduce public expenditures are likely to significantly affect the international presence in Kosovo. A few days ago Spain withdrew, rather unexpectedly, its contingent from the country (which among other things Madrid has not recognized). Now the subject of the next cuts will be the EULEX *rule of law* mission sought by the international community and the European Union as a guaranteeing and supervising structure within the young and uncertain democracy of Kosovo. One of the first cuts announced regards Great Britain, a country that while being engaged in the promotion of an independent Kosovo, contemporaneously had decided to make a major contribution to the EULEX mission which monitors Kosovo's independence. The EULEX *rule of law* mission should be able to count on an international staff of about 1,700 people with a budget of more than 200 million euros. Now Britain has decided to cut 50% of its staff within the ICE (International Civil Office) and the technical assistance of EULEX (mainly personnel

South Eastern Europe

and investigative police) that was supposed to oversee the development of criminality and in particular the networks of drug smuggling that pass through Kosovo from Asia to Europe. However, reductions probably also relate to the military mission of NATO. In addition to Spain, which has just withdrawn all of its contingent of about 600 men, other countries contributing to KFOR are undertaking a restructuring of its quotas, which provides a cut in the number of troops engaged on the ground. The cuts and reductions are not officially motivated by economic reasons, but rather are based on an alleged improvement in the security situation. In fact, concerning Kosovo's macro-security, it has been stable for several years, lacking substantial imminent threats, but with an abundance of dangerous situations that could explode at any moment, especially now due to the deteriorating economic situation as a result of the global economic crisis that is affecting the already weak Kosovo economy. As for safety related to criminal activities, the situation is much more worrisome, but by now the criminal cartels are part of the security that has been built in Kosovo since 1999. The planned reduction of EULEX is in reality even worse than news of a reduction of the KFOR contingent. Indeed, while KFOR has a strategic presence oriented to ensure the macro security of the country with a supply that can be either rapidly decreased or increased in terms of the level of risk, EULEX should play both a constant and daily investigative and preventive function and offer daily direct support and technical assistance to police and the judiciary in Kosovo. It is important to remember that the start of the EULEX mission, which is a robust *rule of law* mission, was one of the conditions upon which Kosovo was granted independence, as it allowed Kosovo to overcome the skepticism of other countries that feared the new state lacked the means and effectiveness needed to combat organized crime. In order to convince the United Nations and the international community to proceed with Kosovo independence in 2007, Athissari and UNOSEK used the formula of a supervised independence, explaining that fears of the creation of a failed state at the doors of Europe would be allayed by the launch of a major, invasive monitoring mission in the field of home affairs and justice. With passing of some months it was revealed that the EULEX mission, while important on paper and endowed with forces, could not be for political reasons, a real element of limitation and control of the new state but rather an external "body", hosted by the post -independence government of Kosovo on its territory; a mission that could realistically have played a role as adviser and offered technical assistance but instead failed to have his political "will" and a capacity for autonomous action. In this way it "betrayed" the spirit of "guaranty" that EULEX mission had aimed to achieve and now it essentially remains to be more a costly trimming of Kosovo's sovereignty rather than a useful tool for co-governance with the international community.

The Slovenian and Croatian Premiers ready themselves to confront their unresolved border issues

The Slovenian Premier Borut Pahor and the Croatian Premier Ivo Sanader met to verify their respective positions on the border dispute that exists between the two former Yugoslavian republics. It is the first meeting between the prime ministers of the two countries following the recent elections in Slovenia which saw a change in government from the center right to the center left.

The invitation given by the Atlantic Alliance to Croatia to enter NATO along with the acceleration of Zagreb's accession process into the EU, which could complete the process by 2010, makes it ever more necessary to find a solution to the unresolved border issues between

South Eastern Europe

Slovenia and Croatia. The question of the border definition between the two countries is an inheritance left by the Yugoslav war of secession and is composed of two different aspects, one regarding a land dispute and the other maritime. The question of land boundaries is marginal and trivial from a substantive point of view, even if it can take on an important symbolic aspect. The question of the maritime borders is instead much more important and substantive as regards, according to how they will be drawn, Slovenia could have more or less access to international waters. It is the delicate question of the Gulf of Piran—a question that concerns also the competitiveness of the Slovenian port of Capodistria, potentially in competition with those of Trieste and Fiume—which the particular pattern of the coastlines, the proximity of the Italian and Croatian borders and the rules of delimitation of borders under the maritime law risk producing a gulf closed in by the maritime borders of Italy and Croatia. Slovenia would like to resolve the dispute with a bilateral accord with Croatia and the absence of such an accord threatens to slow down the Zagreb's integration process into the EU and NATO. Croatia's position is instead to return the question to an international arbitration tribunal and proceed with its integration into the EU and NATO while waiting on a boundary decision. The EU, NATO and some Western chancelleries are stepping up the pressure on Ljubljana not to take positions that could jeopardize the further enlargement of the Euro-Atlantic Institutions. Croatia is, in fact, the only candidate country in the position to accede to the European Union within 2010 and has already received an invitation, along with Albania, to join NATO.

Finally, following intense pressure on the part of NATO allies, above all from the United States, Slovenia has opted to not block Croatia's accession into NATO due to its legal disputes over maritime and land border issues with Zagreb. The possibility of organizing a referendum is unlikely due to little popular and political support for the initiative that was begun by a small group of nationalists. Slovenia, in order to enter NATO, had to undergo a careful screening that, among other things, was to assure there were no relevant legal disputes or open issues with neighboring countries; for just that reason it would have been unlikely that Ljubljana could have been able today to veto Croatia's entry into NATO due to unresolved border issues. The issue cannot however be said to be resolved and it is unlikely that the legal dispute between Croatia and Slovenia will be put off for now until the parallel entry of Zagreb into the EU. On this front, Slovenia's veto on Croatia's progress towards EU membership still remains valid.

The government party strengthens itself in the first round of presidential elections in Macedonia.

The presidential elections on Sunday, March 22 gave few surprises. The presidential candidate most voted for in the first round was the candidate of the governing party, Ivanov who received 35% of the votes, while second place was the candidate of the main opposition party Frckoski who got 20%. The two candidates will face each other again at the ballot in two weeks, which will decide who will be the new president of the country. Not able to reach the second round was the candidate of the New Democracy Party of Albania, Selmani, who only received 15% of the vote. Selmani, unlike other candidates from other Albanian parties, had characterized his candidacy on the basis of a strictly non-ethnic national agenda, aiming to collect votes from all over the Macedonian territory and not only in Albanian areas. He was defined as the "Macedonian Barack Obama" and had elaborated his program along the lines of collaboration between Macedonians and Albanians, showing tolerance to the respective needs of ethnic-

South Eastern Europe

national identity, but not endorsing the more nationalist tendencies on both sides. He came off as a rather unusual candidate for the Macedonian political culture that could have been an asset in presidential elections. The New Democracy party was born from a split amongst the Albanian DPA party, breaking as well with practices that saw the two Albanian parties alternating power in tandem with the two main Macedonian parties, the DUI (the largest Albanian-speaking party of Macedonia led by Ali Ahmeti which collects about 70% of the Albanian vote) with the SDSM and DPA of Mendeh Hush allied with the VMRO-DPMNE. The Albanian vote will now be determined in the second round even if it is very likely to be characterized as much by the dispersion as from a higher turnout than the first round. It is likely that DUI voters will vote for the SDSM candidate while those of DPA will support Ivanov. The situation remains unclear, instead, as to the possible distribution of the vote in the New Democracy party (where the concurrent local elections did not go particularly well), and which, in the absence of the Selmani's candidacy, could be dispersed and effectively carry the weight of an abstention.

Key topics of the ballot will be the same themes that have dominated the election campaign in the first round and, in particular, Macedonia's process of integration into the EU and NATO and the difficult relationship that the country has with Greece, recently worsened due to nationalistic legal issues regarding Macedonian national identity. In particular, the question of the country's name is an issue that ultimately divides the electorate along ethnic lines. While the majority of the Slav-Macedonian population uses the name Macedonia as a fundamental element of their identity, for the Albanian population, it does not have any particular value, much less justifies a legal dispute with Greece. A recent poll, just before the voting of the presidential elections, expressed this deeply felt split within the country: about 70% of the Albanian population is in favor of changing the name of the country to join the EU or in NATO thus eliminating the Greek veto on Euro-Atlantic integration. At the same time, only 3% of the Macedonian population is willing to sacrifice the name of Macedonia to join the EU or NATO, and if forced to choose preferred to interrupt the process of Euro-Atlantic membership, rather than cede the dispute with Athens on the name of the country. Here is what is behind the presidential elections, indeed politically insignificant because the role of president in the Macedonian Republic is fairly marginal and ceremonial and the real power is in the hands of the government, are hidden political elements that are rather important for the future of the country. A presidential victory for Ivanov, the candidate of the governing party VMRO-DPMNE certainly strengthens the line followed up to the present by Gruevski regarding the national-patriotic approach (although not extreme), which has been marked by government activities of government both within and amongst relations between the border-sharing countries.

On a positive note, the first round of presidential elections in Macedonia was distinguished by the absence of major incidents which has prompted international observers to make flattering comments about the voting process. The issue was particularly sensitive since the previous elections were characterized by numerous episodes of violence and irregularities, necessitating the repeat of the voting process in several Albanian-speaking locations. The negative reviews made by Western observers and the European Union on the occasion of the vote had helped to reinforce the belief that Macedonia was a country not yet ready for Euro-Atlantic enlargement. This time, the fairness of the electoral process has earned a return of the country's credibility in the eyes of the international community, particularly useful in such a delicate moment in its history.

South Eastern Europe

Turkish President Gul returns from historic visit in Iraq.

Turkish President Gul made a historic visit to Iraq, the first for a Turkish head of state since the fall of Saddam Houssein's regime, but also the first visit to Iraq in over 33 years. Among the main points of collaboration around which the visit was built, there is in particular the issue of Kurdish PKK bases in Iraq from which, especially in the last year, Kurdish rebels have been able to make many attacks on the Turkish territory and which have caused as many retaliatory military operations on a large scale by the Turkish in Iraqi territory. Now that the situation in Iraq is steadily improving and the government in Baghdad is recovering control over the territory, Turkey expects that Iraq will adopt more stringent enforcement policies against the PKK. In fact, the question of PKK presence in Iraqi territory mainly concerns the autonomous region of Iraqi Kurdistan, which has been able to count on good control of the territory even in recent years, but the Ankara government has doubts that it may have tolerated, and even helped the military actions of the PKK against Turkey. The PKK issue has not only caused problems in bilateral relations between Turkey and Iraq, but also in relations between Ankara and the United States of America, who watched with great concern the Turkish military operations in Iraqi Kurdistan, which took place in the only stable and pro-American area of the country. In order to avoid any dangerous misunderstandings, the U.S. has proposed the creation of a tripartite Turkish-Iraqi-American intelligence center in order to exchange information on PKK cross-border activities. Iraqi President Talabani, of Kurdish origin, has assured Turkish President Gul of full support from the Iraqi state in order to eradicate the activities of the PKK against Turkish territory. Beyond safety aspects, the Turkish-Iraqi bilateral dossier is rich in many spheres of economic and trade cooperation. In particular, Turkey is one of the main routes to the Mediterranean outlet for Iraqi oil. Already 20% of energy exports to Iraq reach the Mediterranean through the Turkish port of Ceyhan. Another important bilateral issue is the management of water resources, the Tigris and Euphrates Rivers in particular, which originate in Turkey but are essential for agriculture and the life of Iraq. The points of comparison between the two countries are numerous at a moment when it has become possible to overcome the distrust of the past and build a relationship based more on the need for bilateral collaboration; collaborations that, especially in the economic field, are abundant and important as Turkey stands to become the first trade partner of Iraq and its energy hub. Also remaining a topic of potential comparison is the Turkmen minority in Iraq, especially when they are concentrated in areas of particular importance for energy.

Hague acquitted the former Yugoslav president Milan Milutinovic, condemned the heads of government, army and police

In the course of the investigation to punish those responsible for war crimes in former Yugoslavia, the International Criminal Court in The Hague acquitted the former Yugoslav president Milan Milutinovic for not having committed the acts with which he was charged. In the same sentence instead important top-levels of political and military power of the era were condemned such as the then Yugoslav Deputy Premier Nikola Sainovic, the Chief of Staff Dragoljub Ojdanic, the Commander of the Third Army Corps Nebojsa Pakovic, the Commander of the Military of Pristina Vladimir Lazarevic, the Head of the Federal Police in Kosovo Sreten Lukic. The allegations are responsibility in the deportation and murder of Yugoslav citizens of Albanian ethnicity in Kosovo during the conflict with the KLA and during the NATO military intervention. The activity of the court is in its final stages since the closure process must take

South Eastern Europe

place by 2010, according to mandate. Under discussion are calls for an extension of its activities at least until 2012, whether to allow the closure of proceedings in progress or to obtain the capture of high-profile fugitives, in particular the capture of General Mladic. From time to time, in fact, there emerge tracks and new details about the fugitive Chief of the Serb Republic of Bosnia, which suggest that he could be captured soon.

Middle East

AFTER ANNAPOLIS' FAILURE: THE CHANCES OF THE ISRAELI-PALESTINIAN PEACE PROCESS IN THE LIGHT OF HAMAS' CONTROL OF GAZA¹

Diego Baliani

The Annapolis conference: big expectations, few outcomes.

A superficial review of the conditions in which the Annapolis conference took place may bring us to ask the question, 'What went wrong?'

At the time of the conference, which was held on 27 November 2007, there seemed to be all the necessary elements for starting successful Israeli-Palestinian negotiations to be concluded with a peace agreement by the end of 2008.

The first element was the unprecedented commitment of the US President, George W. Bush to achieve a peace agreement no later than December 2008: A commitment publicly declared in the Annapolis' Joint Understanding².

The second element was the declared willingness of the Israeli government led by Ehud Olmert to engage in serious negotiations on all the final status issues with the aim to reach the agreement by the end of 2008³.

The third element was that those negotiations were to be held by the most collaborative Palestinian leadership ever seen in history by both the United States and Israel⁴.

Finally, there was the massive high-level attendance of the Arab world to the Annapolis conference including the PNA, Saudi Arabia, Lebanon, Syria and the representatives of 9 more Arab countries⁵.

So again, 'Why was a peace agreement in 2008 beyond reach? Why did the Annapolis peace process end with an Israeli military intervention in the Gaza Strip instead of a peace accord? What will be the consequences of Israel's Operation Cast Lead on the peace process?'

The provisions of the Annapolis' Joint Understanding:

According to the commitments taken with the Annapolis' Joint Understanding, The Israelis and the Palestinians agreed 'to engage in vigorous, ongoing and continuous negotiations' and to make every effort to conclude a peace accord before the end of 2008. In this respect it seems that vigorous negotiations among the teams led by Tzipi Livni and Ahmed Qurei actually took place during the last year, even if there are few details about their content⁶.

Problems arise with the commitments required as preconditions to the signing of the final status agreement, i.e. the immediate implementation of the parties' obligations under the 2003 Road Map sponsored by the Quartet, which aims to a permanent two-state solution to the Israeli-Palestinian conflict⁷.

The Israelis were required to freeze all settlement activities beyond the 1967 borders but the Palestinians as well as Israeli NGOs⁸ contends that between December 2007 and November 2008 'settlement construction including both housing and infrastructures, continued at an accelerated pace throughout the West Bank, particularly in and around Jerusalem'⁹. Moreover, the Palestinians argue that since the Annapolis conference, 'Israel has failed to implement any

Middle East

of its Road Map obligations thus far [...] with respect to: (1) settlement activity, (2) attacks against Palestinians and their property, (3) internal closures, (4) Jerusalem institutions, and (5) other Road Map obligations'¹⁰.

The Palestinians were required to immediately cease all violent activities against Israelis and to dismantle all militia infrastructures present in the Palestinian territories and not belonging to the Palestinian Security Services (PSS). Again, between 2007 and 2008 several Palestinian groups inside the Gaza Strip have been striking inside the Israeli territory with rockets and mortar shells¹¹ and they also carried out a suicide bombing attack in Dimona on 4 February 2008¹². Even the short-term lull arrangement (*tahdi'a*) reached with Hamas on 17 June 2008 and enacted on June 19th collapsed after the resumption of hostilities on 4 November 2008.

All this occurred regardless of the efforts spent by both sides during the peace talks. In August 2008, roughly one month before its resignations, Israel's premier Ehud Olmert proposed an agreement under which Israel was to return up to 93% of the occupied territories and which entailed a withdrawal from some settlements in the West Bank – a proposal promptly rejected by President Abu Mazen. On the Palestinian side President Abu Mazen has started reforming the PSS in order to both reduce the number of the security agencies and favour the replacement of the security commanders by younger officers. He also has launched a campaign aimed at strengthening Fatah's control over security in the West Bank through successive deployments of the PSS in Nablus, Jenin and Hebron.

The answer requires a deeper analysis of the facts on the ground which will led us to conclude that – perhaps – the Annapolis peace process was flawed from the beginning.

The Bush Administration's engagement:

A first flaw was the low effectiveness of the Bush Administration's effort regardless of the declarations made after the Annapolis conference.

In 2002 whilst the Second Intifada was still going on, President Bush took a tough stance by refusing to talk with the late Yasser Arafat and called for the emergence of a new Palestinian leadership¹³. One year later Bush's approach was enshrined into the Road Map which required – among other things – the cessation of all violent activities against Israel and the dismantlement of the Palestinian militia infrastructures as preconditions for starting final status negotiations. Nonetheless, it seems that already in 2002 Arafat's power was waning. After the death of Arafat, The Palestinian leadership of Abu Mazen was left with weakened security services which will subsequently prove unable to guarantee the monopoly on the use of force to the PNA government. In this contest a new and more radical Islamist leadership was slowly emerging both from a political and military point of view – the Hamas leadership. Indeed, since 2002 the Bush Administration had been refusing to talk with President Arafat on the ground that the latter was responsible for the terrorist activities carried out against Israel. The result was a 'hands-off' policy towards the Israeli-Palestinian peace process that contributed to its paralysis and rendered possible or necessary – according to the points of view – the adoption of unilateral solutions by Israel. An example was the 2005 Israeli disengagement from the Gaza Strip, which left the camp free for the subsequent Hamas' military takeover.

According to media accounts, it seems that the Bush Administration was taken by surprise by Hamas' victory of the January 2006 Palestinian legislative elections. The US and the other countries of the Quartet reacted quickly by applying a tough approach. On 30 January 2006, the

Middle East

Quartet declared that any future assistance to the new government would be conditioned to its acceptance of three principles: renounce to violence, recognition of Israel, and acceptance of previous agreements and obligations¹⁴. As a consequence; When the Hamas' government was sworn in on 17 March 2006 and refused to recognize Israel, the international community immediately adopted political and economic sanctions against it.

If this assessment is correct the decision to hold the Annapolis conference and to promote a peace agreement by the end of 2008 was a big switch in US policy but the time was running against it. The facts on the ground had changed already. The Israeli government led by Kadima was not strong enough to engage in a final status agreement and Abu Mazen could not decide for the people of the Gaza Strip anymore.

Moreover, the shadow of Iran was looming large on the Annapolis conference. The concern among Sunni Arab countries for the rising Iranian power status in the Middle East as well as the need to approach Syria in order to weaken the Iran-Syria-Hizbullah-Hamas alliance may help to explain the large Arab participation in a summit that looked flawed from the beginning.

The weakness of Olmert's government:

A second problem was the inner weakness of Olmert's government, due to the fragmentation and polarization of Israel's political system. Kadima and the Labour Party engaged in the peace process but together they could count only on a majority of 48 seats out of 120 in the Knesset, which felt short of the 61 seats required for forming a government. That means that they had to form a coalition with three more parties – Shas, Yisrael Beiteinu and Gil – who were much less committed to the peace process. On January 2008, soon after the Annapolis conference Yisrael Beiteinu dealt a first blow to the peace process by withdrawing its 11 lawmakers from the ruling coalition. A second blow was dealt by Gil's split on 2 June 2008, which caused a further loss of 3 lawmakers for the ruling coalition¹⁵. From then on Olmert's government was supported by only 64 lawmakers and Shas enjoyed a veto power over the peace process, thanks to its 12 lawmakers. Shas adopted an uncompromising stance over the key issue of Jerusalem, but its request to not divide Jerusalem could not be accepted by the Palestinians and seriously undermined the outcome of the negotiations.

The inner weakness of Israel's current political system runs against the peace process in light of the Hamas' takeover of the Gaza Strip. Only a strong Israeli government can negotiate with the PLO while fighting an asymmetric war with Hamas. On the contrary, Olmert's majority has not been cohesive at all and Hamas could potentially exploit this weakness to torpedo the peace process by strategically-timed attacks against the Israelis. Every time Hamas resumes violence it legitimates the requests for a tougher negotiating stance, or for a suspension of the negotiations coming from those parties inside and outside the ruling coalition that are hostile to the peace process. Thus, a fragmented and polarized ruling coalition gives to the forces, which are hostile to the negotiations, the power to undermine both the stability of the Israeli government and the continuation of the peace process. Without a strong ruling coalition, the next Israeli government may decide to freeze the peace talks in order to focus its efforts toward the most urgent problem, i.e. the asymmetric war against Hamas – given that the top priority will be to counter the threat of a nuclear Iran. This conclusion is based on the assumptions that as long as Hamas do not accept the Quartet preconditions, Israel's decision-makers will absolutely refuse both to grant political recognition to Hamas government and to recognize Hamas' leadership as a

Middle East

partner in negotiations. In fact, Israel currently can control both Hamas and Fatah thanks to its military supremacy as well as the ongoing political and geographical division among Palestinians – according to old rule of *divide et impera*. And this is true also in the absence of a peace accord.

***Fitna* inside the Palestinian society: The political and military rise of Hamas.**

The three phases of the internecine Palestinian struggle:

The third and most important factor has undoubtedly been the rise of Hamas. Like every Islamist movement, Hamas has probably been working on the basis of a clear and long-term strategy not vulnerable to political contingencies (such as the parliamentary elections) and which risks to weaken the Palestinian cause for an independent state for the years to come¹⁶. Hamas' movement seems characterized by the following traits: (1) a strong Islamist ideology, (2) a nationalist political agenda limited to the territories of Israel, the Gaza Strip and the West Bank¹⁷, (3) a strong militia capable of fighting according to the principles of the asymmetric warfare, (4) a *da'wa* infrastructure capable of providing assistance to the poorest members of the Palestinian population as well as to the “martyr's” families and of winning their consensus to the movement's Islamist ideology and agenda. This structure apparently represents the current backbone of Hamas' *de facto* administration in the Gaza Strip and is in contrast to the democratic principles informing the PNA.

During an interview, the late Sheikh Ahmed Yassin allegedly described the four-stages strategy he had followed to build Hamas' movement: firstly: the development of the movement's institutions, such as charities and social committees, in order to recruit the manpower of the “resistance”; secondly: strengthening the roots of the “resistance” in every Palestinian house through the armed confrontation against Israel (*intifada*); thirdly: the improvement of Hamas' military capabilities; finally: the establishment of a dialogue with the Arab and Islamic world¹⁸. If this account is confirmed then it is impressive in the way it fits with the history of the internecine struggle for power between Hamas and Fatah, which can be divided into three phases: (1) 1964-1987: Fatah leads the “resistance”; (2) 1987-1993: the competition between Hamas and Fatah for the leadership of the “resistance”; (3) 1993-present: Hamas leads the “resistance”, Fatah leads the peace negotiations with Israel.

The third phase can be divided in three sub-phases: the period from 1993 to 2005 is characterized by Fatah's political monopoly of the PNA; from 2006 to 2007 there had been a Hamas-Fatah duopoly inside the PNA; finally, Since 2007 there has been a Hamas-led government in the Gaza Strip and a Fatah-led government in the West Bank so the Palestinian division has become a geographical reality.

Middle East

Phase 1 (1964-1987): Fatah leads the “resistance”:

In the 1970s whilst Israel was fighting against its future partner in negotiations, i.e. the PLO led by Yasser Arafat and the Fatah leadership, a different Palestinian leadership was sowing the seeds of division (or *fitna*) inside both the Palestinian society and the Palestinian national movement. It seems that between the end of the 1960s and the beginning of the 1970s Sheikh Ahmed Yassin had been involved in the Muslim Brotherhood's activities in Gaza. According to its 1989 confession in front of the Israeli interrogator he founded an Islamic society in 1976 and in 1978 he registered *al-Mujama al-Islami* in front of the Israeli authorities. During the 1970s it seems that Yassin's Islamist organization was focused on building its *da'wa* infrastructure by providing social, medical, financial, educational and religious assistance to the needy inside the Palestinian Territories. At that time Yassin's Islamist organization was not engaged in violence, but it was probably using its *da'wa* activities in order to win the Palestinian consensus for its Islamist model of Palestinian society – which was in stark contrast with Fatah's model of secular society.

The simmering clash between this two competing models began to emerge when Shaikh Yassin reportedly started building a militia in the 1980s and became evident in 1987 after the outbreak of the first Intifada, when he announced to the world that Hamas was born¹⁹.

Phase 2 (1987-1993): The competition between Hamas and Fatah for the leadership of the “resistance”:

According to the biography released by the Ezzedeen al-Qassam Brigades, in 1986 Salah Shehada was leading a cell called “Palestinian Fighters” (*al-Mujahidoon al-Filastinioon*).²⁰ After the outbreak of the first *intifada* the “Palestinian fighters” started to forge their military capabilities by fighting against Israel's forces and subsequently formed the Ezzedeen Al-Qassam Brigades, Hamas' military wing. In 1994, Yahia Ayyash aka the “Engineer” apparently enabled Hamas to carry out its first suicide bombing attack inside Israel, i.e. the Afula Bus bombing.

This event well express the fact that during the *intifada* Hamas had been gradually improving its military capabilities by developing suicide bombers in order to gain a leading role in the “resistance” to the detriment of Fatah and the PLO. During the same period, Yasser Arafat was gradually abandoning the armed struggle in order to engage in the peace process with Israel.

Indeed, it seems that since the beginning Hamas has been competing against Fatah to win the Palestinian consensus and that the two factions had been cooperating only for brief periods and for the contingent interest of fighting the common Israeli enemy.²¹ This competition is symbolized by the disagreement between Hamas and Fatah over who really initiated and led the first *intifada*, given that each movement claim to be the sole responsible for the outbreak of the uprising. Thus, the emerging role of Hamas inside the “resistance” was alternative rather than complementary to Fatah's role. During the 1990s, the Fatah-dominated PSS had the upper hand against Hamas and were able to control the Palestinian Territories. Ten years later the power balance was going to shift to the other side.

Middle East

Phase 3 (1993-present): Hamas leads the “resistance”, Fatah leads the peace process with Israel:

Since the 1991 Madrid peace conference, Fatah’s leadership, including *inter alia* Yasser Arafat (until 2004), Abu Mazen, Ahmed Qurei and Saeb Erekat has been the only negotiating partner of Israel in the peace process. Already in 1988 Yasser Arafat had *de facto* recognized Israel with the Algiers declaration.²² In 1991, the Palestinian delegation officially participated at the Madrid conference and agreed to start Israeli-Palestinian bilateral negotiations. Finally, in 1993 Chairman Arafat and Israeli PM Yitzak Rabin recognized each other as the legitimate representative of the Palestinians and the Israelis respectively through an exchange of letters²³ and later signed the Oslo accords.

Nonetheless, in the same period Fatah’s has been gradually losing the leadership – and hence the control – of the Palestinian armed struggle or “resistance” against Israel in favour of Hamas. This development had a far-reaching consequence: The more Hamas was increasing its military strength vis-à-vis Fatah, the less it was willing to accept Fatah’s political leadership of the Palestinian national movement. As a result; in a context in which there are two competing leadership of the Palestinian national movement, Israel currently is negotiating with Fatah while boycotting Hamas.

1993-2005: Fatah’s political monopoly of the PNA:

Between 1993 and 1995, Israel agreed to the development of the PNA infrastructures in the Palestinian Territories, which were meant to be a five-year Palestinian interim administration (the Palestinian Council). Finally, Yasser Arafat became the first President of the PNA, after winning the January 1996 Palestinian election. Between 1993 and 2004, Yasser Arafat had been dominating both the Palestinian national movement and the PNA institutions. Nonetheless, after the outbreak of the second *intifada* its leadership probably was weakened by several concurrent factors. Firstly: the progressive deterioration of his health condition; secondly: Arafat’s inability to conclude a peace agreement after almost ten years of negotiations with Israel; thirdly: the growing rejections of Fatah’s rule among the Palestinians probably motivated by the excessive length of Arafat’s supremacy and the growing perceptions of corruption inside the PNA²⁴; fourthly: the demolition of the very PNA politico-military infrastructures carried out by the IDF between 2001 and 2004; finally: the steady improvement of the capabilities of Hamas’ militia, which since 2001 had started launching rockets against Israel.

In 2005, after the end of the second *intifada* and Israel’s unilateral withdrawal from the Gaza Strip, President Abu Mazen inherited a partially demolished, ineffective PNA and an internally divided Fatah movement. On this basis, he had to manage an electoral campaign against the far more disciplined and cohesive Hamas movement.

Middle East

2006-2007: The Hamas-Fatah duopoly inside the PNA:

Ten years after the first Palestinian elections, the balance of power between Hamas and Fatah was going to switch in favour of the former. In 2006, Hamas won the elections²⁵ by presenting candidates who had never exercised political power inside the PNA. It is telling that whilst the Fatah list obtained 28 seats against Hamas' 29 with the proportional system, Fatah candidates were soundly defeated in face-to-face competition against Hamas' candidates (17 to 45)²⁶. After the elections, Hamas was controlling the Palestinian Legislative Council and the Government²⁷ while Fatah was controlling the Presidency, the PSS and the PLO (currently the only recognized Palestinian representation abroad). As a consequence; Between January 2006 and June 2007 the PNA and the Palestinian Territories had been ruled by a duopoly of Fatah-Hamas. Such a duopoly would have required a great deal of cooperation between the two factions in order to successfully manage both the PNA and the peace process with Israel. In the aftermath of Hamas' electoral victory many analysts were wondering if Hamas was able to abandon the armed struggle and adopt a pragmatic approach in view of its new governmental responsibilities. The question was a legitimate one given that for the first time Hamas had the opportunity to actively participate in the Palestinian government. The first signal was not encouraging. The 12-point political programme presented by Hamas was claiming its legitimate right of resistance to end Israel's occupation and did not recognize Israel²⁸, thus disregarding the three Quartet's preconditions. As a consequence; the PLO rejected it and Israel, the United States and the EU began a political and economical boycott against the PNA as a whole in order to weaken Hamas' government and coerce it into changing its behaviour or, alternatively, into resignation. Inside the PNA, the cooperation between Hamas and Fatah required to manage it did not materialize. It seems that many Fatah leaders were wary to yield their power to Hamas after ruling for so many years and acted as they had never lost the elections. On the contrary, Hamas was unable to abandon its militant status and acted as it never won the elections.

There is no agreement about the reasons behind the failure of Hamas' government. A first question is if Hamas was aware of its incoming electoral victory: Some contend that Hamas was not expecting it. Others suggest that Hamas' leadership knew about it but thanks to the discipline of its members, was able to conduct an operation of deception in order to hide his intentions to the world. A second question relate to the ruling ability of the Hamas leadership. A first explanation could be that Hamas was ready neither to rule the PNA nor to abandon the "resistance". A second explanation could be that Hamas' leadership was able to rule, but the combined effect of Fatah's internal sabotage and the international boycott hindered the action of his government. A third explanation could be that, regardless of its awareness of the coming electoral victory or the sabotage to its action, Hamas' leadership was simply not interested in ruling the PNA given its Islamist nature and agenda.

In the light of the often contradictory statements released by different Hamas leaders on this point, the only reasonable way to deduce Hamas' intentions is by observing its everyday behaviour. That is to say that what matters most is the final outcome of Hamas' internal decision-making process, regardless of the possible different opinions inside its leadership. It is a matter of fact that since 1988 Hamas' leadership has not repealed the clause of its statute calling for the destruction of Israel. On the contrary in 2006, when it was offered the occasion to abandon the armed struggle and recognize Israel in order to rule the PNA, Hamas was not

Middle East

willing or able to abandon the “resistance” against Israel. On the other side of the coin, it seems also true that since the beginning Hamas’ government has been targeted by both the undeclared sabotage of Fatah and the declared sabotage of Israel, the United States and the EU.

There have been periodical accounts relating to splits inside Hamas’ leadership: Some refer to a split between the allegedly hardline Damascus-based politburo and the allegedly more pragmatic Gaza-based leadership. Other accounts refer to a split between the civilian leadership and the military commanders inside the Gaza Strip, where the former is said to be more flexible and the latter to be unwilling to renounce to the armed struggle. It is not clear if those reports signal a mere difference in opinion or a deeper conflict among pragmatists and hardliners. What is clear is that until 2008 the hardliners were prevailing, regardless of any division that might exist inside the leadership of Hamas.

Before the 2006 elections the rivalry between Fatah and Hamas was one between the PNA and a Palestinian Islamist opposition movement. In 2006, that same rivalry was translated inside the PNA with devastating effects for the functioning of the latter.

Even an analysis of Hamas’ military capabilities seems to confirm that Hamas is not going to abandon the “resistance” soon. Since 1987 Hamas has been improving its military capabilities by adding new deadly weapons to its arsenal, such as suicide bombers in 1994 and rockets in 2001.

During the Hamas-Fatah duopoly of the PNA, which lasted from January 2006 to June 2007, Hamas had been sustaining a vigorous military build-up in the Gaza Strip. In April 2006, Hamas announced the formation of a 3000-strong “Executive Force” with internal security duties. Hamas probably deemed necessary to build its own internal security force in order to avert any possible plot against its rule in Gaza; this fear may have been strengthened by the loyalty of the 12 PSS’ agencies to the rival Fatah as well as the international boycott against Hamas²⁹. The emergence of an internal security force loyal to Hamas and independent from the PSS chain of command (but under the control of Hamas’ Interior Minister) threatened the most important source of Fatah’s power – the monopoly on the use of force. As a consequence; Immediately after Hamas had deployed its “Executive Force” in May 2006, President Abu Mazen reacted by massively deploying the PSS in the Gaza Strip. From then on the Palestinian society ruled by the Hamas-Fatah duopoly has been periodically ripped by factional clashes among Hamas and Fatah. Twelve years after the 1995 Dahlan’s crackdown against Hamas, the balance of power had shifted in favour of the latter. In fact, it seems that Hamas new security force was better trained and equipped compared to the PSS in Gaza.

In February 2007 Hamas finally agreed to form a national unity government with Fatah, after an outbreak of intra-Palestinian violence claimed at least 29 lives in January. But the reconciliation was only on the surface. Since 2006 Hamas had been continuing its military build-up and Fatah had been refusing to fully cede power to the former: in June 2007 the seed of division sowed in the weg1970s finally sprout in the Palestinian society.

Middle East

2007-present: Hamas' government in the Gaza Strip v. Fatah' government in the West Bank:

With the June 2007 Hamas' takeover of the Gaza Strip the Fatah-Hamas duopoly became a geographical reality.

Since June 2007 Israel has been adopting a double-track strategy based on dialogue with the Fatah/PLO leadership in the West Bank and the parallel boycott of Hamas rule in the Gaza Strip. On 19 September 2007, Israel declared the Gaza Strip a 'hostile territory' and further increased the pressure on Gaza's civilian population in order to overthrow the Hamas government.

Fatah's leadership refused to recognize the new Hamas government, cut off all contacts with Hamas' leadership, outlawed Hamas' Executive Force in the Gaza Strip, formed its own government and confronted Hamas in the West Bank. Finally, it started collaborating with Israel and the Quartet, thus obtaining the payment of the Palestinian tax revenues withheld by Israel and the resumption of the foreign financial aid. Apparently, Fatah tacitly approved the international boycott against Hamas in order to weaken the latter and coercing it into returning the control over the Gaza Strip.

During all 2008, Fatah's leadership had been negotiating a peace agreement that it could not implement in respect of about 1.4 million Palestinians living in the Gaza Strip. During the same period, Hamas had been building its political, military and social infrastructures in the Gaza Strip despite of the Israeli siege.

Since June 2007, Hamas seemed to be following a strategy based on six main points. Firstly: The continuation of its military build-up with the double objective of tightening its grip on the Gaza Strip and of strengthening the Al-Qassam Brigades. Hamas currently needs a strong militia able to fight an asymmetric war against the IDF as well as to survive a full-scale military invasion of the Gaza Strip³⁰. Secondly: The achievement of a tactical lull arrangement with Israel in order to safeguard its infrastructures from IDF's interventions. A lull involves neither Israel's recognition nor renouncing to carry out 'quality operations' such as the kidnapping of Israeli soldiers. Thirdly: The evasion of the economic sanctions and the development of its civilian infrastructure in the coastal Strip including a government, a *da'wa* infrastructure and its own media. Fourthly: The call for a reconciliation dialogue with Fatah in order to obtain from the latter an official recognition of its *de facto* rule in the Gaza Strip. Finally: The search for partners in the international community in order to remove the boycott on the Gaza Strip and to consolidate its rule. Compared with Yassin's four-stage strategy described above, Hamas seems to have realized the first three stages and is currently missing only the last one, i.e. reaching out the Arab and Islamic world to obtain political recognition.

It is noteworthy that Hamas currently is negotiating for a new 18 months-long truce that involves neither the recognition of Israel nor the end of the armed struggle. Moreover, Hamas wants to condition the truce to the lifting of the blockade on the Gaza Strip, a result that would improve the survivability of its government. In this respect Hamas' stance apparently has not changed since the June 2007 takeover.

The way in which Hamas has been building its administration during 2008 is a third indicator that confirms – at least for now – a political agenda that includes authoritarian and Islamist traits.

Middle East

At the political level, Hamas has its own government led by Ismail Haniyah whose political program is still unknown – aside from imposing order in the Gaza Strip – and it renounced neither to the armed struggle nor to Israel's destruction.

On the military level, Hamas has been reinforcing its internal security force called the "Police Force" (the former Executive Force) to tighten its grip on the Gaza Strip. In April 2008, Israel estimated that Hamas' forces could count on around 20.000 operatives, i.e. 10.000 fighters from the Ezzedein al-Qassam Brigades (the military wing of Hamas), 6.000 operatives from the police force and 3-4000 militiamen coming from different Palestinian groups loosely coordinated with the Police Force. It seems that in 2008 the Police Force achieved relevant successes against some powerful clans inside the Gaza Strip. In August the police carried out a successful crackdown against the pro-Fatah Hillis clan and in September they did the same against the Dughmush clan. Apparently, the operation against the Dughmush clan was not limited to law enforcement. The police forces reportedly executed in cold-blood some male members of the family and kneecapped some women.

If this assessment is correct, it is easy to understand why the existence of an 'Islamist administration' ruling almost half of the Palestinian population undermined from the beginning the Annapolis process and – *rebus sic stantibus* – is going to undermine it in the future.

Firstly: Israel currently is negotiating Fatah and is not recognizing Hamas, regardless of the fact that Hamas defeated Fatah in Gaza. As a result; while Ehud Olmert and Abu Mazen were trying to reach a two-state solution at the negotiating table, Hamas was imposing a 'three-state solution' on the ground.

Secondly: The analysis of Hamas' strategy brings to conclude that until 2008 the latter has been following an Islamist agenda which include the armed struggle against Israel. Hamas' strategy seems to include some tactical lull arrangement to build or recover its forces, but forbids any peace accord.

Thirdly: the Fatah-Hamas rivalry probably is not an incidental phenomenon that can be easily overcome through dialogue. On the contrary, this rivalry seems to be caused by the two different model of society envisioned by their respective leaderships. Hamas is clearly an Islamist movement while today's Fatah wants a secular and democratic Palestinian state. Hamas strongly criticize Fatah's corruption and its 'collaboration' with the enemy while Fatah as well as many Palestinians reject the idea of an Islamic state ruled according to the *shari'a*. This could be one of the reasons that explain why it is so difficult for them to engage in a genuine reconciliation effort. Moreover, given the current Hamas' military strength, A reconciliation could force Fatah to partially cede power to Hamas inside the Palestinian national movement and institutions.

Finally: The division among Palestinians can be considered part of the wider controversy between the U.S.-Israel alliance (which is currently supporting Fatah) and the Iran-Syria-Hamas-Hizbullah alliance. Iran officially supports Hamas at a political level and opposes the Israeli-Palestinian peace process, but it denies providing any military aid to Hamas. However, soon after Hamas' takeover of the Gaza Strip the then Palestinian intelligence chief Tawfiq al-Tirawi accused Iran of providing financial and military aid to Hamas. Tirawi also sustained that Iran had a "big role" in organizing Hamas' coup in Gaza.

Middle East

One of the possible assessments of Iran intentions could be that the Iranian regime supports Hamas and opposes the Israeli-Palestinian peace process with the aim of gaining a “bargaining cheap” in the eyes of the US Administration. If this assessment will prove correct, then the evolution of the US-Iran relations could also affect Hamas’ approach toward Israel. Iran, Syria and Hizbullah currently are the only official supporters of Hamas. As a consequence; an eventual thaw in the US-Iran relations could also pressure Hamas into softening its stance toward Israel, and vice versa.

The implications of Operation “Cast Lead”:

Between 27 December 2008 and 18 January 2009 Israel carried out a complex military operation inside the Gaza Strip called *Operation Cast Lead*. On December 27th, Israel’s Minister of Defence Ehud Barak explained the objectives of the operation in the following terms: (1) dealing a forceful blow to Hamas, (2) fundamentally changing the situation in Gaza and (3) the cessation of attacks against Israeli citizens in Southern Israel.

The operation inflicted a crushing military defeat to Hamas and provoked extensive damages to the Gaza Strip³¹. The underling assumption of the operation could be that today’s Hamas is susceptible of “strategic deterrence” since it is a movement that has developed political, military, economical and social infrastructures in the Gaza Strip. Indeed, the leadership of pure terrorist, clandestine organizations can not easily be deterred from carrying out attacks: The only way to stop them is by materially preventing their attacks and dismantling their cells. On the contrary, the leadership of a complex movement who owns military as well as civilian infrastructures is susceptible of deterrence since a military strike can damage its political, economical and social interests.

According to the IDF’s assessment, Operation Cast Lead destroyed roughly 1,200 rockets (one third of Hamas’ estimated rocket arsenal) and killed around 700 militiamen. There is no consensus over the number of Hamas’ militiamen killed, but even accepting the IDF’s assessment the conclusion is that they destroyed no more than 2.8% of Hamas’ estimated forces. In addition, the IDF targeted several Hamas’ political, military, educational and religious infrastructures. Even if Israel carefully explained that the operation’s target was Hamas and not the Palestinian population, the outcome of Operation Cast Lead has been that the Gaza Strip population as whole has paid the price for Hamas policy vis-à-vis Israel. On this basis, it is to be seen if Operation Cast Lead has succeeded in establishing an effective deterrence both on the tactical and the strategic level.

A preliminary assessment could be that the operation may have established a temporary ‘tactical deterrence’ against Hamas ‘quality operations’ (such as the kidnapping of Israeli soldiers) and the launch of rockets. It seems that Hamas is not willing to provoke another Israeli punitive expedition and rather prefers to negotiate an 18 months truce. Moreover, in a rare statement Hamas has expressed its objection to the launch of rockets against Israel explaining that this is not the right moment.

However, the impact of Operation Cast Lead on the political-strategic level is not clear yet, since Hamas is still ruling the Gaza Strip and did not renounce to the ‘resistance’. The question is, ‘Has Operation Cast Lead managed to impose a “strategic deterrence” that will persuade Hamas to abandon violence against Israel?’ In a move that remembers Hizbullah’s behaviour after the 2006 summer war, Hamas declared ‘victory’ on the same day Operation Cast Lead

Middle East

ended. The statement could indicate that for Hamas “victory” means safeguarding the source of its power (i.e the politico-military leadership and infrastructures inside the Gaza Strip) and maintaining its control on the Gaza Strip – a concept of victory that could be the consequence of Israel’s military supremacy. By controlling the Gaza Strip, Hamas can keep influencing the evolution of the Israeli-Palestinian negotiations through strategically-timed attacks and by preventing Fatah from deciding for the Gazan population. Indeed, there are reports on the rising Hamas’ popularity among the Palestinians³², but it is to be seen if and how long this trend will last in the future.

The imposition of a “strategic deterrence” on Hamas’ leadership seems more difficult compared to Hizbullah’s case: firstly: the control of the Hamas’ leadership over the military wing is deemed looser and less effective than Hizbullah’s control over its militia; secondly: if Hamas wants to end violence against Israel, it also needs to rein in several Palestinian armed groups operating in the Gaza Strip such as the Palestinian Islamic Jihad and the Popular Resistance Committee.

Indeed, Hamas’ current willingness to negotiate a truce can be interpreted in two alternative ways: It may be an expedient to gain time in order to recover its forces in the Gaza Strip and to subsequently restart the *jihād* against Israel. As an alternative, it may be an indication that Operation Cast Lead did manage to persuade the Hamas leadership into a more pragmatic approach toward both Israel and Fatah. On this regard, it is to be noted that the IDF killed several military leaders of Hamas, including two prominent hardliners such as the Minister of Interior Said Siam and Al-Qassam Brigades’ commander Nizar Ghayan. If a split between pragmatists and hardliners actually exists inside Hamas’ leadership, then Operation Cast Lead may have weakened the hardliners both inside Hamas and in the eyes of the Palestinians in the Gaza Strip. As for the Hamas leadership; in 2007 Siam and Ghayan reportedly were outspoken opponents of the first Palestinian unity government and their killing may soften Hamas’ stance vis-à-vis Fatah and open a ‘window of opportunity’ for the formation of a second unity government. As for the Palestinians; Between 2006 and 2008, Hamas had been adopting a hardline approach by rejecting the three preconditions set by Israel and the Quartet for starting a dialogue. This approach actually succeeded in derailing the Israeli-Palestinian peace process and has attracted the political, economical and – according to the U.S. and Israel – also the military support from Iran, Syria and Hizbullah. But after two years it also provoked Israel’s military intervention in the Gaza Strip.

Future scenarios:

There are three main factors that will probably affect the evolution of the Israeli-Palestinian negotiations in 2009.

The first factor will be the behaviour of the US Administration. On 20 January 2009, the new US President Barack Obama assumed office and Hillary Clinton started to shape the new American Middle East policy. The idea of a new Palestinian Initiative currently has strong supporters in the United States. It is to be seen if and how they will engage in the Israeli-Palestinian peace process. Moreover, the Israeli-Palestinian conflict will be greatly influenced by the evolution of the relations between the United States on one side and Iran and Syria on the other in the light of the latter’s alliance with Hamas. An eventual thaw in relations between the

Middle East

United States with both Iran and Syria will probably pressure Hamas to soften its stance vis-à-vis Israel and vice versa.

The second factor will be the outcome of the Israeli elections, which were held on 10 February 2009³³. Even if Kadima won the elections, the majority of the Israelis voted for rightist parties and President Shimon Peres finally asked Benjamin Netanyahu, the leader of Likud to form a new government. Likud officially advocates a tougher stance toward the Palestinians compared to Kadima's stance. Moreover, the top priority of the next Israeli government will be countering the threat of a nuclear Iran.

Another relevant assessment relates to 'how' the elections were won. The election seems to have produced again a fragmented and polarized political system, including twelve political parties. The numbers may allow a national unity government made of three parties, including Likud, Kadima and a third party such as Yisrael Beiteinu or the Labour party (or both, thus forming a four-party coalition). The alternative will probably be a government made of five parties and supported by a narrow majority. According to this second scenario, it will be difficult for Likud to engage in a peace process even if it will want to, given the veto power that its coalition partners will enjoy over the government policies. Only a strong government supported by a cohesive coalition can promote the peace process whilst dealing with Hamas.

The last and the most important factor will be Hamas. After Operation Cast Lead, the three main questions to be answered in 2009 will be, 'Will the Hamas government survive to the effects of the military operation? And if so, Will Hamas adopt a more pragmatic approach toward Israel and accept the Quartet preconditions for dialogue? Finally, Will there be another Israeli military intervention against Hamas in the Gaza Strip?'

Hamas currently keeps ruling the Gaza Strip and refuses both to abandon violence and to recognize Israel's right to exist. Moreover, it keeps opposing the peace process and does not recognize the legitimacy of Abu Mazen's leadership. But even if Hamas currently controls the Gaza Strip, it will not be able to take the West Bank: Israel showed its resolve in undermining Hamas' rule in Gaza and will not allow a Hamas' takeover of the West Bank. On his side, Fatah currently is not able to regain the Gaza Strip by itself and it cannot implement any peace agreement involving the Gaza Strip's population. As a consequence; the division among the Palestinian factions delays the establishment of an independent Palestinian state and is weakening both the Palestinian cause and Abu Mazen's leadership. The prediction that Hamas would collapse because of the international boycott or Israel's military intervention has not fulfilled yet since Hamas proved to be extremely resilient.

As a conclusion: the current situation is that Israel and Fatah keep denying political recognition to Hamas and to exclude the latter from the negotiating table; Hamas keeps ruling the Gaza Strip and refuse to recognize Israel. Only a change to one of those conditions will push the peace process forward. Given the current Israel's strength vis-à-vis both Hamas and Fatah, it is likely that the former will refuse to politically recognize Hamas as long as the latter will reject the Quartet preconditions. Thus, the situation could change if the damage inflicted to the Gaza Strip will lead to one of the following, alternative outcomes: (1) the collapse of the Hamas government in the near future, maybe with the help of a tightening of Egypt's border controls,

Middle East

(2) the imposition by Israel of an effective “strategic deterrence” capable of ending Hamas’ attacks and open a window of opportunity for a long-term truce or (3) the imposition of a “strategic compellence” capable of coerce the latter into abandoning violence and recognizing Israel. If none of this outcome will materialize and Hamas will maintain the same policy it has been implementing since 2006 toward Israel, then it is possible that the next Israeli government will decide to carry out another military operation in the Gaza Strip. The same day of the truce Netanyahu said, ‘regrettably the job has not been finished’³⁴ and ten days later he declared, ‘Sooner or later we’ll need to finish the job in Gaza, and that we will do’.³⁵ Even if Netanyahu’s declarations probably were motivated by Likud’s electoral needs, they show Likud’s attitude vis-à-vis Hamas.

¹ This article is an excerpt of the paper presented by the Author at the second ICT-Italian bilateral conference “The Threat of Terrorism and Stability in the Middle East” held in Ranaana (Israel) on 4-5 December 2008 and sponsored by the Italian Embassy in Israel. For the full text see <<http://www.ict.org.il/Articles/tabid/66/ArticlsSearch/baliani/Articlsid/673/currentpage/1/Default.aspx>>.

² For the text of the Annapolis’ Joint Understanding, see The White House, Office of the Press Secretary, *Joint Understanding Read by President Bush at Annapolis Conference* (27 November 2007), retrieved 17 January 2009 from <<http://www.whitehouse.gov/news/releases/2007/11/print/20071127.html>>

³ According to the Annapolis’ Joint Understanding, the Government of Israel and the Palestine Liberation Organization (PLO) committed themselves to “immediately launch good-faith bilateral negotiations in order to conclude a peace treaty, resolving all outstanding issues, *including all core issues without exceptions*, as specified in previous agreements [*italics added*].” See above.

⁴ Mahmoud Abbas (Chairman of the PLO, Chairman of the Palestinian National Authority and leader of Fatah), Ahmed Qurei (head of the Palestinian negotiating team at the Annapolis peace talks) and Saeb Erekat (Chief Palestinian Negotiator) have been promoting and supporting the peace process since the 1991 Madrid peace conference.

⁵ U.S. Department of States, Office of the Spokesman, *Annapolis Conference Participants* (26 November 2007), retrieved 30 December 2008 from <<http://www.state.gov/r/pa/prs/ps/2007/nov/95661.htm>>.

⁶ Israel’s Foreign Minister Tzipi Livni and Palestinian negotiator Ahmed Qurei formally began talks on ‘core issues’ on 14 January 2008 and had been conducting it during all the year. While the talks were held in public, their content was maintained secret. See Herb Keinon, ‘Livni, Qurei start “core issue talks”’, *The Jerusalem Post* (15 January 2008).

⁷ U.S. Department of State, Office of the Spokesman, *A Performance-Based Roadmap to a Permanent Two-State Solution to the Israeli-Palestinian Conflict* (30 April 2003), retrieved 30 December 2008 from <<http://www.state.gov/r/pa/prs/ps/2003/20062.htm>>.

⁸ A report of the Israeli NGO “Peace Now”, based on data from the Israeli Central Bureau of Statistics, concludes that between January and September 2008 ‘(a)t least 1,257 new structures were built in settlements, including 748 permanent buildings and 509 caravans, compared to 800 structures in 2007 (including 442 permanent structures and 368 caravans), a 60% rise’. See Peace Now Report, *Summary of Construction in the West Bank in 2008* (January 2009), retrieved 29 January 2009 from <http://www.peacenow.org.il/data/SIP_STORAGE/files/5/3935.pdf>.

⁹ Negotiations Affairs Department of the PLO, Negotiations Support Unit, *Summary of Israeli Road Map Violations Since Annapolis, 27 November 2007 – 6 November 2008* (17 November 2008), document received by the author from a PLO official on 17 November 2008, Rome.

Middle East

¹⁰ *Ibid.*

¹¹ According to Israeli statistics, during the six months preceding the lull arrangement with Hamas 2,278 rockets and mortar shells had been launched inside Israel (an average of 380 a month). Between January 19th (the beginning of the lull) and November 4th (the day of the IDF's preventive operation inside Gaza), Israeli sources reports that only 20 rockets and 18 mortar shells had been fired against Israel and that Hamas maintained the ceasefire. From November 4th and December 17th, there had been an escalation of violence between Israel and Hamas during which 191 rockets and 138 mortar shells were fired at Israel. See Intelligence and Terrorism Information Center, *The Six Months of the Lull Arrangement* (December 2008), retrieved 5 January 2008 from <http://www.terrorism-info.org.il/malam_multimedia/English/eng_n/pdf/hamas_e017.pdf>.

¹² The attack was claimed by Hamas, the Al-Aqsa Martyr Brigades and the Popular Front for the Liberation of Palestine, but some reports suggest that it was carried out by the Al-Aqsa Martyr Brigades. See 'Woman killed, 38 wounded in Dimona suicide bombing', *The Jerusalem Post* (4 February 2008); Amos Arel and Mijal Grinberg, 'Day after Dimona bombing, Israel reverts to high security alert', *Haaretz* (5 February 2008); and Ilene R. Prusher, 'Dimona bombing: Suicide attack in Israel first in a year', *The Christian Science Monitor* (5 February 2008).

¹³ The White House, Office of the Press Secretary, *President Bush Calls for New Palestinian Leadership* (24 June 2002), retrieved 10 November 2008 from <<http://www.whitehouse.gov/news/releases/2002/06/print/20020624-3.html>>.

¹⁴ U.S. Department of State, *Quartet Statement on the Situation in the Middle East* (30 January 2006), retrieved 10 November 2008 from <<http://www.state.gov/r/pa/prs/ps/2006/60068.htm>>.

¹⁵ See The Knesset, *Mergers and Splits Among Parliamentary Groups*, retrieved 29 January 2009 from <http://www.knesset.gov.il/faction/eng/FactionHistoryAll_eng.asp>.

¹⁶ For a translation of the Hamas' statute, see The Middle east Media Research Institute, *The Covenant of the Islamic Resistance Movement – Hamas* (14 February 2006), retrieved 2 February 2009 from <<http://memri.org/bin/printfriendly/pf.cgi>>.

¹⁷ In opposition to the international scope of al-Qaeda's Salafist movement, which aims to overthrow several "apostate" Arab regimes ruling on the lands of the former Caliphate (the so called "near enemy"). For a collection of fatwas and writings of Al-Qaeda's leaders, see Gilles Kepel, *Al-Qaida dans le texte* (Paris: Presses Universitaires de France, 2005).

¹⁸ Zaki Chehab, *Inside Hamas: The untold story of the militant Islamic movement* (New York: Nation Books, 2008), pp. 21-22.

¹⁹ Hamas' released its first written statement on 14 December 2008.

²⁰ See above.

²¹ See for example Brynjar Lia, *A Police Force without a State: A History of the Palestinian Security Forces in the West Bank and Gaza* (Reading, U.K.: Ithaca Press, 2007); and James L. Gelvin, *The Israel-Palestinian conflict: One hundred years of war. 2nd edition* (New York: Cambridge University Press, 2007), pp. 221-288.

²² For the text of the Algiers' declaration, see A/43/827, S/20278, *Letter dated 18 November 1988 from the Permanent Representative of Jordan to the United Nations addressed to the Secretary-General* (18 November 1988), retrieved 2 February 2009 from <<http://domino.un.org/unispal.nsf/b987b5db9bee37bf85256d0a00549525/6eb54a389e2da6c6852560de0070e392!OpenDocument>>. See also Steve Lohr, 'Arafat Says P.L.O. Accepted Israel', *The New York Times* (8 December 1988).

²³ For the text of the letters, see for example Israel Ministry of Foreign Affairs, *Israel-PLO Recognition: Exchange of Letters between PM Rabin and Chairman Arafat* (9 September 1993), retrieved 2 February

Middle East

2009 from <<http://www.mfa.gov.il/MFA/Peace+Process/Guide+to+the+Peace+Process/Israel-PLO+Recognition+-+Exchange+of+Letters+betwe.htm>>.

²⁴ *Ibid.* During a 2003 interview, when asked about the alleged corruption in the PNA Salam Fayyad said: "I am conceding something is wrong [...] It gave us a bad name. It greatly undermined our credibility". See Justin Huggler, "Palestinian's IMF pointman dispels corruption fears", *The Independent* (16 January 2003).

²⁵ See Central Election Commission – Palestine, Media Releases, *The final results of the second PLC elections* (29 January 2006), retrieved 1 February 2009 from <<http://www.elections.ps/template.aspx?id=291>>.

²⁶ Central Election Commission – Palestine, *The Second 2006 PLC Elections. The Final Distribution Of PLC Seats* (29 January 2006), retrieved 1 February 2009 from <http://www.elections.ps/pdf/Final_Result_distribution_of_PLC_seats-EN2.pdf>. See also Central Election Commission – Palestine, *The Second 2006 PLC Elections. The Final Results For The Electoral Districts* (29 January 2006), retrieved 1 February 2009 from <http://www.elections.ps/pdf/Final_Result_PLC_Dist_Seats_2_En.pdf>.

²⁷ For the composition of the first Hamas Government, see for example Jerusalem Media & Communication Center, *Palestinian National Authority. The PA Ministerial Cabinet List March 2006 – March 2007*, retrieved 15 November 2008 from <<http://www.jmcc.org/politics/pna/pagovmar06.htm>>.

²⁸ The political programme of the Hamas government was published on 17 March 2006 by the *al-Ayyam* newspaper. For an unofficial translation, see Jerusalem Media & Communication Centre, *The program of Hamas government*, retrieved 15 November 2008 from <<http://www.jmcc.org/new/06/mar/hamasprog.htm>>.

²⁹ For an organization chart of the PSS in 1995 and 1998, see Lia, *A Police Force without a State*, pp. 435-436.

³⁰ For an Israeli assessment of Hamas' military build-up, see Intelligence and Terrorism Information Center, *Hamas' military buildup in the Gaza Strip* (Updated April 2008), retrieved 8 February 2009 from <http://www.terrorism-info.org.il/malam_multimedia/English/eng_n/pdf/hamas_080408.pdf>.

³¹ There have been conflicting reports on the Palestinian casualties caused by Operation Cast Lead. The IDF estimated about 1,100-1,200 peoples killed, including roughly 700 militiamen; the Palestinians estimates instead that only 300 armed men were killed, 48 of whom were affiliated to Hamas (*Yedioth Ahronoth*, 26 January 2009). The Hamas-run Health Ministry estimated over 1,314 Palestinians killed and about 5,300 injured (*BBC News*, 28 January 2009). A recent report of the Palestinian Centre for Human Rights concludes that 'Israel' offensive resulted in 1,434 dead, including 960 civilians, 239 police officers and 235 fighters' (see Palestinian Centre for Human Rights, *Confirmed figures reveal the true extent of the destruction inflicted upon the Gaza Strip; Israel's offensive resulted in 1,434 dead, including 960 civilians, 239 police officers, and 235 fighters* (12 March 2009), retrieved on 17 March 2009 from <<http://www.pchrgaza.org/files/PressR/English/2008/36-2009.html>>). According to the Palestinian Authority the estimated damage inflicted to the Gaza Strip amount to \$ 2.77 billion (*The Associated Press*, 2 February 2009).

³² A poll conducted by the 'Palestinian Center for Policy and Survey Research' (PSR) over a sample of 1,270 people concludes that 'Haniyeh would garner 47 percent support, beating Abbas with 45 percent' if a presidential election was held on 9 March 2009. 'But if the competition were between Haniyeh and Marwan Barghouti [...] Barghouti would win by 61 percent to 34 percent'. See 'Hamas's popularity rises after Israel's Gaza war', *Reuters* (9 March 2009).

³³ According to the final results released by the Central Election Committee: Kadima won 28 seats, Likud 27, Yisrael Beiteinu 15, Labor 13, Shas 11, United Torah Judaism 5, Hadash 4, United Arab List-Ta'al 4,

Middle East

National Union 4, Habayit Hayehudi 3, Balad 3 and Meretz 3. See Aviad Glickman, 'Final election results in; no change', *Yedioth Ahronoth* (12 February 2009).

³⁴ 'Netanyahu: Job Not Finished; Shin Bet: Hamas Can Rearm in Months', *Israel National News* (18 January 2009).

³⁵ 'Netanyahu: "Sooner or later we'll have to finish the job in Gaza"', *The Jerusalem Post* (28 January 2009).

Commonwealth of Independent States Eastern Europe

REBOOTING RELATIONS WITH RUSSIA

Andrea Grazioso

The focus of all the comments and analyses concerning the relations between Russia and the West was definitely the US offer - or perhaps the proposal - "to press the reboot button" in its relations with Russia. Starting from Vice-president Biden, then President Obama, and ending with the Secretary of State Clinton all have confirmed and emphasized this concept, also at the presence of Moscow's counterparts.

In truth there are many tables in which a new start of the negotiations between United States and Russia could produce advantages for both Countries, and create obvious advantages also for Europe.

First of all, the nuclear proliferation – beginning with the case of Iran - seems to offer a context in which Moscow and Washington could obtain mutual advantages, thanks to their cooperation. Tied to this topic, there is the issue of the possible reduction of the strategic arsenals that could bring significant economic gains for the finances of the two Countries, both hit by the last crisis. Regarding Afghanistan, the USA and NATO are obviously particularly interested in a positive conclusion of the conflict, but the reduction of instability in Central Asia is a strategic objective also for Russia.

It is also important to remember the common interests in fighting the Muslim fundamentalism, that represents a threat in Middle East and in Central Asia, but also inside the national territories of the western Countries and of the Russian Federation.

Therefore, it should not amaze that the US Administration is pushing hard for the start of a new season in the relations with Moscow, and that it has "enlisted" for this purpose important figures, like Henry Kissinger who, with Yevgeny Primakov, presides the Group of Russian-American Public Dialogue, that is the informal group in charge of starting up the new relations, on new basis.

The economic and political contradictions increase

In Russia the economic crisis appears to be deeper than in the western Countries. Practically all the economic indicators are highly negative, and the data that the authority periodically release, most of the times turn out to be even worse than the most negative forecasts.

The cause of this crisis can be found in the peculiar and fragile economic structure of the Country, extremely dependant from the export of raw materials, particular natural gas and oil. There are, however, other factors like the insufficient transparency of the banking system, the very high level of corruption, the ties between economy and politics.

However the economic trends registered these last months have been determined by the political choices adopted by the Government and the political leadership. The crisis is making clearly emerge the existing underground conflicts between the different "souls", or factions that fight for power. Corollary of this is the international political realm, with the persistent Russian will to reconquer bigger spaces and greater authority.

Commonwealth of Independent States Eastern Europe

The abrupt radical change of direction in Russia's economic trend can be considered starting in the middle of 2008. Moscow Stock Exchange had already been going down since the spring but it was when the conflict with Georgia became stronger, in August, than the economic indicators began to register negative values.

The most visible element of such decline is represented by the level of the currency reserves. Estimated to be approximately 594 billion dollars in August 2008, due to the persistent speculative pressure against the Ruble and the action of the Central bank aiming at contrasting such push, the reserves are now thought to be approximately 386 billion; in other words, there should still be considerable amount of resources, but Russia has allegedly burnt, in eight months, more than 200 billion dollars in order to defend its currency.

The second element, useful to assess the dimension of the financial crisis, is the flight of capital. Taking into consideration August 2008 as the starting moment of the crisis, there are 300 billion dollars of international capital that have flown Russia, according to a BNP Paribas esteem. The flight capital is thought to have been accelerated by the rise of the political risk associated to the growing tension between Russia and the Western Countries, as a result of the conflict in Georgia and, more recently, of the interruption of the gas supplies to Europe.

The third factor to take into consideration is price trend of the energy raw materials, natural oil and gas. From the peaks of almost 150 dollars per barrel now the price is down to approximately 50 dollars, that seem to be relatively stable, at least in the short period.

This level is much lower than the one taken as reference by the Russian financial authorities when they defined the state budget. In 2008 the average reference price was 70 dollars per barrel, while for 2009 the original estimate was 95 dollars per barrel. It was on this estimate that the state income was calculated and, in consequence, the levels of public expense.

The current esteems, coming from the muscovite authorities, instead speaks of 41 dollars per barrel, as average for 2009; with such levels of previewed income (a decrease of 30% is estimated), and considering the drastic decrease of the currency reserves - that act from assurance for the capacity of the economic system to honour its debt in currency - a drastic manoeuvre to control the public expense should have been outlined.

The data coming from the real economy, however, is inducing the Moscow authorities to pursue a totally different path.

A clash between “economists” and “siloviki” is on the horizon

Since Vladimir Putin's rise to power, there has been a general consent, among the analysts, regarding the fact that Putin represented - or at least that he could count on the effective collaboration - of two power groups: one formed by those who were particularly tied to the economic interests of the new Russia and the other by the men that belonged to Soviet Union's security apparatuses.

For a long time, in fact, Putin's power grew and so did the “legs” on which his power rests, because the economic success guaranteed by the oil profits, has been largely consolidated by the action of “siloviki”, who have strenuously fought those oligarchs who could in some measure threaten Putin. However these have consolidated their control on wide parts of the economic system, in particular on the strategic enterprises, those that constitute the monopolies, the

Commonwealth of Independent States Eastern Europe

natural or the de-facto ones, and that therefore have been able to count, in the last years, on very high profits.

The recent crisis has heavily hit these enterprises, some of which are still in an extremely difficult situations from the financial point of view, also because, during the last few years, their level of indebtedness with foreign creditors has grown incredibly.

According to Boris Nemtsov, who served as Deputy Prime Minister in the late 90's, and who now is one of the main exponents of the opposition, the Government guided by Putin is spending huge resources. These funds are, for the most part, taken from that Wellness Found created in the recent years to ensure the stability of the incomes and the pension of the Russians, also in case of economic regression, in order to save from bankruptcy these monopolistic enterprises.

According to Nemtsov, the loans granted to the oligarchs correspond to the transit of important percentages of their societies under the control of the credit institutions that granted the funds, institutes which are the beneficiaries of huge Government aids and, ultimately, controlled by the Prime Minister.

In other words, this "rescue operation" of the great industrial groups, coincides with the further nationalization of the economy, carried out in a non transparent way, but nevertheless very effective.

All this, however, is creating contrast not only with the opposition, which is incapable, at the moment, to mobilise a substantial number of opponents or "the consciences" of the electorate.

Inside the power system itself, slight fractures are begging to appear, cracks that until now, thanks to the presence of huge resources guaranteed by the export of the raw materials, had not emerged. The Minister of Finance, Alexei Kudrin, is the target of an indirect attack, instigated by the "siloviki", and in particular by Igor Sechin, the most famous and probably the most powerful among the former "men of apparatus".

His fault is opposing the direct financing, by the state, of those strategic enterprises that are in financial troubles. According to Kudrin, in fact, the role of the state should be limited to supporting the credit system, while the enterprises should receive loans from the banks so they can restructure themselves and pay their debts.

This kind of policy, however, threatens the stability of the above mentioned strategic enterprises in which the interests of the oligarchs and of "siloviki" are tightly interlaced.

Kudrin is also the natural target of those who assign to the Government the responsibility of the deterioration of the economic situation; he is the perfect "fuse" to be sacrificed if and when the situation becomes worse, so that the Prime Minister is not involved directly.

The issue of the supplies' transit for the Western forces in Afghanistan

In spite of the serious economic situation, Russia continues to maintain to a very high and aggressive profile towards the western Countries, especially the United States.

The most recent and meaningful event is the decision taken, by the authorities of Kyrgyzstan, to close the air base of Manas, given in use to the United States and the NATO, to allow the transfer of supplies to the Forces operating in Afghanistan and, above all, as base for some aircrafts for in-flight refuelling.

Commonwealth of Independent States Eastern Europe

The President of Kyrgyzstan, Kurmanbek Bakiev, who is dealing with the very difficult economic situation of the country, after having obtained a huge loan from Russia - estimated in approximately two billion dollars - decided to close the base, used since the beginning of Enduring Freedom. Many analysts consider such decision the product of Moscow's decision "to expel" the United States from that which is considered, by the Kremlin, an area of priority interest for Russia.

On the other hand Moscow accepted – like other Governments of the region – to allow the transit in its territory of "non military" supplies, needed by the coalition, for its operations in Afghanistan. Moscow has, in fact, no interest in making ISAF's operations, like of the Operation Enduring Freedom, impossible. The Talebans' extremism is a direct threat to the regimes of Central Asia closely allied to Russia, and an indirect threat for the Federation, that, however, counts a consisting Muslim minority in its population.

Moscow's aim, therefore, seems to be to become an unavoidable interlocutor for every foreign policy or military action of the USA, inside its "sphere of influence". The fact remains that the closing of Manas will make more expensive and complex the operations in Afghanistan, while the two billion dollars given to support Kirghizstan is a heavy burden for Russia, particularly in this phase.

The anti-American rhetoric continues to prevail

Although the President Medvedev talks, in front of the American representatives, favourably about the hypothesis of new and friendly relation with Washington, in the occasions in which the same Medvedev addresses the Russian public, the anti-Americans tones turn out to be prevailing, and the rhetoric becomes particularly aggressive.

According to Russian press sources, during a meeting of the High Military Command, held the 20th of March, Medvedev allegedly defined NATO a threat for Russia, while the Minister of Defence, Anatoly Serdyukov, tied the growing American military presence, in the regions bordering the Russian Federation, with the attempt to ensure the control of the local natural resources.

The first explanation of such twofold attitude naturally leads back to the critical national situation in Russia, and more specifically to the need to keep in control the profound dissatisfaction spread in the military class, deeply hit by the cuts in resource and staff.

The Kremlin has the imperative need to maintain closely under control the military leadership, and it does not hesitate to use, once again, the rhetoric of the "threat coming from the West" to reassure the many military leaders who feel themselves deeply hit in their prerogatives by the radical reform of the Armed Forces.

On the other hand, Medvedev and Serdyukov have also declared that such reform will go on, in the forecast times and in spite of the difficult economic situation.

The military staff will pass from the approximately 1,3 million to 1 million, with a cut that will hit, above all, the officers. The cadre units, designed to receive the mobilisation forces, will be suppressed, passing to a structure in which there will be exclusively, or for the majority, combat units.

Commonwealth of Independent States Eastern Europe

The levels of command will come down from four to three, replacing the divisional and regiment levels with the level of brigade. The airborne troops will no longer be centralised in Divisions, but distributed in assigned Brigades to all the six military districts.

According to the Kremlin, a fast modernisation of the equipment is planned: by 2015 it is estimated that 30% of the units will have “modern” systems, and the percentage will be 70% in 2020. This part of the reform plan seems to be the least credible one, considering the dramatic delay accumulated the Russian military industry in the development of new generation of weapon systems, and also considering the slow pace of production of the last two decades, that would indicate a drastic decline of the production capacities.

Nevertheless, within a few weeks, or a few months at the most, the “strategy of national security 2020” is expected to be published, in which the main point of reform and the strategic objectives in defence matter will have to be clearly defined.

The real possibility of “starting from zero” in the relations with Russia appears a very difficult one to achieve. In a recent testimony given to the Commission for the Armed Forces of the American Parliament, General John Craddock NATO SACEUR, spoke unequivocally about the attempt of Russia to weaken the western institutions and to distance the members countries of NATO. Craddock also declared that the foundation of Europe’s security, as stated at the end of the Cold War, that is the absence of military threat for any European country coming from any other European country, cannot be considered true anymore, because of the Russian invasion of Georgia, in August 2008.

There are very good reasons for the US Administration to push for new, mutually interesting, agreements with Moscow. But there are objective limits to the advancement of such dialogue, also because in several occasions, during the last few years, the Russian leadership has seemed to express the conviction that the international relations system is a “zero sum game”. Russia, according to exponents of the Kremlin, must recover the positions it has lost, and, at the moment, there seem to be no foundation for a cooperative attitude towards the West.