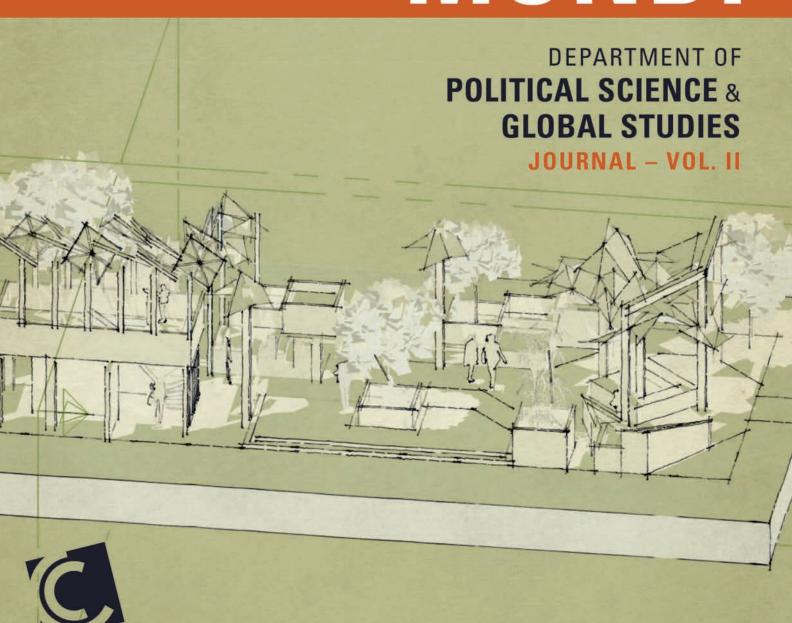
# GLOBUS MUNDI



COSUMNES RIVER COLLEGE

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### WELCOME TO THE SECOND ISSUE OF "GLOBUS MUNDI," THE OFFICIAL PUBLICATION OF THE DEPARTMENT OF POLITICAL SCIENCE AND GLOBAL STUDIES AT COSUMNES RIVER COLLEGE.



In last year's issue, my comments were limited to introducing Globus Mundi and its student written articles. Thus, the question for this issue became, "What will I write about?" Rather than torture my Editor with the multiple drafts and revisions associated with an academic article, I have opted to discuss the creation of this department and transformation undergone over the last few years. The decision to do so stems from the many questions I have recieved regarding new courses and the multitude of activities undertaken recently. Questions have come from current students, incoming freshman, their families, EGUSD counselors and members of the community.

When I came to CRC in 2003, departmental offerings were rooted in the traditional view of the community college mission, specifically with providing students the necessary transfer courses in the discipline. Our courses were limited to three: US Government, Comparative Politics and International Relations. While this was the standard, it warranted review and revision particularly as our transfer partners (the UC and CSU systems) were asking for a fourth course for incoming transfer political science majors. With this in mind, as we were waiting for a new position to become available, it was decided that a new hire should

have subfields in political theory and international political economics—the two courses our partners wanted incoming transfers to have as their fourth course (or third and fourth as the case may be) and would accept as transfer credit.

My degrees are both in International Relations; my fields of study included US-Soviet Relations, Latin America and the Middle East. My travels have taken me to seven Latin American, six European and two Asian countries as well as Canada and portions of the Commonwealth. I "love foreign things," to quote my students—and, I do. Elk Grove, as a community, and Sacramento, in general, demonstrate a dearth of internationalism. This was particularly troubling in 2003 as the US became involved in two wars. A significant portion of time was spent in classes addressing the issues of US deployments, the decisions leading to war and the consequences for America. It was obvious, to me, that a change in curriculum was necessary.

Starting in 2005, faculty colleagues Maureen Moore (Humanities) and Rosalie Amer (Humanities, History and Library Science)—both internationalists—joined me in discussions concerning the need to create a program that would serve Cosumnes River College, its students and the

community. Over the course of the next four years, we created the Global Studies Program. This program offers students the ability to study Latin America, the Middle East, Europe, the Pacific Rim, Africa, Central Asia and Southeast Asia. CRC's Global Studies Program is part of an interdisciplinary program incorporating courses and faculty from social sciences, language, arts and the humanities. Global Studies Program offerings rotate on a biannual basis to ensure maximum variety for students. In an effort to increase student knowledge and awareness on upcoming regions, a parallel film and lecture series presents relevant, issue-oriented global topics. We invite you to examine our new web page at:

### http://crc.losrios.edu/Areas of Study/Humanities and Social\_Science/Political\_Science/Global\_Studies.htm

The department was able to hire new faculty in 2010. As mentioned, the criteria included an ability to teach courses in international political economics and political theory. We are very pleased to have Elizabeth Huffman join the faculty. Beth comes to us via the East Coast; her studies were completed at Bucknell University, Louisiana State University and Emory University. Her post-doctoral work included four years studying at German universities, including the University of Heidelberg and the Free University of Berlin. With Beth, we are now able to offer complete courses of study in political science and international relations.

While we are pleased to have grown the department from three to eleven courses, we are not done growing. It is our intention to introduce new curriculum this coming year. The new courses will include an on-line section of US Government, a new course on the American Presidency, California Politics, a new Honors course in Revolutionary Ideology and an inter-disciplinary elective incorporating

film and foreign policy analysis; in addition, a Model United Nations is in the works. Our growth plan, as currently contemplated, includes a new hire to bring Political Sociology and International Development Studies to the curriculum. Of course, any addition to the faculty is contingent upon the state's and our district's financial ability to do so.

In order to support our growth, we have added several key student-centered components to our program:

- Globus Mundi is a student-written, student-edited publication. It is my privilege to assemble the authors and enable them to expand their academic and intellectual pursuits beyond the confines of the classroom and textbook. Globus Mundi is, to our knowledge, the only journal of its kind amongst California's community colleges, a singular publication.
- This year, we hosted two significant events. "An Evening with Almudena Bernabeu" saw the international human rights prosecutor (and one of Time Magazine's nominees for 100 Most Influential People of 2012) discuss her work as a prosecutor of heads of state and foreign military officers for crimes against humanity and genocide. We invite you to view this sold out event on our website at:

http://crc.losrios.edu/Areas\_of\_Study/Humanities\_ and\_Social\_Science/Political\_Science/Colloqia\_and\_ Events.htm

Our second event of note was "Investing in Women: Development in Latin America." The event featured speakers from Freedom From Hunger, the Peace Corps and IDEX and was presented in association with the Sacramento Chapter of the World Affairs Council.

- We are fortunate to have created an internship program dedicated to placing our students in internships which will serve their academic needs and professional goals. We have a student at the US Department of Commerce and another one at KUVS 19 (Univision). Marius Iordache and Angelica Torres have written short pieces about their internships; these appear on the departmental website under "Interns & Alumni."
- We inaugurated a dedicated alumni chapter for transferring students this year (the Department of Political Science & Global Studies Alumni Chapter). While staying connected through social media is easy, the ability to provide mentoring to students and network after graduation, particularly in this field, is important. It isn't just what you know—it's who you know.
- We are proud to support the "Exploring Global Culture Film Series" and "ONEBook." This year, the department hosted three films ("Africa: In Defiance Of Democracy," "Darfur Diaries" and "Garbage Dreams") and students attended on-campus events associated with the ONEBook project.
- We are currently engaged in direct multi-lateral discussions with American, European, African, and Latin American universities, as well as governmental agencies and NGOs, to establish educational programs in Africa and Latin America. Our goal is to provide uncommon and unique opportunities for our faculty and students to study, teach and engage in discipline related research throughout the world.

The upcoming election will provide many opportunities to the department. We will host a community-wide viewing of

the presidential debates. The panel of presenters will include experts from different disciplines to allow the community a broader lens through which to critically view the political contest in our nation. Additionally and also related to the election, we will host a panel on California's propositions.

This year marks unprecedented success for our transferring students. I'm pleased to report that members of this year's transferring class have applied to the following schools: Harvard University, Georgetown University, UC Berkeley, UCLA, UCSB, Stanford, San Francisco State University, UC Davis, Chico State University and Cal Poly (San Luis Obispo). This represents a marked shift from staying local and, consequently, limiting both academic and employment opportunities. Indeed, the program's growth has been instrumental in expanding options beyond the Sacramento region.

Education is a noble profession, an opportunity to touch tomorrow, a calling. If approached correctly, it's also an opportunity to create and share community with one's students. I am honored to do what I do and, above that, lucky to have met the caliber of students in this year's transferring class. Everything reported above would not have been possible without their inspiration, support, hard work and commitment to education. I am privileged to have had as my Teaching Assistant and Editor-in-Chief of Globus Mundi, Holly Sanderson. Holly is this year's recipient of the O.J. Durand Award for distinguished student leadership and academic excellence. Marius Iordache, having interned at the US Department of Commerce is author of "Turkey: What's Past is Prologue;" he leaves CRC for UC Davis where he will study international relations with an emphasis on development studies. Cory Fong, Associate Editor, is author of "Germany and the Euro Zone;" Cory leaves CRC for UC

Santa Cruz where he intends to study politics. Myles White's article, "The Euro Zone: Averting Crisis," takes a different and more expansive approach to the financial crisis in the EU. He is transferring to UC Davis to study both political science and economics with plans to attend law school after college. Kathleen Soriano is also transferring to UC Davis as an International Relations major with a focus on political security studies in Western European region. After receiving her undergraduate degree, Kathleen intends to attend graduate school to study international political economy. Kathleen authored "The Impact of Global Modernization on Developing Countries." Kevin Luhdorff, author of "Putin vs. Protests: Russia's Surfacing Suspicion," is transferring to UC Santa Barbara as a political science major. After receiving his undergraduate degree, Kevin aspires to study game theory in graduate school. "Saudi Fears of Iranian Hegemony Realized: A Region in Crisis," by Frank Smiley, addresses the recent changes in Middle Eastern relations. Frank transferred mid-year to the University of Montana at Bozeman as an International Relations major with an emphasis in defense analysis and FTO's in Eastern Africa and the Middle East. After obtaining his degree, Frank plans to join the United States military as a career intelligence officer. This year's alumni article, "Taking the Lead: The Obama Administration's Promotion of Global LGBT Rights," was authored by my former Teaching Assistant, Ryan King. Ryan attended CRC and transferred to UC Berkeley where he obtained degrees in Political Science and History (with Honors). Ryan studied at Cambridge University (UK) after graduation. He currently lives and works in Washington, DC and plans to continue his studies in the future. This year's cover art was supplied by Dino Vajraca. While I only had Dino as a student in one class, I value his contribution to Globus Mundi. He is transferring to UC Berkeley to complete his studies in Architecture.

Future editions of *Globus Mundi* will follow, yearly. Alumni, students and faculty will be asked to submit papers and literature reviews for consideration on topics from international relations, economics, history and theoretical issues as they concern global affairs.

Inquiries regarding Globus Mundi should be directed to Professor Martin Morales, Chair of the Department of Political Science & Global Studies, at (916) 691-7114 or, via email, at moralem@crc.losrios.edu

We look forward to your continued readership.

### TAKING THE LEAD: THE OBAMA ADMINISTRATION'S PROMOTION OF GLOBAL LGBT HUMAN RIGHTS

RYAN KING

he issue of human rights for Lesbian, Gay, Bisexual and Transgender persons has always been—and remains—a key point of contention in American society. Since his election in 2008, President Obama has worked to ensure incremental advances toward LGBT equality. Under his administration, new regulations have given gay federal employees the same rights as their heterosexual peers in benefits and legal entitlement to same-sex partners' assets in the event of their passing. Under a Democratic Congress, repeal of the 'Don't Ask, Don't Tell' military policy of discharging gay service members was passed. In this past September of 2011, repeal took full effect without any noticeable impact on the combat-readiness of our nation's military. In addition, the Department of Justice announced that it would no longer defend the Defense of Marriage Act, a law passed during the Clinton administration allowing states to refuse recognition of gay marriages performed in other states. Interestingly, the movement toward 'gay rights' is no longer being confined to its usual place in the American domestic political portfolio. Instead, gay rights are becoming a new pillar of an American human rights initiative.

This paper analyzes the recent foreign policy statements by the Obama administration on gay rights. Two fundamental questions

are asked: 'What does the State Department's announcement mean for LGBT persons abroad?' And, 'How is this new human rights initiative impacting U.S. foreign policy?' A recent speech by Secretary of State Hillary Clinton, marking Human Rights Day, and President Obama's new memorandum to cabinet agencies, are central to this analysis. In addition, the positive and negative impacts on international and domestic politics are weighed. While the Obama administration's initiative presents a profound change in American recognition of the human rights of gay people, it also gives a new rhetorical weapon to those countries wishing to thwart the expansion of America's moral influence abroad.

In 1948, the newly formed United Nations adopted the Universal Declaration of Human Rights. Sixty-three years after the signing of the Declaration of Human Rights, Secretary Clinton appeared before the U.N. to articulate the Obama administration's new vision of LGBT human rights. In her "Remarks in Recognition of International Human Rights Day,"2 Secretary Clinton argued that the Declaration of Human Rights "proclaims a simple, powerful idea: All human beings are born free and equal in dignity and rights... they are the birthright of all people."3 While not a new premise, Clinton's remarks focused on a group of people largely absent from contemporary international discussions of

human rights: LGBT people. Noting that human rights initiatives for women, indigenous, religious and ethnic minorities received much global attention, Secretary Clinton went on to say that "being LGBT does not make you less human. And that is why gay rights are human rights, and human rights are gay rights."4 Clinton appealed to a shared humanity in order to articulate America's position on global gay rights while also laying out five issues in need of global consideration. Firstly, is the acceptance of the premise that gay people are entitled to the same basic rights as articulated in the Declaration of Human Rights: that they are born 'free and equal,' and also, that their government must guarantee and protect that right. Secondly, is the ending of the belief that homosexuality is a luxury of wealthy nations and is solely a Western phenomenon. Thirdly, is recognition that the existence of, and protecting the rights of LGBT persons, does not undercut religious and cultural values. Next, is the opening of a dialogue on LGBT rights internationally, with an eye toward history, recognizing the success of past human rights campaigns for those previously disenfranchised. And finally, is maintaining the role of the international community in guaranteeing, fostering and protecting gay rights as human rights.5

Interestingly, Clinton did more than frame her appeal through a moralistic lens. In addition to describing the basic human rights violations many gay people suffer—beatings, intimidation, forced rape and execution—Clinton also highlighted an economic component. Underscoring that "in all countries, there are costs to not protecting these rights... [in] the silencing of voices and views that would strengthen communities, in ideas never pursued by entrepreneurs who happen to be gay," Clinton demonstrates the lost revenue and talent, the deficit of leadership and innovation that occurs as a result of persecution of members of society who happen to be LGBT.6 Such an idea can easily be equated with the notion of 'brain drain'-talented, highly skilled citizens who flee their country of origin due to instability or persecution, which then weakens the development of a country. However, as Secretary Clinton notes, governments are not the sole violators of the human rights of LGBT people.

In addressing the need for open dialogue and active involvement in protecting LGBT rights worldwide, Clinton reminded all nations that "supporting human rights is your responsibility too. The lives of gay people are shaped not only by laws, but also by the treatment they receive every day from their families, from their neighbors..."7 Clinton's statement not only calls for a dialogue, but in fact states that it is the responsibility of all nations to support LGBT human rights. In addition, these rights must not only be respected by national laws but by the society in which these laws are formed. This is an especially poignant and powerful statement when considering

the rash of suicides by gay teens in America. One can easily see that such a statement has considerable weight not only in developing societies but in our own.

Alongside Clinton's speech, the Obama administration also released its Presidential Memorandum on International Initiatives to Advance the Human Rights of Lesbian, Gay, Bisexual and Transgender Persons.8 The President, in addressing federal government agencies, expressed his "deep concern" over targeted violence toward LGBT people worldwide. In order to combat against global violence and discrimination against LGBT persons, the President announced that his administration would direct federal agencies to pursue the following directives when dealing with, and providing support to, foreign governments:

- 1) Agencies conducting business abroad should strengthen efforts to stop the criminalizing of homosexuality in foreign countries and should increase their role in stopping "discrimination, homophobia, and intolerance on the basis of LGBT status or conduct."
- 2) The Departments of State and Homeland Security will work to make sure that LGBT refugees and asylum seekers are given equal opportunity to access protection and assistance from the U.S. government.
- 3) Foreign aid and assistance agencies will improve existing efforts to engage with governments, citizens, civil society, and the private sector to "build respect for the human rights of LGBT persons."
- 4) U.S. government agencies will respond "swiftly and meaningfully" to human rights abuses of LGBT persons. And,
- 5) The United States will engage international organizations in combating discrimination against gay people and "bring global attention to LGBT issues."9

In addition, the administration also announced the launch of a three million dollar 'Global Equality Fund' dedicated to promoting and protecting LGBT human rights abroad. The proactive approach of the Obama administration stands in stark contrast to previous administrations that have never acknowledged global gay human rights issues, with the exception of HIV/AIDS, arguably less a 'gay' issue and more a worldwide pandemic.

However, while many applaud President Obama's leadership, such emphasis on a controversial international subject is fraught with potential downsides for American interests. Many developing countries have a long history of suspicion toward American and 'Western' interference. Accordingly, the promotion of LGBT human rights by the United States, especially in countries with

cultural sensitivities toward homosexuality, can give hostile regimes the opportunity to channel homophobia into a virulent anti-Americanism. These regimes can label American support of LGBT human rights as an encroachment of Western 'decadence' on the traditional values of their wholesome society.

Indeed, such rhetoric is already being employed in St. Petersburg, Russia, where the city legislature has recently voted to approve a bill prohibiting public speech or events concerning LGBT issues. While the U.S. State Department has strenuously opposed the measure, Russian officials have used American objections to the legislation as a tool to garner support for passage of the bill as a way of rejecting American 'interference.'10 While Russia is currently plagued by unrest over the legitimacy of its recent elections, American pontificating could derail the anti-Putin and pro-democracy movement by giving the governing regime an issue to rally citizens to their side.

The Obama administration's emphasis on combating LGBT discrimination is also questionable given the critical allies America currently has in the Middle East. Can anyone credibly believe that the U.S. would withdraw support from Saudi Arabia, Pakistan, or Afghanistan if they continue to remain hotbeds of homophobia? In the case of these countries, U.S. interests far outweigh the importance of its LGBT human rights initiative.<sup>11</sup>

While it is easy to dismiss the administration's new initiative in the face of realpolitik in international relations, it is also important to underscore the advances. According to the State Department, many Central and South American nations are implementing gayfriendly policies and are "reach[ing] out for closer collaboration."12 While it is obvious that the strategic concerns of the United States will trump human rights considerations abroad, it is also important to note that any progress on this issue, in the face of stagnation and utter ignorance by previous administrations, is progress. The LGBT human rights initiative has also worked to challenge known violators of human rights on yet another front.

In response to worldwide advances toward LGBT human rights, Zimbabwean President Robert Mugabe called such initiatives "satanic." Zimbabwe, an African nation with one of the worst human rights records, now faces the specter of further erosion to an already abhorrent human rights record. And while homophobia is often considered a product of developing nations by virtue of their stunted advancement, it is important to highlight the role of American Christian fundamentalist groups in Africa who "evangeliz[e] a conservative brand of Christianity with a profoundly anti-gay posture."13 Thus, much of the homophobia America and other Western countries are combating today is of their own making.

The implementation of the Obama administration's new directives has met with controversy on multiple fronts. In a letter published in La Prense Grafica, a newspaper in El Salvador, Mari Carmen Aponte, U.S. Ambassador to El Salvador, caused great controversy and delayed her confirmation by the Senate as a result. In her piece entitled, "For the Elimination of Prejudices Wherever They Exist," Aponte opined:

"No one should be subjected to aggression because of who he is or who he loves. Homophobia and brutal hostility are often based on lack of understanding about what it truly means to be gay or transgender. To avoid negative perceptions, we must work together with education and support for those facing those who promote hatred."14

While seemingly a mild statement in support of dialogue and education, the piece met with fierce hostility from civil society groups opposed to LGBT rights in El Salvador. In a letter in The Washington Times entitled "Obama's gay policies unwelcome in El Salvador," anti-LGBT advocates complained that Ambassador Aponte had "demean[ed] our culture and insult[ed] our values" and that while they supported human rights, they did not support "made-up homosexual rights." 15 In closing, the group railed against Ambassador Aponte stating that "we [do not] appreciate an ambassador from another country coming in and preaching to us."16 Such commentary underscores the inherit risk of U.S. human rights policy. If the El Salvadorian public viewed the Ambassador's statement in the same light, considerable damage could be done to the movement toward LGBT human rights in the country.

Aponte's comments helped domestic opponents of the administration's LGBT human rights initiative. A self-avowed Tea Party Conservative, South Carolina Senator Jim DeMint called for the removal of Ms. Aponte due to her "blatant disregard for their culture."17 Thus, with this new initiative, the Obama administration faces many pitfalls. Hostile governments can use American support of LGBT human rights as a demonstration of U.S. immorality and unify wary citizens to their cause. And, on the home front, anti-LGBT politicians can seize upon foreign opposition as a means of highlighting 'cultural values' that reject homosexuality and the necessity for the U.S. government to respect them.

Though the efforts of the administration are a step in the right direction, they should be viewed more as a step toward dialogue than a complete revision of American foreign policy. As South African delegate to the U.N. Human Rights Council, Jerry Matthews Matjila stated "the resolution [on Human Rights, Sexual Orientation and Gender Identity] did not seek to impose values

on Member States but sought to initiate a dialogue which would contribute to ending discrimination and violence based on sexual orientation, or gender identity."18 These first steps into the realm of LGBT human rights are meant to foster conversations between and within communities and nations. Thus, while gay people abroad have a friend in the Obama administration, efforts at promoting LGBT human rights will vary based on location and will likely not change quickly in areas of the world already characterized by extreme homophobia.

In the case of relations between the U.S. and other nations, the Obama administration will find enormous support with already close allies in the Western world, like the European Union, who are already committed to advancing LGBT issues. In addition, countries that are already making progress on gay rights, such as South Africa, Brazil and Argentina, will find help and support from the United States. However, in terms of an overall foreign policy, it is highly unlikely that a human rights intervention, like the recent case of Libya, would ever occur on the issue of gay rights. One only need look at the current Syrian example to see the selective nature of such interventions.

While the current prognosis appears to be a mixture of both positive and negative outcomes for supporters of LGBT human rights, one thing is clear: LGBT people are no longer 'invisible.' Indeed, as Kenyan Supreme Court Chief Justice Willy Mutunga points out "as far as I know, human rights principles that we work on, do not allow us to implement human rights selectively."19 While America's new stance on LGBT human rights will not bring change overnight, the new avenues for dialogue and education that this initiative will foster can go a long way in ensuring dignity and justice for LGBT people worldwide.

#### **FOOTNOTES**

- The author uses the term 'gay rights' as an umbrella term to describe efforts by Lesbian, Gay, Bisexual, and Transgender members in American society who advocate for equal rights with their heterosexual peers.
- 2 "Remarks in Recognition of International Human Rights Day," U.S. Department of State, United States of America, Dec. 6, 2011, Web, Feb. 24, 2012.
- "Remarks."
- "Remarks."
- "Remarks."
- "Remarks."
- "Remarks."
- "Presidential Memorandum-International Initiatives to Advance the Human Rights of Lesbian, Gay, Bisexual and Transgender Persons," The White House, United States of America, Dec. 6, 2011. Web, Feb. 24, 2012.
- "Presidential."
- 10 Trudy Ring, "State Dept. Denounces Russian Antigay Bill," The Advocate, Feb. 9, 2012. Web, Feb. 24, 2012.
- 11 Kevin Douglas Grant, "State Department makes sea change on LGBT rights," Global Post, Feb. 11, 2012. Web, Feb. 24, 2012.
- 12 Grant, "State Department."
- 13 Kevin Douglas Grant, "Obama administration pushes global LGBT rights into the limelight," Global Post, Feb. 11, 2012, Web, Feb. 14, 2012.
- 14 "Future of Obama's ambassador to El Salvador in question," Associated Press. Dec. 12, 2011, Web, Feb. 16, 2012.
- 15 Julia Regina de Cardenal and Giannina de Afane, "Letter to the Editor: Obama's gay policies unwelcome in El Salvador," The Washington Times, Jan. 18, 2011, Web, Feb. 16, 2012.
- 16 De Cardenal and Giannina de Afane, "Letter."
- 17 "Future of Obama's ambassador to El Salvador in question," Associated Press, Dec. 12, 2011, Web, Feb. 16, 2012.
- 18 "Council establishes mandate on Côte d'Ivoire, adopts protocol to child rights treaty, requests study on discrimination and sexual orientation," Office of the High Commissioner for Human Rights, United National Human Rights Council, June 17, 2011, Web, Feb. 20, 2012.
- 19 "Gay Rights Are Human Rights' Says Kenya's Chief Justice," Instinct Magazine, Feb. 1, 2012, Web, Feb. 20, 2012.

### THE EURO-ZONE: AVERTING CRISIS

MYLES WHITE

#### EURO-ZONE TAKING FORM

Following the 2008 global credit crisis and a present global economy showing signs of a slow recovery, the global community finds itself looking towards the west, particularly towards the Euro-Zone economic community. The attention comes from recent economic instability in the region, in particular a surge of sovereign debt amongst member nations. The Euro-Zone is a byproduct of the European Union, the political powerhouse of continental Europe and a pillar of the global community. The Euro-Zone was created in 1999 as eleven European Union nations gave up their national currencies and entered into the euro.1 The Euro-Zone is a monetary union that intertwines member nations into a single currency.<sup>2</sup> The creation of the single currency made financial transactions more efficient and was successful in tying the region's economies together; expediting trade, financial transactions and increased monetary stability. In order to enter the Euro-Zone, the Treaty of Maastricht dictated that potential candidate states had to adhere to convergence criteria for entry into the community. Criteria were based on individual countries keeping budget deficits at no more than 3 percent of GDP, inflation of no more than 1.5 percent and maintaining a collective debt to GDP ratio of no more than 60 percent. The convergence criterion was used to regulate and insulate the community from possible nations whose economic problems could jeopardize the community at large. One of the underlying principles used to describe the Euro-Zone was Walter Hallstein's bicycle theory.<sup>3</sup> The theory hypothesizes that in

order for the union to keep moving ahead it must be continually pushed [adding new member states] out of fear that if the union slowed down, it would fall. The main push factor came from a rapid expansion and adoption of new member states and the gradual benefits of the euro. A little more than a decade has passed since its inception and the Euro-Zone presently incorporates seventeen member states. As of 2006 the Euro-Zone had a gross domestic product [GDP] of nearly 8 trillion dollars, a little less than the United States 11 trillion at the time. Since 2006 new member states have entered the union and have added towards the overall GDP of the community.<sup>4</sup> The Euro-Zone is still in its infant stage of development and each action of the community leaders and policymakers carve new precedents for the future of regional economic communities. This paper will discuss the recent sovereign debt crisis that the Euro-Zone community is facing, the political changes and challenges and the potential consequences of the crisis on the future of regional economic unions and the current global economy.

### **ECONOMIC REALITIES**

The byproducts of an integrated economic union have been proved to be both beneficial and costly to the Euro-Zone. The Euro-Zone faces a myriad of problems that stem from structural flaws since its inception. The most vital flaw in the Euro-Zone model is the existence of a monetary union and an absence of a fiscal union.

The Euro-Zone was established to not only integrate regional states but also to tie states together with the hope of spreading prosperity amongst the region. The question arises whether or not the Euro-Zone leadership, in particular the European Central Bank [ECB], can learn and adapt to the ever changing variables of the crisis. The Euro-Zone structural model relies heavily upon the European Central Bank, in particular their role in providing short term liquidity and monetary regulation. The ECB is a unifying factor in the region and is often relied upon to facilitate a stable monetary market. While the ECB monitors the monetary aspects of the Euro-Zone, a great deal of faith was given to member states to keep sound fiscal policies. The convergence criteria implemented to insulate the Euro-Zone from fiscally irresponsible countries was supposed to prevent weaker economic performing states from entry into the euro. Once countries entered the euro and adopted the currency, they were flooded with an influx of investment and loans. The borrowing rates of states like Greece plummeted while they adopted the euro, and, in extension, benefited from fellow Euro-Zone states' economic performance, not their own. If the precautions were taken in order to stave off a fiscal debt crisis then how come Portugal, Ireland, Italy, Greece and Spain, (a collection of states often referred to as the [PIIGS] nations), are reaching soaring sovereign debt limits?

Almost one third of all member nations in the union have shown very little fiscal restraint and poor overall economic performance in recent years. Not only are the PIIGS nations under-performing and dragging the Euro-Zone down, the two strongest economies in the community, France and Germany, also face economic downturns of their own. Germany, a historically economically conservative country has benefited from years of strong manufacturing and exports which have led them to bear a disproportionate amount of the burden in alleviating fellow members' debt and keeping them financially solvent. The German export surplus is also a product of continual trade imbalances amongst Germany and its trade partners in the Euro-Zone. If one state is a surplus exporter then on the other end there must be a net importer and indebtor. The German worker is experiencing the first hand reality of being intertwined in an economic community where their labor and assets are funding indebted nations. This equation hardly feels equitable to states and their workforce. For example, a German worker has to work until they are 65 to retire while they are paying for a Greek worker's pension that they will receive when they retire at 50-years-old. Recent austerity measures have started to be implemented, particularly in Greece. Greece is in a unique position compared to the rest of the PIIGS since they seem likely to be the first domino to fall in an event of a capital shortage. To this day, Greece has secured two bailout installments

from a collection of Euro-Zone and International Monetary Fund [IMF] funds: the first installment worth nearly 110 billion euros and the second installment worth an estimated 130 billion euros.<sup>5</sup> The funds are to allow Greece to keep governmental functions running and to pay off their already long list of creditors. In layman's terms, Greece is borrowing money to pay off borrowed money. Even after the massive injection of funds into Greece, economists Willem Buiter and Ebrahim Rahberi point to the possibility of a Greek withdrawal to an estimated 50 percent likelihood.6 The prediction that a Greek withdrawal is growing likely by the day not only increases further speculation and doubts, but also aids to the belief that the billions of Euros spent to keep Greece solvent could be aimed at a gradual withdrawal to prevent a sudden collapse that could spur a liquidity crisis similar to the Credit Crisis of 2008. The ever increasing likelihood of a Greek default raises comparisons to the collapse of Lehman Brothers, an American investment bank which is often regarded as the trigger to the start of the Credit Crisis of 2008 and the start of the most recent global recession.

### POLITICAL REALITIES

The recent political changes are as important to the fiscal crisis as the economic policies. Leaders making the crucial decisions to combat the crisis are affected by the harsh political realities they face. There have been dramatic changes in the political arena surrounding the Euro-Zone and abroad. A new head of the European Central Bank, a new Prime Minister of Greece and Italy and coming elections in both France and the United States will all impact the outcome of the Euro-Zone debt crisis.

One of the more crucial changes comes with the appointment of new European Central Bank President Mario Draghi. A former Italian Central Bank president and Goldman Sachs executive, Draghi is well regarded in the economic community. Draghi's appointment came in late October, 2011, when he replaced former ECB president Jean Claude-Trechet, a French central banker.<sup>7</sup> The fate of the Euro-Zone relies heavily upon the new ECB president's actions. Draghi began his presidency at the height of tensions in the Euro-Zone, and his actions have pointed towards continued support for keeping the Euro-Zone financial markets liquid in hopes of keeping high indebted nations such as Greece solvent. One of Draghi's more important policies is aimed at what have been called a new Euro-Zone "fiscal compact." The potential policy aims at implementing budgetary parameters for Euro-Zone nations to follow. The policy has been harshly critiqued from Euro-Zone member states due to what they see as an encroachment of

their sovereignty. The fiscal guidelines that ECB president Draghi wishes to implement would seek to tackle the absence of a fiscal union in the Euro-Zone, one of the main contributing factors to the Euro-Zone debt crisis. As ECB president Draghi looks to keep the Euro-Zone globally competitive while also keeping memberstates solvent, he will continue to keep watch on fragile sovereign bond markets and borrowing rates across the Euro-Zone economic community.

Another interesting political shake-up comes from Greece. While Greece has been at the center of attention in the Euro-Zone crisis, a change in leaders could greatly change the direction of Greece's national self-interests and for the Euro-Zone at large. Newly elected, Prime Minister Lucas Papademos took charge in Greece amidst the imposition of strict austerity measures, protests, strikes and massive cuts to the Greek public sector. Prime Minister Papademos comes fully qualified to lead. Papademos is a former European Central Bank Vice-President and is seen as a potential unifying factor in the crisis.9 Past economic experience can give Papademos the understanding of the dilemma his country faces. Per fiscal year 2011 Greece faced a 142.8 percent national debt to GDP. This figure is by far the largest of any of the Euro-Zone countries. With the ever increasing national debt, Greece faces even higher borrowing costs. For the time being Greece will continue to rely upon Euro-Zone bailouts but at the risk of continued austerity measures.

The term "too big to fail" was popularized from the Wall Street Bailouts of 2008 and is now related to the state of affairs in Italy. The Italian economy is the third largest of the Euro-Zone states with a GDP of nearly 2 trillion dollars. Following the recent resignation of former Prime Minister Silvio Berlusconi, the Italian government is now headed by Mario Monti. This political change comes as Italy faces rising costs in borrowing. Bond prices reached 7 percent, similar levels to what led Greece, Ireland and Portugal to ask for bailouts. Italy has a debt to GDP ratio of 119 percent, second largest in the Euro-Zone community. 10 A manifestation of higher borrowing rates and a high national debt has left Italy vulnerable to possible economic calamities, especially any problems that could ensue if its neighbor to the east, Greece, defaults. If Greece fails and a contagion ensues, Italy may very well be next in line towards insolvency. Political capital and fortitude is often a necessity in dealing with economic crises and newly appointed Prime Minister Monti has an ample opportunity to navigate Italy through the economic hazards ahead.

Being the second largest economy in the Euro-Zone, France wields a great deal of power and influence in policy-making. French president Nikolas Sarkozy has been center stage in the Euro-Zone debt crisis and faces an arduous re-election

bid in 2012. To this day, Sarkozy is trailing Socialist candidate François Hollande and polls continue to show that a recent credit downgrade is crippling President Sarkozy's reelection prospects. Standard and Poor's, an American credit rating agency implemented a credit downgrade of France that highlights the fact that even the Euro-Zone's stronger economies are facing stiff economic challenges.<sup>11</sup> President Sarkozy enjoys support from German Chancellor Angela Merkel. Both leaders head conservative political factions in their respective countries. Chancellor Merkel's support doesn't only aid President Sarkozy, but also aids her political ambitions. The close partnership of President Sarkozy and Chancellor Merkel has been paramount to successful navigation of the Euro-Zone debt crisis and a possible switch to a French socialist president would not only be ideologically different from Chancellor Merkel's regime, but the Franco-German relations would have to be altered with a new French leader. Merkel's pledge to help increase Sarkozy's chance of re-election is critical in the greater scheme of Euro-Zone political and economic developments.

Political consequences do not solely precipitate in Euro-Zone affairs; they also influence politics around the world, particularly in the upcoming United States presidential election. The Euro-Zone debt crisis and its potential adverse affects do not only have the chance of altering the direction of the American economic recovery but also the re-election prospects of incumbent President Barack Obama. An often unknown reality of United States politics that seeps into Euro-Zone affairs are the role of the IMF and the United States Federal Reserve. The IMF, based in New York, is primarily funded by the United States government. The United States central bank, the Federal Reserve, has provided short term funding to the IMF and foreign central banks as well.<sup>12</sup> The likelihood of a financial contagion spreading to American shores has prompted swift action and funding from The Fed. The contrasting ideological differences of President Obama and any of his conservative competitors for the White House allude to the likely change in economic philosophies if President Obama loses his re-election bid. Given the fragile state of the United States economic recovery, it can be assured that President Obama has a keen interest in the affairs of the Euro-Zone community.

### **GLOBAL CONSEQUENCES**

Euro-Zone actions and consequences to said actions are vital to not only the Euro-Zone community but to the global economy at large. The Euro-Zone is of particular importance to the United States, the world's largest single economy. Between both the

Euro-Zone and the United States, both entities account for 40 percent of world GDP, 25 percent of world trade, 60 percent of world foreign direct investment flows, and 60-70 percent of world banking assets and financial services. 13 The Euro-Zone and the United States both rely upon each other heavily as foreign direct investment and export and service hubs. In 2010 the Euro-Zone accounted for nearly 29 percent of global exports and 28 percent of global imports. Not only do Euro-Zone countries and the United States rely on each other for economic activity but U.S. banks have close interconnected financial relations with European banks. In the age of global financial integration, a contagion-like effect can immediately take hold and any bank or financial institution directly tied to an indebted bank will be just as susceptible to toxic assets or a sudden lack of capital. The ECB has taken preemptive measures to liquidate regional banks by loaning out 489 billion euros to 523 individual Euro banks. 14 The ECB move aims at bracing any potential Euro-Zone falter with a cushion to solidify banks financial standing to prevent the primary fear of a financial contagion. With the influx of funds, economists predict that the banks can purchase up sovereign bonds which would further alleviate the stress on the Euro-Zone. With Euro-Zone unemployment rates of around 10 percent and compounded poor economic forecasts, the Euro-Zone will be mired in stagnant economic growth in the near future.<sup>15</sup> Some member states have worse unemployment rates than others.

For instance, Spain is experiencing an unemployment rate of nearly 20 percent while Germany is facing a current unemployment rate of 7.1 percent.16 The varying conditions in unemployment rates amongst states tie the hands of the European Central Bank in preventing them from being able to combat unemployment in specific countries. The ECB is only able to implement a one-size-fits-all interest rate policy, another side effect of a regional economic community. The perpetual indebtedness and continual borrowing amongst Euro-Zone nations further expands the unsustainable borrowing policies of the fiscally irresponsible member states. Per fiscal year 2009, French and German banks were exposed to nearly 1.6 trillion dollars worth of financial assets from the indebted Euro-Zone nations.<sup>17</sup> Analyzing a narrow prism of the economic side effects of the Euro-Zone stagnation through the bilateral trade and economic effects of Euro-Zone and American relations expands the global significance that both economic powers exude. The preponderant amount of economic power that both the Euro-Zone and United States hold reiterates the importance of a Euro-Zone recovery.

#### TURNING POINT

Nearly a little more than a decade after its inception, the Euro-Zone economic community has seen both unprecedented growth and prosperity; they have also shared the brunt of systematic failures in the Euro-Zone model. Early on, idealism and pragmatism shaped the formation of the Euro-Zone and were a necessity for its implementation. Throughout history, new governmental models go through periods of "growing pains" and are tested by the political will and leadership of the time. The fundamental flaws of the Euro-Zone had been avoided since the onset and now have been painfully revealed. The approach of a monetary union without a fiscal union and the battle of member states to keep what they see as their national sovereignty loom over future decisions. Euro-Zone nations must continue to concede portions of their national sovereignty to conform amidst the confines of fiscal guidelines that the community must implement to reign in the massive amount of sovereign debt. A new culture of Accountability and Transparency are critical to the continual existence of not only the Euro-Zone but any future regional economic community. The political and societal will is crucial to any long term economic stability for the region. The unfortunate paradox of governance is the inability or lack of will for leaders to make difficult and unpopular decisions while their job relies on popular support. There is still a likely possibility that the Euro-Zone leaders will kick the can down the road as they had done since its inception and put off making the critical structural changes that are needed. The rest of the world lies in wait to the decisions of the Euro-Zone. With the profusion of trade and economic interdependency upon the Euro-Zone; the burden of averting not only a Euro-Zone economic crisis but another global economic crisis is at stake.

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### CONCERNING THE GERMAN NARRATIVE IN THE EUROPEAN SOVEREIGN-DEBT CRISIS

CORY FONG

#### A CURRENCY IN CRISIS

Europe is at a crossroads. Since 2009, the fate of the Eurozone, the economic and monetary union of 17 European Union member states, and the euro, their sole currency, has come into jeopardy due to a crisis in which numerous countries within the union are saddled with tremendous debt and may be unable to repay their loans if the situation worsens. One such country, Greece, holds debt so large that not only are investors and lenders fearful of the country's ability to repay, but it cannot afford to pay the wages of its workers.1 Despite receiving two large bailouts orchestrated by the European Financial Stability Facility, a recently established organization with the objective of providing financial assistance to Eurozone members, the European Commission, the EU's executive body, and the International Monetary Fund, Greece is still struggling to regain its control over a multi-layered financial meltdown.2

While the bailouts have certainly helped, they're issued in installments and conditional upon Greece implementing a number of harsh austerity measures on the country;3 however, costcutting is not conducive to growth<sup>4</sup>—the only real way a country can recover. Coupling austerity with increased taxation, which Greece must do to repay its loans and fulfill wage obligations, is a surefire way to exacerbate a crisis of debt. Consequently, Greece is forced into a number of options: continue to request financial assistance and hope that Eurozone leadership figures out

a more rational approach before it runs out of money, or leave the Eurozone and the euro altogether and hope that the depreciated drachma, Greece's currency prior to the European Monetary Union, will boost its export and tourist industry enough to survive in a volatile, unforgiving global economy.5 However, there exists no clear or defined manner of exiting the Eurozone without exiting the EU itself; meaning Greece would likely forfeit the trade benefits it receives from membership.6 Regardless, either route is both painful and ugly, and Greece has already incurred the wrath of a disgusted and resentful citizenry unafraid to use violence to relay its anger.<sup>7</sup>

The reality is the collapse of Greece's economy is too small to directly account for any significant damage to the Eurozone as a whole.8 However, the popular sentiment is if one economic collapse occurs, widespread hysteria will follow because of how intertwined the Eurozone is-that is, if Greece fails, investor and lender confidence in the ability of other Eurozone countries to repay their large debts will plummet and they'll flock to the banks to ensure they suffer from as little loss as possible—reminiscent of the panic resulting from the default of Lehman Brothers in the United States.9 Further, the bailout funds pooled by the EFSF, the EC, and the IMF are only so large, and if more countries default, there is simply not enough money to cushion the blow of catastrophic economic failure. 10 If other countries that face large debts and loan repayment like Portugal, Ireland, Spain, and Italy follow in Greece's economic collapse, the results may threaten to vault the

EU's financial system into complete disarray, arouse civil and social unrest, and potentially dissolve the currency itself.

Fortunately, the European sovereign debt crisis can still be resolved, and seemingly, at the center of every suggested path to recovery, is Germany.

### WHY GERMANY?

There are a number of reasons. First and foremost, Germany owns the fourth largest Gross Domestic Product (at official exchange rate) in the world at \$3.629 trillion,11 and is the largest economy within the European Union by a significant margin. France and the United Kingdom are closest at \$2.808 trillion<sup>12</sup> and \$2.247 trillion<sup>13</sup> respectively. Further, while countries like Greece, Portugal, and Ireland have been receiving comprehensive rescue packages from Eurozone leaders and discussing the adoption of, or imposing, unfavorable austerity measures in order to prevent economic default, Germany, up until recently, has experienced years of considerable economic growth—their GDP grew by 3.5 percent in 2010.14 Additionally, while Germany has its own debt to care for, they also recently announced a post-unification, record-low unemployment rate at 6.7 percent while the Eurozone rate rose to 10.4 percent.<sup>15</sup> By comparison, Spain reported an unemployment rate of 22.9 percent, the highest in the EU, and Greece is not far behind at 19.2.16 As arguably the most fiscally prudent of countries in continental Europe, it is no wonder that Germany's peers look to the country for economic salvation.

More importantly, however, is not how other EU member states interpret or even idolize Germany's economic savvy, but how both domestic and international investors and lenders perceive the country. Stability—or at least the perception of stability—is essential, and Germany is an embodiment of what financiers perceive as a sound, intelligent market investment. So when world-renowned credit-rating agencies like Standards & Poors and Moody's assign Germany credit ratings of "AAA" or "Aaa," the highest possible ratings of the respective CRAs, they are communicating to investors that the country exhibits the highest quality credit rating, lowest credit risk, and has an extremely strong capacity to repay its financial commitments.<sup>17</sup> For comparison, Greece has been assigned credit ratings of "CC" and "Ca," the third and second lowest ratings the CRAs are can issue, signaling to investors that it is "junk," or has the poorest quality credit rating, highest credit risk, and an inability to repay its financial commitments.18

### SO GERMANY IS DOING WELL. BUT WHY CAN'T OTHER COUNTRIES HELP FOOT THE BILL?

These ratings, which are basically perceptions of market conditions based on abundant statistical data and number crunching, are centrally important to the debt crisis because resolution requires Germany, as well as other countries, to lend money to its struggling European counterparts. In order for a country within the EU to lend, it has to borrow because the country itself is likely to be in debt. There are certainly other countries who exhibit ratings similar or close to Germany's, but none possess an economy as large, as well-equipped, or is perceived as soundly to handle the burden of aiding the Eurozone's weaker nations.

The French, for example, who possess the second largest nominal GDP in the EU, have recently been downgraded by S&P from a "AAA" rating to a "AA+" rating largely because of how exposed the country's banks are to Greek debt. 19 Lending to Greece would only make the French increasingly susceptible to a Greek default. Moreover, France's stock market has recently experienced some sharp falls and already has plans to implement their own set of austerity measures.<sup>20</sup> Economically, France is not in the best position to facilitate recovery.

To make matters worse, France's political environment is somewhat unstable in relation to the debt crisis because President of the French Republic Nicolas Sarkozy's term ends sometime in the next year. Publicly, Sarkozy has recently advocated, with the intent of implementation before his term runs up, the notion that France needs to cut social protections in order to reduce unemployment and keep France competitive in the global market—similar to what was implemented, and successful, in Germany almost a decade earlier.<sup>21</sup> Such reforms were, at the time, largely unpopular and cost former German Chancellor Gerhard Schröder re-election in 2005, and it would appear Sarkozy has met a similar fate. On May 6, Sarkozy lost his bid for re-election against social democrat François Hollande 48.6 percent to 51.4 percent, the first Socialist to win since François Mitterand's re-election in 1988. The message was clear: France's citizenry had grown tired of an administration perceived as failing to make good on the progress it promised, with Sarkozy increasingly seen as a president catering to the wealthy.<sup>22</sup>

This is a problem because Sarkozy was current German Chancellor Angela Merkel's most important public ally, and Hollande has made it clear his first action as France's president is to renegotiate with Germany regarding the austerity measures currently in place.<sup>23</sup> The foundation for which all EU and Eurozone treaties rest upon was established through the olive branch France and Germany, two former rivals with a considerably volatile

history, extended to one another post-WWII and the years that followed. As the two largest countries within the Eurozone, accounting for slightly less than half the combined GDP, the same rings true today as it did then. Appearing united in the debt crisis is essential for progress and recovery.

The UK, the third largest nominal GDP in the EU, also has the privilege of being given ratings similar to Germany, but S&P recently lowered their rating outlook from "stable" to "negative," suggesting it could be at risk of downgrading to a "AA+" rating the UK holds a deficit three times the size of Germany's, which likely contributes to S&P's decision.<sup>24</sup> The British have also been highly skeptical of European integration, let alone a single monetary union, from the very beginning. The present crisis has almost assuredly evolved such skepticism into certainty in keeping their involvement with the EU at an arm's length.

One might also consider Italy, but they currently hold the largest total debt of any Eurozone member state, are second in debt load in relation to GDP (Greece is first), and are experiencing political turmoil that acts as repellent to any prospective investor.<sup>25</sup> On the other hand, Spain has the highest unemployment in the Eurozone and while they held the least amount of debt prior to the crisis, the burst of a housing bubble had severe consequences for their economic stability.<sup>26</sup> Consequently, Italy and Spain are in no position to aid anyone and they may not be in a position to help themselves if the crisis worsens.

Though France and the UK, as well as other Eurozone economies, will still be expected to lend their own share of the money necessary to remedy the crisis, it will not be to the extent that Germany can. Germany's standing as the largest and most stable, accountable, and responsible economy in the Eurozone puts them in a unique, albeit uncomfortable, position of being held both literally and figuratively as a bastion of financial solvency within the continent. Essentially, whatever decisions Germany makes in response to the crisis is critically important to not just its own countrymen and countrywomen, but to every other EU member state. For better or for worse, the fate of the euro rests largely in the hands of German leadership.

#### WILL GERMANY SAVE THE EURO?

That is the hope, but first there is a need to dispel some common misconceptions. Much of the narrative crafted by mainstream media focuses on Germany and their unwavering stance towards any practice that would lead to inflation, namely the suggestion that the European Central Bank should print more euros, depreciate the currency, and hope that cheaper exports will provide a stimulus of funding large enough to supplant the economic woes of struggling Eurozone member states.<sup>27</sup> The media suggests the rationale behind the country's actions, or rather inaction, is influenced by a deep-seeded fear ingrained in the citizenry's social consciousness by economic atrocities of the past. What they are referencing is the period of hyperinflation induced by the Treaty of Versailles, which gave rise to Hitler and his brand of authoritarianism, and suggesting it is vital to understanding Germany's approach to the sovereign debt crisis.<sup>28</sup>

To be sure, Germany's history is cardinal in understanding its approach to any situation—economic, political, or cultural—but the same could be said for any country. It is likely that much of the German population has been educated on the period in which their state currency was virtually worthless, but to attribute the current German disposition towards inflation to a historical event is a gross oversimplification. While Germany's historical experience is powerful evidence to support the media narrative, it should be said that exposure to inflation does lead to economic instability, regardless of past experiences—it is a notion upheld by most, if not all economists. Additionally, such an attribution would be tantamount to suggesting that British skepticism towards joining the euro is induced by their fear of increased unionization and a forced concession of sovereignty—there may be some truth, but it's only one aspect of a multifaceted issue.

Another misconception concerns Germany's seemingly responsible image. Recently, Germany insisted upon the need for a set of rules that sound eerily similar to a pact established nearly 20 years earlier. The insistence was in the spirit of preventing another debt crisis perceived as being partially created by government borrowing, and primarily by excessive borrowing on behalf of the private sector, or companies and mortgage borrowers, who were taking out loans at irrationally low interest rates which encouraged a debt-fueled economic boom that, as of three years ago, busted<sup>29</sup>—actions that were in direct violation of the Stability and Growth Pact agreed upon in 1997 by the 27 EU member states.30 The criteria of the agreement that member states are supposed to respect include: an annual budget deficit no higher than 3 percent of GDP, and a national debt lower than 60 percent of GDP or approaching that value.31 Ironically, Germany was the country advocating for the pact and was actually the first and one of the biggest offenders in violating the agreement, but instead of unwisely spending their borrowed money on imports like Italy, France, and Spain did, they actually invested in export-oriented sectors that resulted in a surplus of cash.<sup>32</sup> To clarify, Germany engaged in similarly risky financial practices, but was fortunate enough to benefit from them rather than suffer for its actions.

Despite Germany's financial savvy, it is not touting a budget

surplus so large that it enables them to finance others without serious damage—they actually have their own debt to care for.33 Even if Germany's debt is modest in comparison to Greece or other countries at risk of default, it still has to borrow money to lend money. Borrowing results in Germany having to take on greater debt obligations and, in order to do so, likely has to put their own credit rating at risk. A lesser credit rating creates the perception that Germany is less likely to meet their financial commitments, which means that investors and lenders will likely charge higher interest rates in order for Germany to borrow—this at a time when Germany is currently allowed to borrow at historically-low interest rates, an economic state in which any country, let alone Germany, would be hard-pressed to give up.34

should be how the Eurozone's member states can come to a consensus.

### SO... GERMANY WON'T SAVE THE EURO?

Not exactly. Germany understands that its success is contingent upon the success of the euro, and much of the rhetoric coming from the country's political leadership supports such an assertion.<sup>35</sup> Germany's insistence upon a reaffirmation of fiscal tightness, even at the risk of sounding hypocritical, may actually be a political move to ease concerns of Germany's government about the need for austerity, as well as a signal to the ECB that it is taking the necessary steps to make an action like printing more money seem plausible and less of a knee-jerk reaction.<sup>36</sup> Further, Germany's insistence upon the new fiscal pact mentioned earlier could be interpreted as a sign that it is moving in a direction in which it can fulfill the leadership role the rest of the Eurozone is hoping it would.

There is some cause for concern in their strong stance against the development of eurobonds, or a bond in which the entire membership of the Eurozone would be responsible for the money borrowed by selling securities in return for investor's cash. This is significant and controversial because Germany seems to be sending the signal that it is willing to accept the fruits of the euro, but not the consequences of its Eurozone membership. Such a stance may actually reiterate the notion that Germany is failing to appreciate the reality of the situation in that simply issuing a set of demands and conditions that must be met prior to aid is slowing the process of solving a crisis where time is of the essence.

At present, it is really too early to say what Germany will or will not do, and while early signs seem to suggest a sort of German apprehension to step into the limelight, it should be noted that the country is being forced into a position it has tried to avoid since the aftermath of WWII. Moreover, there are varying opinions on how the crisis can be resolved, and presently, the chief concern

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### TURKEY: WHAT'S PAST IS PROLOGUE

MARIUS IORDACHE

ver roughly half a century, the international community has witnessed arguably one of the greatest examples of economic, political, and social integration in the development of the European Union. The consolidation of continental Europe has demonstrated a region's willingness to set aside diversities in cultural practices, norms, and values in order to actualize an economic order. Today, the EU's economy rivals the prowess of the United States. In the decades prior to the organization's development, numerous European countries had been bankrupted and ravaged by years of warfare fueled by traditional rivalries and ideological tension. The EU's success has been a testament to the concept of interdependence, as well as the notion that integrated economic development necessitates cooperation, and as such, encourages concerted efforts in maintaining peace and stability for the benefit of the whole.

As a result of the EU's evident economic success, regional admirers have engaged the union in accession negotiations, but being granted membership is no easy task. The EU requires a prospective country to fulfill certain economic, political, and social conditions as outlined by the 1993 Copenhagen European Council.1 Once said stipulations are met, the country's admittance is contingent upon unanimous consent amongst current member states. At present the EU is attempting to brunt the storm of a sovereign debt crisis that threatens to dissolve the euro and potentially shatter the foundations of the union itself.<sup>2</sup> In times of recession there is greater reluctance to act with risk, and while prospective countries may have complied with the prerequisites

of the Copenhagen criteria, the EU is unlikely to assent to the inclusion of another country unless it is clearly to the their benefit. For the purposes of this article, of chief concern is the Republic of Turkey and their seeming eagerness to join the once-thriving, currently-recovering European Union. For decades Turkey has knocked at the EU's door in hope of being welcomed as a promising member state. On the surface, the republic appears as an ideal candidate given their growing economy, wealth of resources, and relatively stable political structure. Furthermore, Turkey has been supportive in the reconstruction of Europe following World War II and has continually sought inclusion throughout each stage of the EU's development. However, despite numerous attempts at negotiating admission and the country's considerable promise, Turkey has been repeatedly denied and may have to adopt an alternative agenda. To better understand Turkey's unique position, it is important to explore the role they've played in the EU's growth.

The EU's formation began in 1951 with the establishment of the European Coal and Steel Community through the Treaty of Paris, and was subsequently signed by Italy, France, West Germany, Belgium, Netherlands, and Luxembourg (the latter three are also known as Benelux). The first step toward unity was influenced largely by Benelux, who, despite the destruction caused by the Great War,<sup>3</sup> had experienced promising economic growth through liberalized trade. Therefore, in the same manner the ECSC sought to emulate their success. Following World War II, the United States played an integral role in encouraging such unity through the

help of the Marshall Plan, which provided \$12 billion to rebuild European economies while simultaneously aiming to prevent the spread of Soviet Communism. From the beginning, Turkey was a founding member of the Organisation for Economic Cooperation and Development (formerly known as Organisation for European Economic Co-operation), which initially administered the allocation and distribution of funding provided by the Marshall Plan, and now serves as a platform to promote common, constructive, economic policy amongst its member states on both a domestic and international scale.4

By 1949, Turkey was considered a founding member of the Council of Europe, an organization that emerged as a response to the atrocities committed during WWII. The council sought to end human rights violations and regulate the balance of power within Europe.<sup>5</sup> In 1952, Turkey became a member of the North Atlantic Treaty Organization (NATO), a military organization involving many nations with the intent of acting as a regional shield against Soviet expansion. Simultaneously the ECSC began a period of rapid economic growth that established itself as the fastest growing economic community ever formed6 due to its control over the steel and coal market, resources essential to the reconstruction of Europe. Implicit in the community's success was the understanding that liberalized trade could create lasting peace through greater reliance on one another. Following the unprecedented growth of ECSC, the member states decided through the High Authority, the highest legislative power that governed the ECSC, that it was the perfect time to move forward to the next step and change its name to European Committee through the Treaty of Rome of 1957, which also concluded with the creation of Euratom Committee and European Economic Community (EEC).

In 1963, through the Ankara Agreement, the EEC agreed to grant Turkey associate membership, which enabled the country to become a close adviser and special trade partner with the organization's member states. A second stipulation of the agreement between the EU and Turkey was complete accession upon certain criteria being met. As a result of the decision, Turkey would attempt to slowly liberalize trade with the EEC by eliminating quotas on goods and abolishing tariffs altogether.<sup>7</sup> Ultimately, this quasi-member status may have propelled Turkey into paving the path towards stronger economic, social, and political growth in hope of eventually being acceded as a full member of the EEC. Despite certain shortcomings, Turkey appeared on its way to reaching accession.

Simultaneously, Turkey was experiencing a particularly tumultuous period due to civil unrest between Turks and the Kurds. The history of the conflict between Turks and Kurds goes back to the very formation of the Republic of Turkey, but the fight escalated in the late 1970s with the formation of the Kurdish political party known as PKK. The Kurdish people are also considered to be the largest ethnic group in the world that has no recognized borders despite a presence in numerous nations such as Iraq, Iran, Syria, Armenia, and Turkey.8 In the eyes of the EU, Turkey is thought to be the first who should recognize the Kurds' legal boundaries because none of the other nations would do it. Turkey's relationship with the Kurds would have larger implications later on.

However, over the next decade the republic would experience political instability that ultimately resulted in a military coup d'état in 1980. The coup was catalyzed by the presence of extremists in political parties who incited anarchy within Turkey's population.9 Consequently, democracy would not be restored for another three years. In the interim, Turkey was forced to halt economic progression for the sake of political stability. By 1983, relations would normalize and allow them to apply for formal membership into the EEC four years later. Unfortunately, the Ankara Agreement may have been the closest chance at integration Turkey would ever

Following the Treaty of Maastricht in 1992, the organization officially adopted the title of the European Union. Simultaneously, countries like Spain, Portugal, Greece and a few others were admitted into the union. While the advancement of European integration may have hinted at eventual inclusion for Turkey, it was actually a great disappointment in the eyes of Turkish people as the admittance of Greece, a traditional rival of Turkey, would have lasting implications. After five years of accession negotiations between the EU and Turkey, the primary concern was the impact the country's admittance would have on relations with Greece.10 By 1992, the European Committee decided that Turkey was unqualified for admittance.11 The report on the decision explained that Turkey was not fit for accession because of domestic issues with the Kurds, as well as international issues within Cyprus, and the sectarian violence between Greek and Turkish Cypriots.<sup>12</sup> Additionally, Turkey's image both regionally and globally was in jeopardy because of certain human rights violations the country had been accused of.13

However, by 1995, Turkey would continue to attempt to meet criterion agreed upon by the EU and eventually both parties signed a Customs Union Agreement, which enabled goods to travel freely between the two regions without the restraint of customs restrictions. Despite associate status, Turkey's economy at the end of the 80s and beginning of the 90s continued to grow. Further, the country had adopted a new constitution and slowly dismantled the power exhibited by the military.14 The decision for Turkey's accession remained in limbo and the memory of the Cyprus crisis

in 1970s between Greece and Turkey appeared to remain fresh in the minds of EU member states. With Greece's admittance, the economic achievements of Turkey were apparently overlooked, and instead careful attention was paid to its political and social instability. It wasn't until 1999 that the European Council fully recognized Turkey's candidacy and their equal footing with others seeking admission. Today, however, the country's negotiations with the EU have been prolonged while other (some might suggest economically weaker) countries are being accepted.

In the last ten years, Turkey has seen its GDP growth rate average rise at a rate of roughly 4.8 percent per year. Comparatively speaking, Turkey's growth rate exceeds that of the recent entrants into the EU, Romania and Bulgaria, which each averaged a rate of 3.5 percent.<sup>15</sup> Turkey also boasts a lower budget deficit, population below the poverty line, and a greater GDP per capita. Turkey, however, is not without issue. One problem the country faces is its uncomfortably high unemployment rate in comparison to Bulgaria and Romania. While Turkey's unemployment stands at 10.3 percent, Bulgaria and Romania stand at 8.8 percent and 7 percent, respectively. Interestingly, however, Turkey's rate appears to be steadily trending down while its counterparts are trending up.16 Additionally, Turkey's inflation rate is nearly double to that of its counterparts. Still, Turkey's economy on the whole seems to fare as well as its counterparts, if not better. Presently, it has been suggested by the EU that if Turkey meets all of the quotas established by the Copenhagen criteria, Turkey's application will immediately be put to a vote.<sup>17</sup> The reality, however, is that all member states must agree upon the country's inclusion, but when polled, it appears that the majority of members will advocate against such an action.18 This begs the following question: how long does Turkey endure continual rejection despite its attempts to appease the organization and its member states?

One could argue the EU has acted with hypocrisy given their inclusion of countries like Romania, Bulgaria, and the Czech Republic, and denial of Turkey. None of the countries listed had an economic or financial system as strong as Turkey's, nor did they possess political and social stability.<sup>19</sup> These are nations still undergoing transitions from their former communist regimes, while Turkey had long been democratic and exhibited economic and political stability, albeit with a military coup and occasional sectarian disruptions. In addition, the EU agreed in accession for former Soviet Bloc countries as new members with little controversy. These countries embraced systems and structures antithetical to the ideological, political, social, and economic structure the EU desires. Further, the governmental institutions of the former Soviet Bloc nations are infested with some of the highest levels of corruption, which seemed to be overlooked by the EU and accepted without consequence or consideration.<sup>20</sup>

By contrast, Turkey's political organization has been based on democratic principles for more than half of century and has stood firmly against Communist ideology. While Turkey has had its own flirtation with corruption from WWII to 1986, since then the country has made substantial efforts to bring legitimacy to its political institutions. This is evident given their inclusion into the G20 organization, a group in which the 20 most developed nations in the world are members. The irony in this particular situation that the EU seemingly embraced is that former Soviet Bloc countries are essentially bad apples, but because they pose little threat and are more or less beholden to the whims of the organization, they are seen as ideal members for accession. The reason for this is that all these countries have developing economies, weak political power on the international stage and broke, which can be easily manipulated. Turkey on the other hand is a relatively strong country in comparison. It is willful and decisive, and while its people embrace a religious doctrine somewhat foreign to the EU and its member states, they have a long standing tradition of ensuring political decision-making remains secular in practice.

Despite Turkey's prevalence and influence in the ascension of the EU, it seems that the country is unlikely to be admitted as negotiations are continually delayed and ignored, or further obstacles are placed in front of it. The key elements that reflect and support this conclusion are rooted in the influence of the two of the most important players within the EU: France and Germany. In terms of religion, Turkey possesses a population that is 99 percent Muslim, and the implication is that because of this reality, they have strong ties to neighboring Islamic nations; however, it should be clear that Turkey has been deliberate in creating a distinction between its religious and civil proceedings. Turkey has been an influential player in the region since the Ottoman Empire ceased to exist and Turkey has been shown to the Muslim nations that secularism and Islam can coexist.21 It seems the EU does not recognize or has chosen to ignore this reality, and instead has kept Turkey at a comfortable distance, potentially burning a bridge between Islam and Christianity.

The EU's decision making in accepting member states has, to an extent, infuriated Turkey's government and population.<sup>22</sup> The reports given by the EU are a façade, and much of the rhetoric seems to suggest that Turkey has to alter its international image by accepting responsibility for the atrocities of the 1915 Armenian Genocide and apologize. Turkey, however, is quick to remind its critics that this was an act committed by the Ottoman Empire and was not a reflection of the will of the Republic of Turkey. For the EU to make such suggestions is somewhat hypocritical given

the history of Germany and their embrace of fascism in the 1930s and 1940s, not to mention the atrocious acts of genocide they committed against Jews, gypsies and other minorities deemed undesirable. Germany has argued that this was a time in which the values of the Nazi regime were not those upheld by the German people following WWII up until today, which is an argument that is eerily similar to the one Turkey is making in regard to the Ottoman Empire.

Another issue of concern is the discrimination of Turks that presently live inside of the EU and particularly in Germany. Turkish residents have had a difficult time integrating into German society and such a reality is reflected in voting data that suggests 80 percent of the Muslim population could not become or are not considered citizens despite the fact that they have all the requisites. Turks in Germany face bureaucratic challenges in their attempt at citizenship; some kind of form is always missing from the file or the person does not qualify due to minor violation of the law.<sup>23</sup> Implicit in this reality is that Germany is less accepting of Islamists and feel they are essentially unwelcome in the "libertarian" society of the country. Turks that have assimilated are treated primarily as second-class citizens, and despite their status as German citizens, they are the lowest paid workers in Germany,24 and what rights they do have aren't entirely respected. One such example is the delaying, or in some cases denial, of social or welfare benefits. Companies cite reasons of failure to properly complete their paperwork.<sup>25</sup> This is not a particularly new trend in Germany because in 1961, Germany was openly vying for the presence of Turkish workers in the country through a German program in which a great number of skilled workers were needed; however, these Turkish workers were held without the right to see their families. It wasn't until 1970, when an agreement signed by the German government allowed the families to visit the men hired, but it was only after a decision made by the European Convention on Human Rights which stipulated that that Germany could not use any policy that might deny or inhibit family reunion.<sup>26</sup> These were just a few problems that Turkish people dealt with throughout Germany, which also affected the Turks from the motherland.

Through all this time Turkey has fallen in line with Western ideology, which is evident by their embracement of democratic and capitalist ideas despite a strong Islamic influence in society, yet the question remains regarding how long Turkey will continue to pursue integration into the EU. By analyzing the reports, it is clear the EU will not facilitate nor help Turkey improve their socioeconomic system and policies, but instead will continue to help nations without any political or economic power to develop, only creating more obstacles for Turkey to become a full member state.

In a way, it seems Turkey has understood that despite a

normalization of relations with the EU, its opportunity for its integration seems, at present, a bit out of reach. This is increasingly apparent given the financial instability of the Eurozone. Turkey's foreign policy has changed, and the Western model has been replaced by an approach of multicentrism—enabling Turkey to be more independent, create an identity of its own, and perhaps take on a more leading role within its unique place of Western ideals on one side and the Middle Eastern on the other. Before 2002, the center of Turkish foreign policy was confined to the United States of America and the European Union. Turkey would dictate its potential trade or economic partners according to the policies of the two powers.<sup>27</sup> However, today Turkey applies its own policies without taking permission from the USA or EU, which explains their present relationship with Iran. Even the embargo placed on Iran from the Western nations in the last twelve months did not seem to affect Turkey's decision.

While Turkey may trade with Iran, their trust and support for the Iranian government is almost non-existent. Turkey agreed to support the Lisbon Treaty on the construction of an anti-missile shield to begin earlier this year comprised of Romania's missile defense system and Turkey's radar system.<sup>28</sup> This decision expresses Turkey's support of the Muslim brothers within the region, but also shows Turkey's hesitancy to fully trust their theocratic political system.<sup>29</sup> This change is radical, because since the years during which the Ottoman Empire was falling, it demonstrates the country's desire to depart from their penchant for falling in line with Western ideals. Since the last decade, Turkey seems to move toward greater self-reliance on its own strength and decisionmaking. While it doesn't suggest a drastic departure from their foreign policy in the last half century or so, it does show Turkey is sensitive to the development in the region. There is some risk in their actions given the hostility with which Western nations have viewed Iran in the past few decades. Critics have suggested Turkey is appeasing the fundamentalists who reside within the country, but this view is shortsighted. It may instead seem that Turkey seeks to retain somewhat of a hegemonic role within the region.<sup>30</sup> Additionally, the Arab Spring has presented Turkey with a potentially fortuitous opportunity. Many of the uprisings are based on an overthrow of tyrannical regimes in hopes of replacing it with a more democratic system. These countries will require aid and a rebuilding of infrastructure as the oppressive regimes bow out. Although Turkey is not an economic powerhouse capable of providing aid similar to that of the US or the EU, it can help, and such help can lead to mutually profitable alliances.

In any case, it has been more than seven years since the EU reopened negotiations regarding Turkey's integration and, at present, the dialogue would suggest Turkey's chances are slim at

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best. Economic catastrophe ignited by the Great Recession in the United States, and the most recent sovereign debt crisis within the EU itself has had severe implications for the young confederation, and it would seem to have detrimentally affected Turkey's prospects for European integration. Still, the West views Turkey as a valuable economic and political ally, but if they're to be continually denied entry despite its competence, one has to wonder just how much rejection Turkey can endure before it alters its path.

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### SAUDI FEARS OF AN IRANIAN HEGEMONY REALIZED: A REGION IN CRISIS

FRANK SMILEY

he Middle East has seen many new and old issues rise in the last decade, including the wars in Iraq and Afghanistan, the continuing Palestinian and Israeli conflict, and the recent Arab Spring protests. One event that has been evolving for the last thirty years has recently come back into the spotlight, and the consequences of that evolution could be dire if the situation is not handled and understood properly. This event is the largely misunderstood rising power of the Islamic Republic of Iran. Within the last decade, Iran has been evolving into one the region's richest economies, thus establishing itself as a rising powerhouse in the region by holding a large indirect presence in many other countries in the Middle East. With its rising economy and ambitions, Iran's influence in other countries has began to concern others in the Middle East and the world. One particularly fearful contender and rival of Iran is the Kingdom of Saudi Arabia.

Saudi Arabia is one the region's richest economies, known as the Middle East's "power house" of influence. Saudi Arabia has feared Iran's economic and ideological growth since the Revolution of 1979, as its growth signified a loss of its own power in the region. The idea of replacing Arab monarchies with an Islamic Republic which stemmed from Iran's Revolution quickly raced across the minds of Saudi officials. This revolutionary idea had not been popular amongst the monarchic Saudis; in fact, it had pushed them into an even deeper state of unrest.

Today, Saudi leaders fear Iran will take the lead hegemonic position in the region, which has spawned mostly from Iran's

actions throughout the last ten years but has been growing ever since the revolution of 1979. A great fear of the Saudis is the many ways Iran has positioned itself around the region, specifically around their own kingdom's borders. First are the three fronts along the Saudi border that pose the greatest indirect threats to the Kingdom: Bahrain, Iraq and Yemen, all of which share the religious animosity between Sunnis and Shiites and are main instigators of the conflict overall. Second, the Saudis as well as the other Gulf States are concerned about the threat the ever-expanding Iranian nuclear program poses to the region, specifically to Israel. The Iranian ambitions for nuclear material and a possible weapon have created intense tensions with Israel and the West. This has created fears that a widespread conflict could erupt over the nuclear program, dragging the region into a war as well as also giving Iran the power to create chaos. To understand the current events of both Saudi Arabia and Iran, one must understand the history of Saudi-Iranian relations and the cultural animosity between the two nations before a clear conclusion can be reached.

Tensions between Saudi Arabia and Iran immediately began after Iran's Islamic Revolution in 1979. The Saudis feared this new idea of replacing reigning monarchies in the Middle East with a Islamic Republic would create mass chaos in the region. The Persian Gulf States, such as Saudi Arabia and Kuwait, among other Arab states, saw this idea as a threat to the established rule. Although Sunni leaders control Saudi Arabia and other countries, they also have a large population of Shia Muslims residing within

their borders. Saudis fear the possibility of the Shia population rising up against the monarchy and mimicking that of Iran's revolution. This also has been the case with other countries in recent years, such as Iraq and Bahrain. The majority of Saudi Arabia's Shia population lie in the eastern region of the kingdom along the border with Bahrain, and have claimed to be outcast and their rights ignored by the Saudi government as well as by a large portion of the Saudi Sunni population. After Iran's Revolution in 1979, the Saudis saw its Shia populations beginning to riot as other domestic conflicts in the country erupted. The Saudis identified Iran as the source of this strife, and sought to make sure its influence would not spread dramatically into their country.

Cultural and religious beliefs have heavily influenced the establishment of nations and governments throughout the course of time. Religion can be a cause for growth and unity, as well as a cause for conflict; both which, the Middle East has experienced. Saudi Arabia and Iran have Muslim majorities, however, their religious feud lies in the two countries' reigning sects of Islam: Shiite and Sunni. In a TIME magazine article interview with journalist's Lesley Hazelton and Alyssa Fetini, their explanation of the Shiite and Sunni conflict provides one with a better understanding of the situation. In the interview, Hazelton explained that the conflict between Shiite and Sunnis is based upon determining who should lead Islam.1 Hazelton also continued to explain that both sects of the religion feud over the belief of who should have the power to rule after Muhammad's death:

"His closest male relative was his cousin and son-in-law, the philosopher-warrior Ali, whose followers-The Shiat Ali [followers of Ali], or Shiite for short—say that he was the only one with the spiritual authority to succeed Muhammad."2

The Sunnis believe, according to Hazelton, that the leader of Islam should be one politically equipped and prepared to maintain and control the growing Muslim empire; therefore, the Sunnis support Muhammad's father-in-law Abu Bakr.<sup>3</sup> In the end, the position after Muhammad's death went to Abu Bakr, who was named the first Caliph. However, 25 years later ,Ali assumed power and was then assassinated ending the Shiite reign and starting the first Sunni dynasty. After the assassination of Ali, the Shiite populations became outcast by their Sunni brethren, in which Hazelton concluded:

"In a nutshell, the difference between the two is that the Sunnis tend to respect how power actually works rather than the way it should work in an ideal world. In a sense, the Shiite ideology is more realistic, while the Sunni one more pragmatic."4

In short, after the 25 year reign of the Sunni-backed Bakr, and the reign going to Ali who was then assassinated, the Sunnis then took over the majority and left the Shiite populations ostracized, which has continued to this day. This concurrent event of Sunnis in power and suppression of Shiite peoples has lead to sectarian violence between the two, and is a prominent reason behind Iran's indirect actions in many parts of the Middle East. Within the last decade there has been growing violence in devastating amounts, mostly by militants of both sects locked in unrelenting combat. However, after Iran's revolution, a new form of Sunni and Shiite confrontation took place: the Shiite majority Iran and the Sunni majority Saudi Arabia and Gulf States.

The rivalry and sectarian violence between the two Islamic groups has made the conflict between both countries a permanent fixture in the region by their use of proxy wars to establish themselves. There is an immense potential for either country to escalate their conflict into war, which is why it is essential to understand the Sunni and Shiite rivalry; the beginning is the best way to understand how the fears and fighting between Saudi Arabia and Iran originated, and how it has escalated over the past thirty years. While the conflict is not solely concerned with religion, it has an impact, and is also used to justify each countries action against each other. This will be seen in the three fronts around the Saudi border, yet before any analysis should be done, a understanding of the Iranian-Saudi relationship should be taken into account.

Fearing the spread of Iran's revolution across its own borders in 1980, along with other cultural and political fears, Saddam Hussein of Iraq invaded Iran. In doing so, the long and brutal Iran-Iraq War officially began. While the war raged on, Saudi Arabia along with other Gulf States threw billions of dollars into Iraq's economy to support the war with Iran. The support from Saudi Arabia was most likely influenced by the hope that Iran's new Islamic state would crumble from war, as Iran was already in chaos from the revolution. After eight long years of war, the Saudis helped to resolve the conflict before it got any worse than it already had. And in 1988, Iran agreed to a ceasefire with Iraq. Following the conflict, relations between Saudi Arabia and Iran were decent at most, but a long-standing cold war would begin to erupt between the two countries.

In July of 1987, tensions between the Saudis and Iranians erupted. During the holy pilgrimage to Mecca, Iranian Shiite Muslims began a series of political demonstrations at the holy site. Saudi police forces confronted the protesters, and violent clashes occurred and ultimately resulted in hundreds of deaths.<sup>5</sup> The Iranian-Saudi relationship was civil up until that point, but after that brutal display of aggression their relationship drastically declined. After the incident, Saudi officials cut all ties with Iran, and no longer allowed Iranian Muslims to obtain a visa into the kingdom and attend the Hajj. Despite this initial response, relations between the two countries began to improve between 1988 and 1990. In late 1988 and into early 1989, Iran and Saudi Arabia began to indirectly communicate, and relations between the two nations seemed to improve due to Saudi efforts to help end the Iran-Iraq War.

In 1990, after Iraq invaded Kuwait and the Persian Gulf War erupted, Iran maintained a neutral position and called for Iraq to leave Kuwait. The Islamic Republic of Iran sided with Saudi Arabia in that direct military force was no answer to the region's problems. Both countries were upset with the Iraqi invasion, and both countries acknowledged that an aggressive Iraq would be critical for the entire region. Post-war and into the early 1990s, the Iranian and Saudi relationship grew into a positive one. Both countries talked respectfully on regional issues, and the Saudis lifted their ban on Iranian citizens acquiring visas to get into the country. Regional security became an issue between the two after the Gulf conflict, in that Iran supported strictly regional powers for protecting the gulf. Saudi Arabia supported an international presence in the region, something Iran disapproved of to this day and wants to change.

After the Gulf War, Saudi relations with Iran continued to slowly improve; in the mid 1990s, claims that Iran was becoming a major state-sponsor of terrorism would challenge that detente. There were many isolated incidents, such as the 1991 attacks against U.S. forces in Saudi Arabia and a 1995 car bomb attack in the Saudi capital of Riyadh, which killed five Americans.6 The following year, the Iranian-backed and Saudi-based group Hizbullah Al-hijaz was accused of attacking the Khobar Towers in Dhahran, located in the eastern province of Saudi Arabia. The group mirrored that of the Lebanon-based Hizbullah but sought out the destruction of Saudi Arabia. The Khobar Towers housed U.S., Saudi, French and British military personnel; the bombing killed 19 Americans and wounded a hundred people. American and world leaders held Iran responsible for the attacks, but insufficient evidence allowed Saudi-Iranian relations to continue progressing. This event was one of the beginning events of Iran's proxy and indirect warfare against the Saudis. The Saudis, as early as 1982, feared Iranian injection into its Shiite population via groups like Hezbollah.

Iran in the last decade has been the poster-child for states that sponsor terrorism. Iran's influence and activity with terrorist groups began in 1982, when the nation helped supply and create Hezbollah in Lebanon. Iran is accused of sponsoring other Shiite terror groups and Palestinian terrorists such as: PFLP-GC,

Palestinian Islamic Jihad, HAMAS, Yemen's Houthis Rebels, as well as Shiite-based militants in Iraq. Iran's government has not overtly supported these groups, but definitely has discretely funded them. Iran's support of terrorist groups internationally and regionally falls to the elite Iranian Revolutionary Guard Corps, specifically to their paramilitary branch the Quds Force. The IRGC is an elite force within the Iranian military and government, whose role specifically is to provide security for the Islamic state, but has been extremely active externally over the last decade or so through their activities with the Quds Force.8 Known activity of the IRGC/Quds go as far back as 1982, along with the founding of Hezbollah. The force was known to support Bosnian Muslims in the early 1990s, muslim rebels in Russia and the Shiite rebels in northern Yemen, as well as violent protesters in Bahrain. The Quds have also left their footprints in Iraq in the last nine years by supporting both Shiite and Sunni militias, in a attempt to create chaos. The Quds, according to Saudi and U.S. officials, were responsible for the October assassination attempt on the Saudi Ambassador to the U.S. in Washington D.C. in 2011. The Quds Force is further accused of working with South American Drug Cartels with the South American branch of Hezbollah. Many have also accused them for the planned bombings in Argentina against the Israeli and Saudi embassies. These forces allow Iran to pursue its interests through terrorist and rebel groups indirectly, resulting in chaos, fear, and regional tensions.

Surrounding Saudi Arabia are three main fronts which hold the biggest threats to the kingdom, and all are related to Iran. To the south is Yemen's northern region, which borders the kingdom that has been in a civil war with the Yemeni government. The northern region of Yemen, known as Sadah, holds the majority of the Shiite population in Yemen. A group of rebels known as the Houthis Rebels have been waging an insurgency against the Yemeni government, and have acted out against Saudi Border Police and regular police forces. The fear is that the destabilization of the Yemeni government would be taken over by the Houthis or one of the many similar terrorist groups that plague Yemen. In addition, the Houthis Rebels are claimed by both Yemen and the Saudis to be funded by Iran's IRGC. In order to help Yemen and suppress their own fears of a destabilized southern border, Saudi forces have been known to conduct joint operations with the Yemeni in Sadah as well as bomb Houthi strongholds from Saudi soil. The domestic conflicts in Yemen are a major concern for the Saudis, with Yemen becoming a staging ground for Al Qaeda in the Arab Peninsula in addition to the secessionist uprising in the southern provinces. Like other countries in the region, the recent popular Arab Spring uprisings have brought stress to the country. A destabilized Yemen would threaten the Saudi southern border and the trouble

could possibly spill over, creating a domino effect of chaos in the kingdom. However, two other border issues concern the Saudis the most.

In the east, along the kingdom's border with the Gulf lies Bahrain, a country that is run by a minority Sunni monarchy and whose population is mostly Shiite. According to GlobalSecurity. org, "between two-thirds and three quarters of the Shia population are native in origin, the remainder being of Iranian decent."9 Although the reigning government in the country is under Sunni rule, the eruption of the Arab Spring in 2011 propelled Bahrain's Shiite population to rise against the reigning power. Saudi Arabia saw this as a complete threat to the kingdom and Gulf's security, fearing Iran was behind the uprising from the beginning. In order to prevent any threat, Saudi forces and troops from other Gulf States moved into Bahrain to suppress the riots. Dr. Ali Akbar Asadi of the Center for Strategic Research explains that the Saudi government believes if Bahrain experienced a regime change, Iranian influence would sweep into the country and region. The Saudi argument is that Iran would then have increased influence in the Persian Gulf and possibly cause sectarian strife. Sectarian strife within Bahrain would be damaging to the region and the gulf, and the Saudis would not want their Shia population to begin the same process in the Kingdom. From a Saudi perspective, this is exactly something Iran would want to happen, leaving the Saudis busy with domestic conflict and unable to concentrate on Iran's main goal, Iraq.

Iraq's future is a major concern for Saudi Arabia. Since 2003, Iran has been intensely attempting to inject its interests upon the country. Iran's main goals in Iraq can be seen in three ways. Firstly, to force all U.S. and coalition forces out of the country. Secondly, to keep Iraqi Shiites in power, and thirdly, to support Iraqi federalism.<sup>10</sup> This is extremely concerning for the Saudis if Iraq falls to a puppet government of Iran; it enables the Iranians to strike at Saudi Arabia from just over the northeast, as well as having more flexibility to continue its goals in the Gulf and region. The Saudis have been relying on the U.S. occupation of Iraq since 2003 to keep Iran from becoming more influential in a non-Saddam Iraq. According to Lionel Beehner of the Council on Foreign Relations, "experts say Iranians support the establishment of a Shiite-led government in Iraq based on sharia, or traditional Islamic, law." The establishment of a government based upon sharia law in Iraq would only stretch Iranian borders to those of the kingdom, something the Saudis do not want. Also, it would allow Iran a more strategic position against their main enemy, Israel. To the north of Iraq is Syria, who, along with Iran, want to see the destruction of Israel. With Iran in Iraq either involved covertly or overtly with the support of an ally such as Syria would be devastating to the region.

Israel, along with others, would see Iran in a even more threatening position. The possibility of involvement in Iraq could likely lead to a pre-emptive strike by Israel on Iran.

To further their goals in Iraq, Iran has been reported to fund the majority of the violence occurring in the country in the last nine years. Iran has also been known to fund and train many groups through the Revolutionary Guard and Quds Force, mostly the Iraqi Shiite militias. In order to understand how Iran has done this is to understand the Foreign Internal Defense. FID is a term used by the U.S. and other Western militaries, and pertains to when a foreign military sends groups of specialized men and women into a country or host nation to train, equip, and sometimes fight along side a host military or militia. Today, FID is used in Afghanistan as a counter insurgency technique. Iran uses this same method in Iraq to fund the Shiite militias through their IRGC. Although the Quds and IRGC have not been known to directly fight alongside the Iraq militias, it is certainly possible they have and do. The most notable groups Iran has funded and trained in Iraq are the Badr brigades and Sadr Mahdi Army.<sup>11</sup> The weapons used in many of the attacks on U.S. and coalition troops as well as other terrorist attacks in Iraq are usually traced back to Iran. While these same weapons have also been seen in Afghanistan, Beehner also notes that the most common weapon used against U.S. and Allied troops in both Afghanistan and Iraq, the IED, has similar traits to those used by Hezbollah which are manufactured and developed inside Iran. Activities like these within Iraq and Afghanistan, as well as the support for sectarian violence between Sunni and Shiites, all worry the Saudis. If Iran is able to produce this inside Iraq, it is possible they can in Saudi soil, or another vulnerable nation. As of today, the majority of U.S. troops are now out of Iraq, leaving the country fragile and vulnerable to many terrorist attacks against civilians in recent months. It is clear that civil war could occur within Iraq if the current government, military, and social structures break down through sectarian strife. This would open the door for Iran to move in with full force if the situation presented itself for the Islamic Republic. This is what worries the Saudi government and seems it will only worsen over time as Iran develops into a rising hegemonic state. However, Iran's most recent popularity is with its ambitions for a modern, developed nuclear program. This has increased fears not only in the region, but in the international community as well.

Like the rest of the world, the Saudis fear that since Iran has ties to many terrorist organizations, if they ever had the access to nuclear arms and weapons they would distribute them. On top of providing nuclear material to the world's enemies, their possible possession of nuclear weapons material could mean many other things to the Saudis and the world. The weapons, if made, could be used on Saudi Arabia or other Gulf States, or as a political leverage internationally. However, the greatest fear and most likely way Iran would use its nuclear weapon, if they obtained one, would be on Israel. The Iranian government has been outspoken about its goal to end Israel, and if Iran obtained a nuclear weapon that would be its most likely target. The Saudis, although not completely aligned with Israel have begun talks and a common relationship on the basis of a possible Iranian nuclear weapon. If Iran gains this power, Israel and the U.S. are more likely than any other nation to strike Iran. Israel and the U.S. have pressured the Saudis as well as the Gulf to cooperate against Iran, although the Gulf has diplomatic ties with Iran and the Israelis do not. The Saudis are also very likely to be apart of a U.S. and Israeli pre-emptive strike strategy on Iran, as well as a staging ground if a conventional war breaks out. All in all Iran's possible gain of a nuclear weapon only deepens the tensions in the region; a destabilized Gulf and Middle East would only invite more chaos in the region. The fear of Iran being capable to break down the Middle East in a single action is only proof of Iran's hegemonic rise. The Saudis fear this, they know its happening, and they fear

The Saudis fear that Iran has already placed itself outside the kingdom's door. With Iran's proxy wars in Yemen, Iraq, and Bahrain, the fear of a rising Iranian power taking the reigns of the region is further incited. The continuous strife between Sunnis and Shiites is one of the many causes and justifications to the conflict, and the rivalry will continue if left to erupt. Iran's strong ties to terrorism and nuclear ambitions only support these worries, and proves to the Saudis that Iran is rising into the region's hegemonic position. Not only should the Saudis be worried, the world as well should be concerned with the activities of Iran. To quote Former U.S. Secretary of Defense Donald Rumsfeld, speaking at a press release in February 2002 on the evidence of Iraq providing weapons to terrorist organizations:

"There are known knowns. There are things we know we know. We also know there are unknowns, that is to say we know there are some things we do not know. But there are also unknown unknowns. There are things we do not know we don't know."

The Saudis as well as the world know the truth about Iran; they are a state-sponsor of terrorism and are building a nuclear program. There are also unknowns with Iran, fears that could be wrong or brought to fruition. There are also fears of things that have not yet been thought of, unknown outcomes. The activities of Iran could bring war, and more destruction to the region. The world should understand that the events developing in the last decade between Saudi Arabia and Iran are fragile, and go much more in depth than what has been explained. The indirect battles between the two states, as well as the handling of the current nuclear threat, could very well ignite a power-keg of war—something the Saudis as well as the international community fear most. A peaceful compromise and agreement must be made in order to move the world into a new era out of war in the Middle East.

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### THE IMPACT OF GLOBAL MODERNIZATION ON DEVELOPING COUNTRIES

KATHLEEN SORIANO

"Having lost the comfort of our geographical boundaries, we must in effect rediscover what creates the bond between humans that constitutes a community."

- Jean-Marie Guéhenno

### INTRODUCTION

Modernization cannot exist without innovation. As technology continues to evolve, the pace of the spreading of information continues to increase. The technological revolution cannot be ignored; leaders of different countries are able to communicate effectively through video conferencing and families from around the globe are able to keep in touch through the means of social networking phenomena such as Facebook and Skype. Institutions today, such as universities and corporations, thrive under consistency in innovation as new ideas and advancements in technology continue to make our lives more efficient.

Economically, new ways to conduct business benefit from these developments. Countries are able to engage in trade more effectively, allowing for the exchange of goods across borders. With so many participants in the global economy, it is almost impossible for each country to enjoy the luxuries of such advancements simultaneously. In addition, the perks of rapid industrialization make competition inevitable. Residing in the United States, one of the most industrialized nations in the world, we tend to be oblivious about the fact that there are areas outside of our

boundaries that are unable to embrace the developments we often take for granted.

To understand the effects of these developments, we will focus on the conditions of the African country of Sudan. Sudan is composed of two divisions: the Arab and Muslim north, and the black Nilotic south, who followed various faiths, including Christianity. British rule over Sudan during the early nineteenth century intensified tensions between the two groups as Britain implemented two different administrations for each division. Due to its proximity, Egypt greatly influenced Sudan prior to British rule. Together, Egypt and Sudan were able to repel British influence over the region and Sudan attained independence.2 However, European colonization greatly affected the current climate of Africa. The weaker political institutions of Africa's countries provided a challenge in repelling the consequences of colonization. Government corruption helped developing countries become susceptible for globalization. With Sudan's deep history of civil war, political and social instability was inevitable. Such instability led Sudan to continue struggling in global competition as it failed to maintain the pace of industrialization and modernization that today's major world powers thrive upon.

#### GLOBALIZATION: AN OVERVIEW

Globalization, the spreading of goods, services, ideas, and information across borders, revolutionized the political, economical, and social distribution of power around the globe. Understanding these relationships will allow us to assess the validity of different governments and their effects on the governed, particularly those in a less desirable state. Through globalization, the world has seemingly become smaller as the desires and necessities of everyone have become more easily accessible.

Multinational corporations fuel the drive of globalization. MNCs are corporations that establish production facilities in foreign countries, allowing the power of the corporation to expand across geographical borders. These expansions reflected the intentions of the MNCs to obtain the necessary labor, technology, and other resources needed for a corporation's success. General Electric, Toyota Motor, AT&T, and Bank of America are some of today's most prominent MNCs,3 and are often controversial because of the amount of influence and power they possess over the governments of various nation-states.

Studying the relationships between social, economic, and political structures of different countries will aid in addressing the major concerns of these countries. We will be studying some of the effects of these structures by narrowing our focus on least developed countries. The United Nations identifies LDCs as countries who meet the following criteria by their low average income, the well-being of their citizens and economic vulnerability.4 These nations are often behind in industrialization, ruled by some corruption in the government, and suffer economically by their inability to compete with far more advanced countries such as China and the United States. As we study Sudan's current conditions as an LDC, we will be able to gain more insight on the conditions of these particular nations and draw some conclusions on the effectiveness of globalization.

### RELATIONSHIP BETWEEN THE GLOBAL NORTH AND SOUTH

When studying the various types of governments of the world, there is often a comparison between what is known as the Global North and Global South. The northern countries are often far more industrialized and prosperous, as they were the first to develop. The southern countries are notorious for political corruption and are often composed of the less developing countries.5 Most of the countries that belong to the South were actually colonized by the

northern countries. Throughout the 1950s and 1960s, many of these countries gained independence from their colonial status. Simultaneously, international markets began to expand and multinational corporations sought opportunities for business. The power of MNCs continued to expand rapidly, and heavily regulated the flow of exports. Exports are a critical source of economic growth, thus causing governments to grow concerned as to how much control MNCs had over such a vital component of economic prosperity. These nations may have gained independence from prior colonial rule, yet the MNCs began to control a large portion of these nations' major sectors.

There are several reasons for northern prosperity over the less developed South. Southern countries have a heavy history of colonialism and exploitation. The result of European colonialism in Africa is a major contributor as to why most of the continent is in very unstable conditions. Europeans viewed themselves more superior in regards to the people of Africa, particularly for economic purposes. Before the establishment of formal colonial rule, Europeans often turned to Africa in search of cheaper labor, thus beginning what can be considered today as slavery. Africa provided an abundance of resources, from labor to natural and the Europeans sought to profit from such opportunity. The North thrived economically due to their production of manufactured goods, while the South primarily focused on raw materials such as oil, copper and tin.6 Manufactured goods are more costly, providing more revenue for the North. Although Europe heavily invested in the economic aspects of colonization, they failed to invest in the human population. The impact of European control plays a factor to the amount of poverty seen today.

As income and standard of living increased in industrialized nations, there is little change in the countries of the South. Approximately 44.6 percent of Sub-Saharan Africa's population lived on less than one dollar a day back in 1990. As of 2001, the percentage raised to 46.4 percent.7 While the North continues to rapidly expand, the South remains dependent on the industrialized countries, consequently making them more vulnerable to exploitation.

This division between the North and South is a solid foundation to understand the relationships between the highly developed and lesser developed nations, helping one better understand why LDCs, which are located primarily in the South, are in their situation today.

### RELATIONSHIPS BETWEEN EDUCATION AND A NATION'S WELL-BEING

Education was once only accessible to the upper-class members of society. Now, it is often perceived as a universal right, necessary to maintain economic and social stability in one's life. As job competition continues to become more intensive, employers increase their expectations in potential employees, often requiring more than just the completion of secondary education. An educated group of citizens will appear to be more civilized and more well-aware of what is necessary for a strong, stable political structure. It is likely that with enough knowledge, citizens will be able to become more actively involved in influencing political affairs by providing their input on particular issues that may help improve the well being of a nation-state.

The impact of education is very evident while studying various regions of the world. Highly educated individuals tend to be more knowledgeable about the function of political structures and thus become more engaged in their nation's policy-making. It provides a chance for citizens and political leaders to cooperate in the operation of a nation. Government regulation, in turn, affects the access citizens have to a well-rounded education. Education also has a profound effect on the economy. More knowledge will lead to an increase in productivity within the labor force. India, one of the largest economies in the world, is exemplary for its investment in education and their knowledge-based workforce. The educational institutions that were implemented by European governments in Sudan prior to independence focused on serving the colonial administration rather than educating the Sudanese people, resulting in a curriculum revolving around western ideas.8 The promotion of westernization throughout schools seemed to repress African identity and implied western superiority. Only approximately fifteen percent of Sudan's budget was invested into education and by 1990, the adult literacy rate was a mere thirty percent.9 These low figures are a common element among many LDCs. A major investment in education may be just what these LDCs need to promote economic productivity and the reduction of income inequality.

Income distribution is a tool used to determine how much of a nation's wealth is being distributed to its citizens. A larger gap between the wealthy and the poor suggest the wealthy are earning more of the nation's income, which can imply that the wealthy will continue to earn more wealth, whereas the poor will continue to earn less of the nation's wealth. Income inequality does not always have to be perceived in a negative light. The unequal distribution can reflect the differences in work ethic and ambition throughout a nation's population. Taking a careful look at the inequality can

add motivation and incentives for higher productivity, yet it is still an important source to consider when observing the efficiency of a nation's economy and overall well-being.

Latin America, for example, has the most unequal income distribution out of all the continents in the world.<sup>10</sup> In an effort to decrease the inequality and to reduce the crime rates that Latin America is known for, there have been a number of attempts to improve opportunities in education. In May 2011, the schoolchildren of Chile began protesting on the streets, demanding a reform of the education system, and calling for more government investment in public education. Private institutions were receiving a significant amount from the government, benefiting the wealthier families that could afford to send their children to these schools, thus increasing the income inequality.11

### RELATIONSHIPS BETWEEN POLITICAL POWER AND SOCIAL-ECONOMIC STATUS

When observing the key figures in government, it can be assumed that these political leaders are wealthy and members of what can be considered as the elitist class. These individuals usually attain their prestige through their association with major corporations, whether they may be family members of businessmen or highranking employees. In the US, there is no doubt that the business class exercises a significant amount of influence, prestige, and privilege. G. William Domhoff, in his study Who Rules America? pointed out the fact that "most appointees in the Republican and Democratic Administrations are corporate executives and corporate lawyers."12 A common concern of what can be considered as the middle or lower-class is whether these officials will be willing to interact with those that have not accumulated such wealth and prestige. In Africa, the ruling class is composed of the bureaucratic bourgeoisie. This group consists of ministers, members of parliament, military officers, and party officials.<sup>13</sup> Corruption within the government is evident; these leaders will provide government services to those who will offer them economic gain.

Early nineteenth century American philosopher John Dewey stated "a class of experts is inevitably so removed from common interests as to become a class with private interests and private knowledge, which in social matters is not knowledge at all."14 Dewey's argument questions whether today's democratic political leaders, a majority of them with an extensive corporate background, are truly concerned with the interests of its people rather than their own personal self-interests. Again, it is questioning the validity of current political institutions in place. This uncertainty of who controls the government results in the

political corruption seen today. A weak political structure can make way for a stronger force to grasp control, outside the hands of today's politicians and into the main players of international business.

### RELATIONSHIPS BETWEEN MNCS AND DEVELOPING COUNTRIES

MNCs allow developing nations to be part of the process of globalization. There are ways in which the LDCs can benefit from MNC investment. MNCs can lead to employment creation. Because the host countries of the MNCs are often heavily industrialized, they focus on capital intensive production and turn to promoting a labor force in the LDCs. Therefore, consumers can enjoy higher quality goods at lower costs. MNCs also bring in new technology to these developing countries. Prior to MNC involvement, LDCs struggled in the global economy because of their limited access to education that would enable them to understand the functions of the world market. MNCs are able to provide them with access to the rest of the world.

Africa has an abundance of national resources, which may also be attributed to European interests in the continent during the colonial period. Access to natural resources can benefit a country's lifestyle for survival purposes as well as the ability to trade resources amongst other countries as well. Oil production is a key component in the economic affairs of Sudan. Seventy percent of Sudan's export revenues come from oil exports and as of 2005, there were about five billion barrels of oil reserves.<sup>15</sup> As the world continues to industrialize, the demand for oil remains in excess. Given their amount of oil reserves, Sudan's economy should be thriving as well, allowing them to compete in the global market. However, Sudan's domestic institutions have very little power as opposed to Asian countries such as China and India, whom invest heavily in Sudan's oil supply.<sup>16</sup> The exploitation of resources and the amount of foreign investment from industrialized countries offer Sudan very little opportunity to take advantage of their resources.

Several arguments arise when discussing MNC involvement in LDCs. MNCs help widen the income distribution gap by producing luxurious goods demanded by local elites rather than the common production of consumer goods.<sup>17</sup> The entrepreneurship of MNCs do not help the local workers develop higher skills in productivity and do not help promise lifelong careers. Another argument against MNC involvement in LDCs is the operation of sweatshops. Sweatshop workers often suffer horrible working conditions with low wages and an insecure financial future. MNCs are able to regulate and bargain with the wages of the workers in LDCs

because these countries do not have a vast work force that can meet the demand for labor, thus allowing MNCs to drive down wages, resulting in higher profits for the business.18

As mentioned previously, these countries are officially independent from colonial control and have formally established governments. However, these governments appear to have their control subordinate to the MNCs that are involved in these countries. Due to the MNCs' regulation of export revenue, the governments of LDCs are unable to use the revenue for local development projects, such as education and infrastructure. In Singapore, for example, MNCs account for 52 percent of all manufacturing employment, 75 percent of all sales, and approximately 61 percent of all exports.19 With so much MNC intervention in Singapore's economy, it gives Singapore's government very little room to regulate its economic conditions. Globalization and its Future

We are often limited on our knowledge about what occurs outside of our own nation's borders. Being able to understand the operations between these different nations can promote stronger relations and a sense of cooperation amongst each other. Regardless of the differences in government, policy implementation, or cultural values and beliefs, globalization has promoted a sense of interdependence amongst all the countries in the world. If a country is in a state of emergency, the effects will not only affect the country itself but other countries in association. Isolationism, a policy where a nation-state chooses to refrain itself from establishing alliances or involvement in international affairs, would be very difficult to practice with the extensive impact of globalization.

Studying the foundations of current political structures will help us understand what is added to the political agenda and will be a country's priorities. The effectiveness of a government will be reflected by how willingly political leaders are able to address the concerns of those that are governed. Though democracy appears to be very evident within the United States, there are other nation-states that continue to fight for the democratic ideals that the United States was founded upon. Once we can comprehend the functioning and intentions of a particular government, especially in the developing nations, it may be easier to address those concerns. The impact of MNCs cannot be questioned. As globalization exists and as long as technology continues to advance, it will be difficult to regulate the influence of these MNCs.

Sudan's history of civil war resulted in the secession of South Sudan in June, 2011. As a relatively new independent nation-state, several conflicts have rose with the secession. South Sudan still depends on oil exports from the north. Both countries still suffer from weak economies and still make themselves vulnerable to

becoming victims of foreign investments. The ethnic conflicts and civil rivalries amongst these countries make possible collaboration difficult; however, cooperation can allow these countries to adhere to their self interests, fully develop economically, and prevent the risk of being suppressed by other global powers.

The rush of modernization and globalization nonetheless reflects the dynamics that the world continues to undergo. Generally speaking, the greatest weakness of LDCs is their inability to adapt to such rapid and continuous change. There is no single remedy that can address all the problematic conditions nor is there a single person or group that can be responsible for providing solutions. Ensuring a more promising future of LDCs requires a collaborative effort and the willingness to cooperate from all parties that are affected by globalization. Many LDCs may share common elements such as a lengthy history of exploitation and civil wars; however, these countries can all benefit from having a government free of corruption. With a reliable group of leaders who can reach out to all members of society, there will be more cooperation between the people and the government, which is a vital component to initiating the economic and social improvements that these citizens have desired for so long. The success of an LDC in improving its conditions can be measured by the ability to effectively compete within the global economy and strive to achieve the same prosperity as the modernized nations. If rivalries continue to deepen, the futures of LDCs will remain bleak and leave little hope for the social stability of its people.

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### PUTIN VS. PROTESTS: RUSSIA'S SURFACING SUSPICION

KEVIN LUHDORFF

ussia has had a long history of non-peaceful protests. Going back centuries, collective efforts of the Russian people have often resulted in bloodshed and dismay. However, the protests that occurred in December 2011 give pause to the typical violence that readers of history might have come to expect. But these protests may not only be the start of a peaceful movement for change; they may just be the starting point of what will inevitably become a political bloodbath.

In order to assess Russia's future fairly, one must consider the character of the person presiding over the country. Without a doubt, the system of political turmoil revolves around one man: Prime Minister and former President Vladimir Putin. Though Putin has been said to possess the majority of the popular vote within Russia, roughly 52 percent, much of his popularity can be attributed to the level of censorship within the country.1

Manipulation of public perception is nothing new for the current administration. In fact, Putin's proclivity for engineering the Russian government's image has been apparent since his rise to power in 1999 when a spree of apartment bombings left Russia in a state of panic. Blamed on terrorists from Chechnya, the series of four explosions killed approximately 300 people and left Russia in hysterics. These terrorist attacks were of the most devastating in the world until September eleventh.2

Newly appointed Prime Minister Putin was challenged with the task of ending these terrorist bombings. In response, Putin launched "a scorched-earth offensive into the breakaway republic [of Chechnya]."<sup>3</sup> The public praised Putin for his strong leadership and determination to protect the country. It wasn't long, however, before a fifth and final bomb would be found.

In the small city of Ryazan, 120 miles southeast of Moscow, several citizens contacted the local law enforcement due to suspicious activity taking place on their street. Specifically, residents noted two men removing several large sacks from a car's trunk and hauling them into an apartment basement before fleeing the premises. The authorities, upon arriving on scene, found "three 110-pound white sacks wired to a detonator and explosive timer." The explosive was chemically tested and found to be composed of RDX, an extremely powerful substance capable of massive structural devastation. Upon the police evacuating the building, a Federal'naya sluzhba bezopasnosti Rossiyskoy Federatsii agent (abbreviated FSB; a successor of the former KGB agency) was called in and successfully disarmed the bomb.

Word of the events in Ryazan spread quickly and Putin revered the citizens for their vigilance in stopping the terrorists. However, both of the men responsible for planting the RDX were apprehended that night. To the surprise of the authorities that acquired them, both men held valid FSB identification cards. The next morning the story was retracted. No longer were the events within Ryazan a thwarted terrorist attack, instead they were an FSB "training exercise' to test the public's alertness." Further, the RDX found on the scene was said to be no more than large bags of sugar, an obvious downgrade from a devastating explosive.4

Questionable as it was, there were a myriad of contradictions in the story provided to the public. Why weren't the local authorities informed of the training exercise? Why would the local branch of FSB state that the materials present were chemically constructed RDX? Further, and perhaps the most important question of all, why did the apartment bombings suddenly stop after the events in Ryazan? These questions, however, would be quickly swept under the rug. The bombings had served their purpose; Russia had united in anger against Chechnya. In justified retaliation, Russia "crossed into Chechnya, marking the start of the second Chechen War."5

Despite the questionable nature of the validity of the bombings, Putin's rise to power accelerated after the Ryazan "bombing." Riding on the nationalism fueled by the Second Chechen War, Putin remained in high regard for his strength and conviction. Furthermore, on December 31, 1999, Boris Yeltsin declared he was "stepping down from the presidency effective immediately, which set Vladimir Putin to be acting president until new elections could be held."6 Even more suspicious was the fact that elections would not be held in summer in accordance to regularity, but instead would be held ten weeks following Yeltsin's announcement. This gave any of Putin's opposition very little time to prepare. As could be expected, coasting on popularity for his total-war policy in Chechnya, Putin took office with 53 percent of the popular vote.<sup>7</sup>

The events regarding the bombings have been carefully censored within Russia, as anyone who spoke of them or investigated them would conveniently disappear or die under suspicious circumstances. Though it has never been officially investigated, many that know of the incident believe it was the work of Putin's people that placed the infamous bombs under the apartment buildings.8

The election of 2000 marked the beginning of Putin's 12-year leadership of Russia. Due to Russia's two-term limitation on holding office, with each term lasting four years, it is true that Putin ruled as president for only eight years. However, following those eight years, Putin yielded his role of president to Dmitry Medvedev and moved back to his former Prime Minister position which does not have a term limit. As Prime Minister, Putin has been speculated to still heavily influence policy within the country.9 On November 27, 2011, Putin manipulated a political loophole. Since he did not hold power for three consecutive terms, Putin was able to accept his party's nomination to once again run for president in the 2012 elections.

It is clear, however, that the people of Russia are weary of following a leadership that has been in place for over a decade.<sup>10</sup> This nationalist fatigue is understandable as Western critics state that Russian elections have been "marred by limited political competition, ballot box stuffing, and the use of government

resources for the party's benefit."11 In response to these transgressions, approximately 50,000 Russians gathered near the Kremlin, the Russian Government, on December, 10, 2011, to "condemn ballot-rigging in parliamentary elections and demand a re-run."12 Communists, nationalists, and Western-leaning liberals alike made their presence known, despite their significantly different ideologies.

Such widespread organization is due largely to one man: Alexei Navalny. A lawyer at the age of 35, Navalny is far from the average political figure. Relying heavily on current forms of media expression, Navalny makes his stand through his LiVEJOURNAL page online—a blog with 2,701 Journal Entries and over 1.3 million comments.<sup>13</sup> Navalny's words spread though the crowd via his blog, providing much of the rallying cry behind the resistance movement. He stated, "the time has come to throw off the chains. We are not cattle or slaves. We have a voice and we have the strength to defend it."14

Such popular protests have never come to the feet of Putin during his rule. Many have expressed disdain for the corruption evident within the Kremlin, but such voices have been quickly quashed.15 Having flown under the radar for quite some time, Navalny has been able to acquire a heavy following at a rapid pace. Should he be to disappear at this point, Navalny would be considered a martyr for his cause. Instead, it appears as though the Kremlin wishes to eliminate Navalny's credibility.

Following the protest of December 10, Putin mocked the protesters. Stating that those present were "paid by foreign agents seeking to undermine Russia," and that the white ribbons that acted as the protester's chosen symbol resembled nothing more than limp condoms. 16 However, despite his snide comedic remarks, it is clear Putin and the Kremlin are taking protesters' complaints as a warning. High-level Kremlin figures have been seen overlooking the demonstrations.<sup>17</sup>

For the first time in a decade, Putin's reign could possibly be in jeopardy. Navalny's words echo through the protesting crowds, rallying people through attacks back at Putin. "Putin is our condom!" Navalny retorted, in regards to Putin's former comment. "These days, with the help of the zombie-box, they are trying to prove to us that they are big and scary beasts. But we know who they are. Little sneaky jackals!" All such remarks were met with roars of approval from the crowd, which has grown formidable in size. Navalny, when asked about those that support the protests, stated: "I can see that there are enough people here to seize the Kremlin. We are a peaceful force and will not do it now. But if these crooks and thieves try to go on cheating us, if they continue telling lies and stealing from us, we will take what belongs to us with our own hands."18

It is this harsh language by Putin's opposition that throws uncertainty into predictions of Russia's future. Despite his questionable political morality, Putin has indeed raised Russia into a formidable power on the world's stage. In order to maintain his image as a wise and powerful ruler as these protests grow in size and spirit, Putin will be forced to decide if he shall allow such protests to occur at all.

Historically, protests in Russia have proven a troublesome topic. Neither protesters nor the Russian government can claim purity within the confines of the country's history. At the age of ten, newly declared czar Peter the Great, watched in terror as rioting guardsmen impaled his relatives on spears.<sup>19</sup> Another ruler, Czar Alexis, "came out to address petitioners and found himself engulfed, seized by the buttons of his caftan."20 But transgressions are not just committed by protesters. A day known as "Bloody Sunday" acts as a prime example of harsh governmental response. A wave of strikes hoping for work reforms had broken out in St. Petersburg. Georgy Gapon, the leader of the movement, arranged a mass demonstration to march directly towards Emperor Nicholas II. However, Nicholas was not in the city, and the chief of the security police gave the order to fire upon the protesters. Over one hundred marchers were killed while several hundred others were wounded.21 Given the atrocity of the history, Russian leaders have been plagued with the question of whether or not to legally allow the freedom to protest.

Following the Russian revolution of 1917, the newly formed soviet mindset acknowledged the terrors of Bloody Sunday. As such, it was decided that the "best way to deal with mass demonstrations was to prevent them from happening at all." Following the fall of the soviet regime, Vladimir Putin accepted a similar approach to the protests, adopting a "nip-it-in-the-bud approach, though for the most part he avoided using violence."22

Putin's actions display an awareness of his nations history, for "once demonstrations start in Russia... they sooner or later get out of control."23 It was surmised that eliminating public demonstrations and forbidding them entirely—while arresting any who did not comply—would be the ideal solution to quash fears of a classic Russian revolt. Certainly, thoughts of this theory could be heard after the December primaries in which corruption was said to run rampant. It was clear the December 10 protests would emerge; officials and citizens alike dreaded a pointless and merciless tragic result.24

A surprise on the world's stage, the estimated 50,000 people that arrived in Bolotnaya square on the tenth proved to be anything but the classic Russian revolt. The mass was said to be "neither wild-eyed nor downtrodden. They did not smell of fear or aggression."25 The phenomenal body of middle-class professionals

that had previously existed solely through the Internet had become empirical fact; the peaceful protesters captured world attention with their powerful pacifism.

The months leading up to Russia's presidential elections will undoubtedly bring about more protests, each more passionate than the last. As Russia moves quickly along its current path, it faces a fork in the road; history lies on one side, while dialogue lies on the other. History's volatile pattern of bloodshed and pain stands ready in the shadows; the smallest spark of violence will cause massive repercussions.

However, it is conceivable for one to believe Russia has a chance for peace. Vladimir Sorokin, a Russian novelist, stated that "as a rule, in Russia, the authorities fear the people, and the people fear the authorities."26 Perhaps, if dialogue could be met between protester and ruler, and a transparency of government begin to exist, citizens of Russia might not need to be in constant fear of political uprisings.

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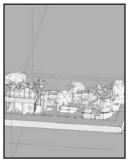
### **ACKNOWLEDGEMENTS**

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COVER IMAGE

Dino Vajraca's cover design represents a planned contribution to a community ravaged by war. We are grateful for his contribution to Globus Mundi and look forward to his future awardwinning designs.

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### ARTIST CORNER

Dino Vajraca, the artist behind the featured cover photo, is transferring to University of California, Berkeley and majoring in architecture. In the following piece, Vajraca provides some insight behind the creation of his artwork.

A folly is that a structure is, at its essence, functionally useless. Although it is not given an official purpose, the experience through the complexity of continuum should evoke various states of being for the people who walk through it. As someone stands in a clustered space closed off by floors, walls and a ceiling, they cannot help but feel safe, private and contemplative. As they move through the structure, the walls and ceilings are placed in different ways, to open the spaces up physically, and allow people to be more gregarious and open with one another. After the continuum of simplicity to complexity is established, details are threaded through the three different structures to establish a common language.

Architecture in itself is a very philosophical field that focuses more on the process of creation, than the actual physical building. The saying that every man is his own greatest architect was what inspired me to dedicate myself to the field. Along the way, I've developed a passion for art, mathematics, and political science. Ultimately, my true aspiration in life is to be a scholar, an inspirational human being, and build structures and homes that fulfill functions for those who genuinely need them. Quintessentially, political science serves the same purpose. Viewing policies through various structures discovers the plasticity of the proposal, and consequently, what can be done to improve the policy.

The decision to head into the architectural field was an innate gravitation. When a person is placed in areas of discomfort and insecurity, it's natural for them to find some coping mechanism. For me, that was architecture. A disconnect from fiscal stability was a reoccurring motif in my life, beginning with my family's escape from the genocide in Bosnia. Growing up, the term "home" became a word of oscillating meaning, as we learned to love Germany and call that our new "home", and then the same once we

moved to America. While it was hard for me to define my culture growing up, I can say that the identity crisis was overshadowed by my family's passion for architecture, and constantly building up a new place to call our home.

It did not become clear to me what the true definition of a "home" was until a project I chose to participate in during 6th grade. Our goal was to restore our campus and revitalize the diminished courtyards we passed through daily. The group I was placed in tackled the garden in the central courtyard. We demolished the site, and from the ruins, we were able to construct a community space that would bring students together. I remember talking to my parents that night and learning that homes are not where you're from or the walls that confined me at that very moment, but instead that space you share with a group of people, or your community. That principle filled the hole I felt from never fitting in culturally, and felt empowered to fill the void for people in the same situation.

My return to see Bosnia last year was a greater culture shock than I had anticipated. The ruins and rubbles from my 6th grade project could not even parallel to the tragedy that struck my home-country. It was difficult to visualize people's daily lives and the struggles they face each day after being torn from the places they called their homes. Half-way through my trip, my entire perception seemed to change, the pile of dirt at the end of the road had turned into the perfect site for a new community center, and the run down schools developed a new born potential beneath their old paint. There was and still is more than enough opportunity to lend a hand to the people who need it, and architecture can be the vehicle I use to ensure that.

### Cosumnes River College Global Studies Students Alumni Chapter

### An Affiliate of the Cosumnes River College Foundation

The Cosumnes River College Global Studies Students Alumni Chapter works to support both the Department of Global Studies & Political Science and the College. It provides a means for former students to stay in touch with one another, to mentor students currently enrolled in the program and to come to College events, River Stage productions and athletic events throughout the year.

Cosumnes River College was founded in 1970 and is one of four colleges within the Los Rios Community College District. The College is dedicated to the success of its students and to providing an exemplary educational opportunity to the community it serves.

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#### Your membership entitles you to the following:

- An opportunity to mentor and serve as a resource to successive generations of students in the discipline.
- Subscription to "Globus Mundi," the Journal of Department of Global Studies and Political Science.
- Invitations to special events.
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- A periodic newsletter of happenings at CRC and in the Alumni & Friends Association.

Please visit the program's website: www.crc.losrios.edu/GlobalStudies

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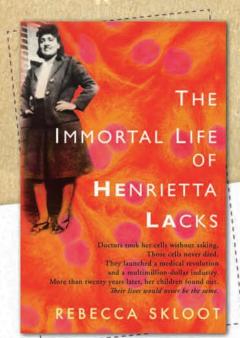
### The Immortal Life of Henrietta Lacks

by Rebecca Skloot

As a member of the CRC campus community, you are invited to participate in the One Book CRC activity by reading The Immortal Life of Henrietta Lacks.

One Book CRC hopes to create an intellectual community around the reading of a common book. This activity is open to all students, faculty and staff of the college. Copies of The Immortal Life of Henrietta Lacks are available for purchase on campus. Please consider buying a personal copy from the Hawk's Nest. There are also copies in the CRC library for check out.

Look for discussions, films and other events throughout the school year or contact Maureen Moore at moorem@crc.losrios.edu for more information.



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Rebecca Skloot

Rebecca Skloot is an award winning science writer whose work has appeared in The New York Times Magazine; O, The Oprah Magazine; Discover, and many other publications. She specializes in narrative science writing and has explored a wide range of topics, including goldfish surgery, tissue ownership rights, race and medicine, food politics, and packs of wild dogs in Manhattan. The Immortal Life of Henrietta Lacks, Skloot's debut book, took more than a decade to research and write, and instantly became a New York Times best-seller.





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