

ERNST HILLEBRAND:

Between old Recipes and new Challenges:

The European Left needs a Conceptual Renewal

In recent years Europe's center left parties have lost power in many countries. They are increasingly losing voters to new populist challengers on the far right – in some countries, also on the left of the political spectrum. These electoral defeats mark the end of a political–ideological cycle: the technocratic reform projects of the »Third Way« are no longer able to convince a sufficient number of voters. They have not provided answers to a number of new social and economic challenges facing parts of the center left parties' traditional electorate. These new challenges include: a relative deterioration of the economic situation of Europe's dependent labor, especially the low skilled; a failure to achieve major goals of the education revolution that was central to Third Way reform policies; and new social issues, such as growing feelings of frustration and alienation among working class communities in the face of mass immigration into Western Europe. The Left's cultural liberalism and relativism, central to its pretensions to »progressiveness« in the face of a core economic, social, and fiscal policy agenda marked by the adoption of mainstream, centrist positions, is increasingly out of touch with the values and preoccupations of working and lower middle class voters. Given these trends, the center left parties need to define a new political project that answers these questions without ceding the strategic political ground in the center and without falling into the trap of an essentially pessimistic political narrative that conceives the social, economic, and cultural changes of recent decades in exclusively negative terms. The conditions for a return to a 1970s and 1980s-style welfare agenda simply no longer exist. At the same time, the center left parties have to find an answer to the ideological and cultural *aggiornamento* that Europe's conservative parties are currently undertaking. The latter have left behind neo-liberal radicalism and social ultra-conservatism and have returned to more balanced centrist positions in social and economic policies, but – crucially – without the Left's cultural and ideological idiosyncrasies.

CHRISTOS KATSIOLIS / GERO MAASS:

Is Europe better off? The EU's Prospects as Security and Welfare Union

The declaration on the occasion of the EU's fiftieth anniversary states that »the citizens of the European Union have united for the better,« but the road is rocky. For a happy ending to be achieved, the questions of the EU's ability to exercise control and the delimitation of enlargement from neighborhood policy must be clarified. Equally, the EU must react to a rapidly changing global environment and position itself accordingly without – and this is the fourth challenge – becoming more remote and even less transparent for the societies of the member states.

By means of agreement on a reform treaty and further political initiatives – among other things on neighborhood policy and Social Europe – the German government has brought the EU a significant step forward. Central innovations of the constitutional treaty could be retained, even if the EU in future must go without certain symbols and a European foreign minister and content itself with a »High Representative for the Common Foreign and Security Policy.« The institutional changes certainly do not represent a decisive shift for the EU in the twenty-first century, as long as there are member states that reject further integration and are able to do so on the basis of the Union's lack of results. Yet the Merkel and Steinmeier double act has created the conditions for a debate on the future of the Union and so has taken an important step towards achieving further progress.

The union of, at present, 27 and potentially of 35 states, which is currently profoundly divided in respect of important issues of economic and foreign policy, needs a new »story.« A narrative common to all actors will not emerge from a debate, however, but rather by means of concrete experiences and results. The coming together of willing and capable member states in a security and welfare union offers the prospect of breaking out of the vicious circle of differences of opinion, compromise solutions, and inefficiency. The conditions needed for this are that the leading group of states lays down clear aims in relation to increasing Europeans' security and welfare and that the mechanisms of democratic control are strengthened. If the leading group is able to demonstrate successes it will carry the more hesitant member states along with it. If the results of the integration process become manifest in states and societies, and if clear attributions of competence and transparent structures can be developed the EU will be able to bring its vacillating members back onto the path to success.

UWE BECKER:

The Scandinavian Model. Still an Example for Europe?

In the 1970s and 1980s the Nordic countries – Sweden in particular – enjoyed considerable attention as models of a third way between capitalism and socialism. Then, in the early 1990s, Finland and Sweden, and to a lesser extent Denmark, went into crisis, but by the end of the decade Denmark – together with the Netherlands – was once more held up as an alternative model to the Anglo-Saxon way. Since then, Sweden has made something of a comeback, and Finland has arrived as a new model country. While other countries fell into a period of stagnation, Scandinavia showed robust growth, maintained its welfare state, and found its way back to high employment – although in the cases of Finland and Sweden not at the levels of the 1980s. Because of its huge oil revenues Norway is less suitable for comparison.

What is distinctive about the Scandinavian countries is their strong social democratic tradition and corporatism that brought about the active welfare state at the center of which stands employment stimulation (for example, by means of extensive child care facilities) and job creation, particularly in the public sector, where, with the exception of Finland, more than 30 percent of total employment is concentrated. In recent years this welfare system has once more been combined with competitiveness. Denmark, Finland, and Sweden are top-ranked here, the latter two also in terms of innovation. It is remarkable – and in stark contrast to the experience of many other countries, including Austria, Germany, and the Netherlands – that this has been accomplished without wage restraint worth mentioning (except for the late 1990s in Finland). High social benefits and a redistributive tax system also belong to the Scandinavian model and have resulted in comparatively low social inequality and poverty rates. Perhaps Denmark's so-called »flexicurity« system, with low employment protection and very high unemployment benefits, but also strict training obligations for the unemployed, deserves special attention. Costly high public employment and leave schemes providing temporary jobs for the unemployed also belong to this system.

Less positive aspects of the Scandinavian model are the relatively low efficiency of the public sector and the high sickness leave in Sweden, Norway, and – though to a somewhat lesser extent – Finland, which raises the employment rate. And fortunate circumstances such as the quality image of Scandinavian goods, the house price bubble, and Danish – not to mention Norwegian – oil have also pushed up growth and employment. On balance, however, the Scandinavian countries still demonstrate that there is an alternative to the liberal recipe for solving growth and employment problems by labour market flexibilization, extension of the low-wage sector, and related cuts in the social safety net. Whether other countries can follow this model depends on their willingness to finance it.

ANDREAS GOLDTHAU / OLIVER GEDEN:

Security of Energy Supply in Europe – Plea for a Pragmatic Approach

Geostrategic considerations lie at the heart of the current European debate on security of supply of oil and gas. This approach, however, is little suited to developing sustainable energy policy proposals. Oil is an inappropriate foreign-policy instrument since it is traded on a global market. (European) consumers therefore experience oil shortages through the price: however, they are in a position to supply themselves with oil on the world market at any time in case one country fails to meet its deliveries. In the case of gas, a more critical energy raw material for Europe, the structure of the gas market discourages producers from interrupting deliveries unilaterally and at short notice. Since the gas market is depends on its pipeline network producers are not in a position to cut the supply at short notice without experiencing loss of income. The threat to security of supply therefore lies rather in the area of investment and upstream capacities. Underinvestment, particularly in the Russian gas sector, hinders the alignment of extraction capacities in terms of real demand on the Internal Market and in European countries, Russia's most important gas market. EU efforts in the area of energy foreign relations therefore ought to be concentrated above all on establishing a regime guaranteeing reliable basic conditions to both state and private actors in producer, consumer, and transit countries. In view of Russia's prominent position on the European gas market also in the future Europe's efforts must therefore be mainly directed towards ratifying the Energy Charter Treaty. In this respect the EU will not, as hitherto, be able to demand movement solely on the Russian side: it will also have to accommodate Russia's – partly quite justified – demands. This concerns Russia's reservations about trade in Russian nuclear materials in relation to the »Regional Integration Clause« in the transit protocol and the access of non-Russian producer states to Gazprom's Russian pipeline infrastructure. The establishment of demand-side risk management is also urgently necessary as a complement to a common legal framework with producer and transit countries: uninfluenced by a third party, this will show how serious EU member states are about a common energy policy.

ANDREA SCHNEIKER:

Mercenaries into Businessmen:

the Marketing Strategies of Private Military Firms

Since the beginning of the 1990s there has been a boom in the private military sector. Private military firms – also known as private military companies (PMCs) – are enterprises which offer military services of all kinds for the preparation, implementation, and post-assessment of conflicts and wars. This mainly involves con-

sultancy, training, logistics, servicing of weapons systems, instruction, mine clearing, armed protection of buildings, persons, and convoys, and the carrying out of combat missions. Such firms existed as early as the 1950s, but their number, scope, and significance has increased considerably in the last 15 years.

But how can we explain this boom? The explanations cited in the literature almost exclusively consider the client side and leave the contractor side – that is, the PMCs themselves – largely unexamined. PMCs, however, have played an active role in the upswing in their area of activity. Demand for the services of these firms depends among other things on their respectability and legitimacy. PMCs have therefore expended considerable resources on a range of strategies to detach themselves from the traditional image of mercenaries and to present themselves as users of legitimate force. They therefore advertise the military expertise of their employees and seek to allay moral scruples concerning their deployment by means of company codes of conduct. Recognition as users of legitimate force has largely been achieved.

Demand for the services of these firms does not automatically increase as a result of this, however. Consequently PMCs endeavor to create demand by defining threats for which they are able to provide remedies. PMCs have been very successful in this respect: in Iraq they have been more in demand than ever. There they are supposed to establish and maintain security. Of course, PMCs have not been as effective in this respect as had been hoped. On the contrary, in Iraq PMCs have contributed to increase insecurity and even to more violence. In this way at least they are maintaining demand for their services.

JENS ADERHOLD:

Indestructible Terror Networks?

New Approaches to the Development of Structural Counterstrategies

The effectiveness of today's global terror networks eclipses previous developments. There is still no answer to the question of how such networks might be countered. The strategies deployed so far, however varied and large-scale in terms of their orientation and effects, have been unable to prevent either the incessant escalation of violence or the spread and stabilization of terrorism's global integration.

The classical, predominantly actor-centered approaches of network research are only of limited help. These rather form the basis for the countermeasures implemented so far which have been of only limited use; in other words, they are part of the problem. But what might more promising intervention strategies, capable to compromise such networks look like?

Particularly useful in this connection is the conceptual distinction between cooperation and networks which has so far been employed within the framework

of regional economics. This concept of network development puts us into a position to discern structural patterns significant in construction and stabilization. The essence of this approach consists in its reversal of perspectives: it is not the development of networks which is of interest but strategic possibilities making it possible to intervene effectively. Of prime interest are common grounds on the basis of which the analysis of the most varied network configurations can be accomplished. It is striking within the context of networks and cooperation that some processes are configured in circular fashion, though without amounting to identical repetition. Stages in the process of network-based cooperation are gone through again and again, even if by other means and under other conditions. Network-based cooperation therefore operates in cycles at different structural levels.

It might be supposed that permanent structural change not only requires the ability to adapt and learn, but also makes one vulnerable. Accordingly, different structural changes can be identified to which specific bundles of organizational tasks are assigned. Specific risk scenarios amounting to destruction can be assigned to these structural decisions from which conclusions can be drawn concerning possible destruction strategies. Various structural decisions serve as vantage points here which mark out points of change. Between these radical changes different phases can be discerned in which features of a determinable structural arrangement develop. On the basis of the available facts and insights, as well as connected to the processual interaction between network and cooperation development and analytically derived structural patterns, *four general strategies* can be identified which offer possibilities for intervention: selection strategies, destabilization strategies, reprogramming strategies, and variation strategies.

DRIES LESAGE:

Is the World Imaginable Without the G8?

Are we obliged to live with the G8, whether we like it or not? If so, how do we feel about it? And finally: if we cannot think away the G8, how might it possibly evolve, so that its value-added increases at the expense of its negative effects? In fact, although we depart from an analysis of the G8 in particular, we arrive at the question of what a »powerful states' club« in general can mean for global governance.

With regard to the question, if we are obliged to live with the G8, it would be too deterministic a claim that this specific organisation *had* to come into existence. But several permissive causes brought it about that a voluntary initiative in this direction had a good chance of bearing fruit: the emergence of multipolarity; increasing complex interdependence and globalisation; the Cold War context; the fact that powerful states want to lead and usually hesitate to hand over control to

formal multilateral institutions; and the existence of a Western »community of values.« Another issue is its impact upon global governance. The G8 as such has a heavily biased approach in terms of interests and values, to the detriment of other centers in the world, which is of course problematic. But a powerful states' club can perform a unique set of global governance functions, more precisely: crisis management, steering of global governance, monitoring of the coherence between policy domains, and coordination of domestic policies. Several examples can be given.

One can conclude by joining those who say that in order to be effective and legitimate the G8 should enlarge to a G13 or a Leader's 20 to include the most important emerging economies. Such a powerful states' club is a valuable complement to the UN system. Opponents should ask whether effective global governance is feasible without an institutionalized, but still informal consultative and decision-making body, and the related trust base and group identity. For urgent and complex matters such as energy, it is of paramount importance that between the West and powers such as Russia, China, and India a constructive, even friendly political culture comes into existence. The alternative is fragmentation between possibly a Western, a Russian-Chinese, and a Southern bloc, a pattern that bears some resemblance to the lack of global cooperation the world witnessed in the 1930s.

ANDRÄ GÄRBER:

The Blockaded Region: Prospects for the Middle East

The region of the Middle East and North Africa, which is blessed with around 65 percent of global oil reserves and a good 45 percent of global gas reserves, is suffering under the »curse« of a marked democratic and development bottleneck which can be traced back originally to the crippling combination of multiple political conflicts and the authoritarian structure of most regimes in the region.

The region's future prospects are marked by increasing population pressure, incipient generational transition in politics, educational challenges, and access to information technology, and may be jeopardized by continuing dependence on rents, prevalent tribalism in societies, and a failure to deal with the phenomenon of Islamism. The region's prospects decisively depend not least upon the further development of a number of major unresolved conflicts: the Arab–Israeli conflict, the Iraq conflict, the regional Shi'ite–Sunni conflict resulting from the recent Iraq war, and the nuclear conflict with Iran. The increasing interdependence of these issues became clearly manifest in the »accidental« war between Israel and Hezbollah in summer 2006. If these conflicts and structural problems remain unresolved, from a European perspective the threats to its own security, stability, and prosperity will inevitably increase.

Against this background it is becoming clear that only a common international effort based on an overall plan and emphasizing the following key points will be able to defuse the crisis in the region comprehensively and sustainably: revival of the comprehensive Middle East peace process; Israel's security and the realization of Palestine; the strengthening of Lebanon; the inclusion of Syria; the integration of Iran; the stabilization of Iraq; the construction of a broad-based policy of disarmament and détente; the promotion of socio-economic development and integration; and, finally, demands for greater political openness.