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*To McGill University and the city of Montreal which, for all the
toil, frustration and slush, still brings us all together.*

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Foreword

As a McGill Faculty member, I often get asked by outsiders if I feel disconnected from the real world. My answer is invariably the same: the ivory tower is a myth, because as university professors we get to train the next generation of leaders—political or otherwise. I wonder if any other profession can claim a deeper impact on the evolution of our societies. My everyday business consists of challenging the uber-curious minds of smart young people, pushing them to ask tough questions, problematize what looks evident, and back up their analysis with rigorous and systematic research. When they graduate, students carry these critical dispositions over into the job market, changing the world one little step at a time.



This issue of MIR is the living proof that International Relations scholarship, despite its shortcomings, *is* a form of intervention in the real world. The papers that follow confront pressing issues of our time—sovereignty and transnational authority, terrorism, migration, coercive diplomacy and sustainable development—and begin to reshape our political imaginaries and practices. Quality research such as that displayed in these pages is the very first step toward enhancing global governance.

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Editorial Board

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Miro is currently completing a Joint Honours B.A. in History and Philosophy. His main academic interests are modern European and Middle Eastern history as well as continental philosophy. The MIR has taught him the importance of fostering an international perspective, and he intends to continue on that path with his graduate studies in international history.



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Jeeventh is a second-year student currently studying physiology. When not studying the inner workings of the human body, she enjoys learning about international affairs and globalization. She's incredibly excited about this year's MIR



publication and hope that you enjoy giving it a read!

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Nicole is a second-year Honours Political Science student minoring in Social Entrepreneurship, who found her passion for international relations by coming from an immigrant Polish family. She is currently a member of the McGill Delegations Team, and will be serving as the USG Deputy Crisis for McGill's 2017 Secondary School United Nations Symposium.



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Introduction

An engaging thesis, a sound line of argument, effective examples and pertinent references sprinkled along the way. These are the main expectations for undergraduate academic work, yet as every student will know, this simple phrasing can mask a host of subtleties which must be painstakingly acquired. Many of these subtleties, such as the technicalities of redacting a bibliography, are part of any university's curriculum. Others are much more elusive. The peculiar nature of academic prose, which oscillates between a commitment to logical rigour and a need to remain compelling, is difficult to teach in a classroom setting; and while many excellent style guides have been compiled over the years, only practice can constitute an adequate lesson.

For over a decade, the McGill International Review has been providing precisely such lessons to students in international relations and other related disciplines. It has done so by creating a platform for students to exchange and test their ideas in an early encounter with academic editing. In showcasing quality undergraduate papers, it has strived to present them not merely as academic exercises but as scholarly works in their own right. Bridging this gap between scholarship and budding student prose is a demanding task for writers and editors alike, but the experience of past years has shown that dedication and perseverance can yield very fruitful returns. This year has been no different, and I am confident that I speak for the entire group in saying that the results are well worth the effort.

The present issue brings together papers dealing with a wide range of topics, a tribute to our interdisciplinary editorial board and, more generally, to the interdisciplinary dialogue that the MIR has always sought to foster. Henry Atkins makes his case for a more self-aware discipline of international relations in a

similar vein, calling for a re-evaluation of its assumptions on the nature of sovereignty which seem outpaced by our globalized world. Natalie Wong, in turn, examines recent shifts in US foreign policy, leading her to question whether unilateral actions by recent American administrations might not be to their own detriment. Hannah Sandrock scrutinizes EU responses to mass migration and offers some theoretical elements to explain their recent “punitive turn”. Kathryn Schmidt explores the limits of coercive diplomacy by studying the case of the 1990-1991 Gulf War. Tina Ghaemmaghami offers us a detailed study of Singapore’s economic development and indications on the city-state’s potential for further growth in the winning paper of the MIR Paper Competition at the 2017 McGill Model United Nations conference. Last but not least, a study by Alexander Russell, Cannella Gerber and Romane Frouté takes us to Ivory Coast with an innovative proposal to ensure a sustainable development for the country’s cocoa production.

As a whole, these papers feature critiques of existing scholarships, skepticism towards existing policies, but also constructive insights on several pressing international issues of our time. They thereby truly constitute a contribution, however limited in scope or audience, and that is all to the credit of the passion of their authors and the diligence of their editors. It has been my pleasure and privilege to work with these wonderful people throughout the year; my fellow editors in particular have my lasting gratitude for the many hours of hard work that they have put into meetings and workshops for the sake of this project.

I hope you will enjoy reading the 2017 McGill International Review, and I thank you for your interest and support.

Miro Guzzini, *Editor-in-Chief*



The Global Sovereign: Transnational Authority and the Future of International Relations

Henry Atkins

Introduction

The field of contemporary International Relations is largely a product of its founding within the loci of western academia and remains entrenched in the scholarship of the bipolar international system of NATO and the Warsaw Pact. This context produced a number of key assumptions pertaining to the nature of interactions between states: the primacy of “Great Powers”, whose hegemony dominates the international structure; the homogeneous “Third World,” the colonized peoples who form the periphery of interaction with the hegemons; and indeed, even the notion of sovereign, territorial (“Westphalian”) states interacting within a self-help structure. These assumptions, however applicable to a particular context, too often fail to account for dynamism in the international system, and ultimately impose a western-centric perspective that precludes alternative epistemological premises. This becomes apparent in the consideration of national sovereignty spanning from the second half of the 20th century, to present day study.

Scholars have relied on the theoretical framework of a system of states defined by their sovereignty in the administration of a bounded territory to analyze their relations in the international system. However, globalization has challenged the analytical notion of states as absolute sovereign entities. Corporatism and the proliferation of capital has led to a market

expansion that not only transcends, but undermines the distinction of boundaries. A juridical globalization accompanies this, seen in such bodies as the European Union, International Criminal Court, and the International Monetary Fund—forcing states to adapt their prerogatives to the interests of global institutions and corporations. Simultaneously, a global communication network has appeared, creating unprecedented cultural exchange, limiting the distinctiveness of territorial boundaries. Sovereignty has shifted to what Michael Hardt and Antonio Negri term “Empire”, the constitution of global regulation “characterized fundamentally by a lack of boundaries”.¹ This shift from modern to post-modern sovereignty, from international to global, emphasizes the weakness of an International Relations theory built on particular epistemology and universal rationalist assumptions. To counter this, IR must become a hermeneutically self-aware field conscious of the limitations of any model to accurately describe a dynamic and complex global system. IR scholarship must move to be more inclusive, recognizing the marginalizing effect of a worldview inherently linked to an Imperial power dynamic, incorporating new epistemologies.

The Decline of National Sovereignty

International Relations as a field of study is a relatively recent phenomenon. Although its foundational thought can be traced in political philosophy back to Thucydides, Hobbes, and Kant, Hans Morgenthau—the “founding father” of IR²—first articulated IR as a true social science. He was determined to “search for the laws, or regularities, of state behavior... by tying his sweeping analyses to two masts, the concept of power and the notion of the national interest, he was boldly positing the existence of a field of scientific endeavor, separate from history or law”.³ This emphasis on the positivist science of International Relations—

understanding state behavior in terms of rational choice and universality—established the basis from which the literature of the field was to follow. One school that follows Morgenthau's project is Kenneth Waltz's neorealism, which focuses not on the composition of states, but their behavior in a self-help anarchic structure, predicated on predictable and self-contained units.⁴ Francis Fukuyama, although writing from a different theoretical framework, also assumes the crux of study to be the sovereign nation state when he declares the outbreak of liberal democracy and neoliberal market economics among the great communist powers as the “End of History”.⁵ For Fukuyama, the end of conflict between those powers is the end of worthwhile study, and subsequently the end of history. While the work of Waltz and Fukuyama may function as useful analytical tools within the proper contexts, they still represent the common inheritance of Morgenthau: an exact science of IR, taking the interactions of Cold War great powers to be the governing laws of sovereign states—as well as the existence of those Westphalian states themselves—for granted.

Max Weber's classic definition of the modern state is “a human community that (successfully) claims the monopoly of legitimate force within a given territory”.⁶ The state as sovereign is the singular holder of universal authority within its own territory, and so able to manifest on the international field as a unitary actor. Throughout the globalizing processes of the mid to late 20th century, however, cracks appeared in this analytical foundation—as in the case of the European Union. James Caporaso, following Weber's definition of sovereignty, takes the example of the UK, where “under pressure from the ECJ, the UK has rewritten domestic equality legislation, amended numerous domestic acts, and altered the rights of women... Fragments of European citizenship are emerging... and a distinct body of European law”.⁷ The British government, through their participation in the web of trade agreements and political treaties that form the European Union, actually lost the

monopolized rule of sovereign law they enjoyed within their own territory. Furthermore, as Caporaso makes clear, this “decoupling of territory and rule” that threatens the basis of the Westphalian sovereignty of nations is driven by financial incentives.⁸ The incentives of “the market,” with its “ingenious capacity to insinuate itself into spheres of social life thought of as non-economic,” has led to a series of increasingly political ties that decrease the meaningful autonomy of constituent states.⁹ The example of the European Union demonstrates both the growth of supranational institutions, as well as their tendency to gain legitimacy and power through the expansion of a neoliberal market. The global political order rests on the global economic order.

Robert Cox, writing two decades earlier, identifies the globalized nature of capital and its consequences for the relations of authority. At this early point, Cox has already identified two simultaneous processes that he calls “the internationalization of the state” and “the internationalization of production.” He observes how, under the *pax americana* of the Cold War, institutions like the World Bank and the International Monetary Fund, “incorporated mechanisms to supervise the application of the system's norms and to make financial assistance effectively conditional upon reasonable evidence of intent to live up to norms”.¹⁰ By controlling the international distribution of wealth, these institutions impose their own (western) norms on the developing world—creating governments that act not in the interests of their territory, but in the interests of a collection of supranational actors, which is understood as the “policy harmonization” underlying the internationalization of the state.¹¹ If they attempt to break away from this global collection of norm shapers, they risk losing the funding that keeps government afloat, along with its state capacity and any meaningful claim to sovereignty. The internationalization of production drives this process of sovereignty, playing “the formative role in relation to the

structure of states and world order that national manufacturing and commercial capital played in the mid-Nineteenth century".¹² The incorporation of national economies into the world economy leads to a "new informal corporative structure" that reflects "the dominance of the sector oriented to the world economy".¹³ As the global proliferation of production and capital becomes more important, these transnational corporations become more influential, leading to an internalization of their interests on the behalf of state foreign policy. Therefore, the actions of these states within the international structure becomes no longer a rational calculation within a self-help system, but an expression of transnational interests. This leads Cox to suggest the possibility of a "new hegemony being based upon the global structure of social power generated by the internationalising of production" based on the "continuing dominance of international over national capital within the major countries, and the continuing internationalization of the state".¹⁴ In this global system, states maintain their formalized authority. However, they are no longer sovereigns who act in the name of self-preservation, but instruments of a globalized corporatist oligarchy and accompanying juridical norms.

Sovereignty and Empire

The modern observer of the nation state seems faced with a paradox between the supposed loss of sovereignty and its ever-increasing control. On one level, the state seems to be more present in the life of the individual than ever. Michel Foucault traces this in what he calls the shift from "sovereignty" (in terms of a self-interested "sovereign") to "governmentality" where "the population comes to appear above all else as the ultimate end of government... and the means that the government uses to attain these ends are themselves all in some sense immanent to the population".¹⁵ Associated with this new immanence of

governance to population is the rise of what Foucault elsewhere terms “Panopticism”, the state-controlled system of depersonalized and automated checks that lead to an internalization of discipline among the population.¹⁶ This characterizes what some, including Hardt and Negri, have termed Foucault’s “biopolitics”, the absolute extension of politics into the life of the individual. By using the panopticon as the architecture of political society—the ever-present, impersonal observation and consequent potentiality for correction—the government (through the police force) disciplines the individual. Foucault uses the concrete example of the prison, as well as discussing the Panopticism of educational culture, where students are trained to become, in effect, disciplinary police for their family and society at large. Contemporarily, this is best observed in the omnipresent surveillance of the modern police state, from the Patriot Act in America to Britain’s recent Investigatory Powers Act—the first world law mandating communications providers to retain the last year’s worth of user data for investigatory purposes.¹⁷ In this respect, the society of control has never been more present, seeming to imply an increase of authority on the part of the state.

However, an increase in state control over the life of the individual does not imply an increase in state sovereignty. The ever-increasing biopolitical control of the life and discipline of the individual that Foucault traces has its root in 20th century modernity, but has reached its apex in the sovereignty of the post-modern world. Foucault’s biopolitics and the transfer of sovereignty are the foundations of Hardt and Negri’s *Empire*, in which they examine the new global structure that formed in the two decades after Cox’s analysis of the globalization of production. *Empire*, in effect, is the global order that regulates the “globalization of economic and cultural exchanges”, a “*decentered* and *detrterritorializing*” apparatus of rule that progressively incorporates the entire global realm within its open, expanding frontiers”.¹⁸ It is not the product of a breakdown

of state sovereignty, but rather a transfer of that legitimate national authority to a less formalized, global institution—a fulfillment of Cox's predicted new hegemonic order. It is defined by an ever-closer interaction between the globalized world market, production and the international juridical order. In *Empire*, “the activities of corporations... directly structure and articulate territories and populations. They tend to make nation-states merely instruments to record the flow of the commodities, monies, and populations that they set in motion”.¹⁹ These corporate powers are inherently biopolitical, producing “needs, social relations, bodies, and minds—which is to say, they produce producers. In the biopolitical sphere, life is made to work for production and production is made to work for life”.²⁰ The development of the Foucaultesque society of control does not assume the sovereignty of the state, but rather manifests in its greatest form as an expression of the globalized market—as the autonomy of the state gives way to global market interests, life itself (the domain of biopower) becomes the domain of the imperial order. The state no longer mediates politics and life. Its decrease in sovereignty accompanies an equal and opposite decrease in the sovereignty of the transnational constitution, the new arena of biopolitical immediacy.

This move is from what Hardt and Negri term “modern” sovereignty—a framework of understanding the world through the binary and dialectical interaction between internal (national) and external communities—to “post-modernity”, characterized by “the possibility of a global politics of difference, a politics of deterritorialized flows across a smooth world, free of the rigid striation of state boundaries”.²¹ This post-modern Empire seems to provide a better explanation for international relations than traditional conceptions born out of the backdrop of the Cold War. One example of this is state intervention, where “supranational subjects that are legitimated not by right but by consensus intervene in the name of any type of emergency and superior ethical principles... In other words, the right of the police

is legitimated by universal values”.²² Hardt and Negri had in mind the international intervention in the Yugoslav wars, but this intervention justified by a global juridical order, as opposed to strategic action, could just as well be applied to the deposition of Saddam Hussein in the early 2000s, or drone strikes in Libya or Syria. These become not wars per se, but police actions, the apprehension of violators of the global law. Following this is the defining feature of the post-modern global structure: its inescapability. As Hardt and Negri put it, “there is no longer an outside... in a military sense... Every imperial war is a civil war, a police action – from Los Angeles and Granada to Mogadishu and Sarajevo”.²³ Any attempt to resist sovereignty is an attempt to resist globalization. In other words, “each struggle, though firmly rooted in local conditions, leaps immediately to the global level and attacks the imperial constitution in its generality... The struggles are at once economic, political, and cultural – and hence they are biopolitical struggles, struggles over the form of life”.²⁴ Conflict is no longer between powers, but between the global order and its dissenters – hence the “War on Terror”, a conceptual, biopolitical fight between sovereign (or Empire) and a mobilization of civil society that transcends Westphalian borders.

This globalized civil society codified by international laws points to another important aspect of state sovereignty, the ability of a state to act in its own interest. Cox already points to this in his hypothesized new hegemony with the “continuance of monetarism as the orthodoxy of economic policy, emphasizing the stabilization of the world economy... over the fulfillment of domestic socio-political demands”.²⁵ As the national economy grows irretrievably more subservient to the global economy, the state no longer acts as an immediate arbiter between the citizen and the economy. The state becomes an instrument of world monetarism, and the massive corporatist interests that accompany it. As with the new supranational police state defined by the problem of “intervention”, the state is no longer bound by

the concerns of power dynamics in a self-help system. As Hardt and Negri put it, “*Administrative action has become fundamentally non-strategic, and this it is legitimated through heterogeneous and indirect means*”.²⁶ This characterizes both the problem of development, where governments seek not to meet the needs of the population but the norms of funding-providers, and intervention as a global police action. The state’s legitimacy, comes not from below, from the assent of the population, but from the transnational global order – the sole possessor and purveyor of any meaningful sovereignty.

The recent rise of often populist nationalist movements may seem a contradiction, seeming to pose the nation-state as a resurgent threat to a notion of global order. Donald Trump, for instance, ran his campaign on a promise to nullify the Trans-Pacific Partnership and renegotiate or repeal the North American Free Trade Act.²⁷ This seems like a direct opposition to the globalization of the free market that American foreign policy has worked towards in the past half-century. Hardt and Negri write that capital “tends historically to destroy traditional social boundaries, expanding across territories and enveloping always new societies”.²⁸ Trump’s campaign represents the will to re-territorialize both the market and society. This recent nationalist movement can probably best be understood in the terms of the “fundamentalist” opposition to Empire. Rhetoric such as “Make America Great Again” represents the appeal to an illusory past that characterizes this sort of resistance, the “return to tradition” as a “new invention”.²⁹ This movement fits more into the role of the transnational opposition to globalization that appears to be the only real resistance to Empire. Islamic terrorism, the seeming opposite of this new populism both ideologically and geographically, shares striking similarities. Its enemy is not an external threat to definite boundaries, but a greater conception of a culture and a global constitution. Islamic backlash against western culture, like the populist supporters of Bernie Sanders, or Donald Trump’s new American nationalism, is in fact defined

by Empire—demonstrating the power of globalization through the very vociferousness of their reaction.

International Relations and the New Sovereignty

This new sovereignty points to a failure of International Relations to adapt to a changing global organization. Statements about the universality of the Westphalian nation act as what Cox terms “intersubjective knowledge”, ideas that “though durable over long periods of time, are historically conditioned”.³⁰ An assumption of natural, rational reactions between these unit-level states in a static structure fails to reach a hermeneutic self-awareness, an appreciation for the origin of their own epistemological framework. International Relations is, as Hoffman calls it, “An American Social Science”, and one inherently tied to the bipolar structure of the Cold War. But perhaps most important is the centuries long cultural baggage intrinsic to this western-centric field.

The epistemology of mainstream IR is not just concentrically positioned around great powers but very western-oriented. Look no further than Fukuyama's “The End of History?”, where he argues, “For our purposes, it matters very little what strange thoughts occur to people in Albania or Burkina Faso, for we are interested in what we could in some sense call the common ideological heritage of mankind”.³¹ Here Fukuyama demonstrates the marginalizing quality inherent to the Westphalian school of thought. The object of worthwhile study, history itself, is confined to the major territorial powers. Therefore, he dismisses the epistemologies of the ostensibly lesser, non-academic peoples of the world, and declares the triumph “of the Western idea”.³² Besides failing to identify the transformation in the structure that has ended what he regards as meaningful events, his supposed objective epistemology becomes a belittling and self-defeating tool. W.D. Mignolo

identifies this issue of “the geo-politics of knowledge” where an assumed objectivity becomes a tool of cultural oppression, knowledge-making becomes westernized, and post-colonial states become somehow un-objective.³³ His solution is “de-colonial thinking” which “presupposes de-linking (epistemically and politically) from the web of imperial knowledge (theo- and ego-politically grounded) from disciplinary management”.³⁴ In the quest for a science of International Relations, it is too easy to fall into the trap of a marginalizing epistemological assumption—such as Western-centric conception of state sovereignty.

The importance of epistemic disobedience could just as well be applied to the new global sovereignty, of the boundless Empire. However, the juridical norms that continue to pervade are not, as “logics of rule that in some sense originated in Europe and the United States now invest practices of domination throughout the globe”.³⁵ To provide an accurate analysis of this new global sovereignty, a theory must decouple itself from epistemic assumptions born from within Empire. Mignolo's decoupling of IR and epistemological assumptions is one solution to this. Another is a distancing of IR from the blind attempt to “fix” the present. As Nicholas Rengger puts it, “if we focus solely (or even largely) on the problems of the moment we are likely to become prisoners of the assumptions of the moment, some of which may well have created the problems in the first place” (p. 769-770).³⁶ In assuming a personal objectivity in the application of theory to the present, one risks reifying implicit geopolitical epistemological dynamics. This leads to not just a misdiagnosis, but—as Mignolo points to—a reinforcement of oppressive power structures. The social scientist should instead focus on understanding the system itself, or risk doing more harm than good.

Conclusion

The social-scientific bent of the founding literature of International Relations brought with it the baggage of its context, the assumption of the “Westphalian system” – an anarchic structure of sovereign states with interactions determined by power dynamics. These assumptions no longer appear relevant in an increasingly more globalizing world, where the expansion of capitalism and production has broken down national barriers, opened trade, and increasingly established norms with roots in the West. In effect, there is a new global sovereignty, the Empire of Hardt and Negri, a boundless, informal constitution composed of transnational corporate actors, globalized juridical norms codified through supranational institutions, and an ever increasing network of communication that displaces civil society to an immediately global level. It is a biopolitical supremacy, a global society of control where conflict is no longer between external powers, but between police and dissent.

Following the lead of thinkers like Waltz and Fukuyama, IR has largely failed to respond to this dynamism in the state system, relying on old epistemologies in the face of a changing mode of state and supranational control over the life of the individual. For the field to meet the challenges of this new relationship between the individual, state, and global system, scholars must reflect on the assumptions underlying existing theoretical work. For one, this necessitates the abandonment of outmoded and marginalizing frameworks of knowledge, as well as encouraging and including “epistemic disobedience” decoupled from these epistemologies. This may also require expanding beyond traditional IR techniques, drawing from the full range of interdisciplinary methodologies to properly analyze a complex, multivariate world—methodologies already in use by feminist and de-colonial scholars, to name a few. With this increasing self-awareness, IR theorists must realize that they are not objective, and that an attempt to apply theory to “fix” a

problem may exacerbate the matter by reinforcing damaging epistemological dynamics. By breaking down these still-dominant modes of thought, International Relations as a study can hope to overcome the mistakes of the past and properly adapt to an ever changing global system.

About the author

Henry Atkins is a U2 student at McGill and is currently pursuing a B.A. in political science with a minor in English literature. His research interests include political philosophy (especially problems of epistemology), the interaction between international relations and domestic power structures.

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- ¹ Michael Hardt and Antonio Negri, *Empire* (Cambridge, MA: Harvard University Press, 2000), xiv.
- ² See S. Hoffman, "An American Social Science: International Relations," *Daedalus* 106(3) (1977), 41-60.
- ³ *Ibid.*, 44.
- ⁴ K. N. Waltz, "Evaluating Theories," *The American Political Science Review* 91(4) (1997), 913.
- ⁵ See Francis Fukuyama, "The End of History?" *The National Interest* 16 (1989), 3-18.
- ⁶ Max Weber, "Politics as a Vocation," in *Max Weber: Essays on Sociology*, ed. Gerth, H.H. et al. (New York: Oxford University Press, 1946), 78.
- ⁷ James A. Caporaso, "Changes in the Westphalian Order: Territory, Public Order, Sovereignty," *International Studies Review* 2(2) (2000), 10 and 23.
- ⁸ Caporaso, "Changes in the Westphalian Order," 24.
- ⁹ *Ibid.*
- ¹⁰ Robert Cox, "Social Forces, States and World Orders: Beyond International Relations Theory," *Millenium: Journal of International Studies* 10(2) (1981), 144.
- ¹¹ *Ibid.*, 145.
- ¹² *Ibid.*, 146.
- ¹³ *Ibid.*
- ¹⁴ *Ibid.*, 149.
- ¹⁵ Michel Foucault, "Governmentality," in *The Foucault Effect: Studies in governmentality*, ed. G. Burchell et al. (Chicago: University of Chicago Press, 1991), 100.
- ¹⁶ See Michel Foucault, *Discipline and Punish*, (New York: Vintage Books, 1995).
- ¹⁷ "UK surveillance powers explained," *BBC News*, November 5, 2015, <http://www.bbc.com/news/uk-34713435>.
- ¹⁸ Hardt and Negri, *Empire*, xi-xii.
- ¹⁹ *Ibid.*, 31.
- ²⁰ *Ibid.*, 32.
- ²¹ *Ibid.*, 142.
- ²² *Ibid.*, 18.
- ²³ *Ibid.*, 189.
- ²⁴ *Ibid.*, 56.
- ²⁵ Cox, "Social Forces, States, and World Orders," 149.
- ²⁶ Hardt and Negri, *Empire*, 341.
- ²⁷ Donald J. Trump, *Policies*, retrieved from <https://www.donaldjtrump.com/policies>.
- ²⁸ Hardt and Negri, *Empire*, 326.
- ²⁹ *Ibid.*, 149.

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- ³⁰ Cox, "Social Forces, States, and World Orders," 136.
- ³¹ Fukuyama, "The End of History?", 12-13.
- ³² Ibid., 3.
- ³³ W.D. Mignolo, "Epistemic Disobediance, Independent Thought, and De-Colonial Freedom," *Theory, Culture, and Society* 26(7/8) (2009), 15.
- ³⁴ Ibid., 20.
- ³⁵ Hardt and Negri, *Empire*, xvi.
- ³⁶ Nicholas Rengger, "Political theory and International Relations: promised land or exit from Eden?" *International Affairs* 76(4) (2000), 769-770.

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American Hegemony and Institutions after the Terror Attacks of September 11, 2001

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Since the end of the Second World War, America has sought to assert its dominance in the international system. American efforts to expand their global presence and impact were largely successful, especially through their leadership in building and sustaining international institutions. An era of relative global stability has commenced following the end of the Cold War under American leadership, cemented by multilateral cooperation within institutions that underpin economic globalization and global security. However, after the September 11, 2001 terrorist attacks, the Bush Administration unilaterally stepped outside rules prescribed by global institutions, like the United Nations (UN). This research paper will explore the role of global institutions in exercising American hegemony. The target questions that this paper seeks to explore are: Did the institutions set up by the U.S. after 1945 help stabilize American hegemony and assert its role as leader in a new global system? If so, did the Bush Doctrine of pre-emption and aggressive unilateralism undercut the power of the institutions that affirmed American hegemony and set a dangerous precedent in doing so?

To answer these questions, this paper will 1) explore the context behind American hegemony post-WWII, and how the country's global dominance was asserted through multilateral institutions. Many American-led institutions were created in the post-1945 era, but this paper will specifically address the framework of international security and the chief multilateral organization at its center: the UN ; 2) analyze whether President

George W. Bush set a precedent in his security policies and whether such policies undermine the power of global institutions asserting American hegemony; 3) analyze President Barack Obama's security policies, specifically regarding drone wars and the Guantanamo Bay detention center, to see if it is a symptom of the Bush precedent towards subverting institutional constraints; and 4) analyze prospects for the future international system under American leadership, in terms of the role of institutions and global security.

Hegemony vs. Institutionalism

Hegemony has been conceptualized in various forms by numerous political scholars. The popular neo-realist viewpoint, as laid out by Kenneth Waltz, claims that the ultimate goal within a system of anarchy is power—the distribution of power within a system of anarchic states results in a security dilemma. Waltz argues that international institutions play a limited role in stabilizing the world system. A state that is stronger than any other has the ability to choose whether to change policies to global structural pressures or to avail itself of opportunities that structural change provides.¹ Furthermore, balancing against the hegemon is bound to occur as the power dynamics within the global system inevitably tilts. Yet, Waltz's theory does not explain the absence of balancing against American hegemony after the Cold War. Alternately, the institutionalist approach, most popularly set out by Robert Keohane, argues that while actors are self-interested, goals are not always zero-sum—international organizations can facilitate agreements and cooperation between states to provide mutual gains. However it is clear that such institutions provide more for some states than others—especially those who lead its formation.

Even though realism and institutionalism are often pitted against each other, they are not necessarily competing

explanations. The intersection of both approaches is well illustrated by the aftermath of the Cold War: the end of WWII fundamentally changed the international political structure regarding power distribution. It became a bipolar system with two superpowers, the Soviet Union and America. Due to the shifting balance of power, former great powers in Europe like Britain and France were constrained in their actions and options, and had to maintain security by accepting U.S. influence in European affairs, in exchange for its alliance. However, once the U.S. emerged from the Cold War as the leading power, it sought to stabilize its alliances and multilateral relationships through institutions. Such institutions strove to entrench American dominance around the world economically, militarily, and ideologically, but it also provided goods for weaker states who agreed to the system. Thus, in an age of globalization, institutions set up under the leadership and guidance of a hegemon can help maintain the state's self-serving status of dominance—this is illustrated with the acceptance of American leadership by European allies during and after the Cold War.

John Ikenberry, a theorist of international relations and American foreign policy, further depicts this phenomenon in his work (2001). According to Ikenberry, once a state wins a war, it has three choices: 1) dominate its enemies 2) abandon the losers of war, or 3) transform the international system.² Following the conditions laid out by Ikenberry, neo-realist, Charles Kindleberger (1973) states that the hegemonic power, at least in the aftermath of a major war, must play a stabilizing role throughout the global system by providing mutual goods and mitigating economic distress.³ Other realist authors, like Paul Kennedy, also argued that the U.S., which emerged victorious after WWII, would follow the road that befell all hegemons—the state would fall as another begins to rise. Yet, the world has seen the U.S. manage to transform the international system after WWII to its own favour, by establishing and grounding institutions in order to maintain long-term control and order.

Such a world order favoured a future in which the U.S. remained a hegemon, by making other countries reliant on America as a leader for many decades post-WWII.

Exercising hegemony through institutions best describes American policy in the Cold War era. The strategic situation after WWII convinced U.S. policymakers to take a long-term perspective, in which American policymakers sought to maintain their position as the dominant global leader. The Cold War era invoked tense levels of competition and perceived threats between the U.S. and the Soviet Union. Using these sense of threats that U.S. allies also felt from the Soviets, the U.S. had ample reason and ammunition to embrace international institutions as a means of bringing together allies and further legitimizing its own dominance and power. Rather than attempting to maximize short-term gains in the system at the expense of weaker states, the U.S. strove to create and maintain international structures that would serve the country's long-term interests. The U.S. led the construction of multilateral institutions such as the North Atlantic Treaty Organization (NATO), the UN, the International Monetary Fund (IMF), and Bretton Woods; thus, it had the power to influence the rules primarily for its self-interest. As Ikenberry said, "institutions are [...] critical at the beginning of hegemony, or 'after victory', in establishing order and securing cooperation between unequal states."⁴ States were 'locked-in' to a favourable world system under the leadership of the U.S., and this paved the way for creating a set of collective goods provided through institutions acceptable to both the U.S. and weaker allies.

As the dominant power of the post-Cold War period, the U.S. had the ability to impose institutions that prevented the economic and military growth of other states. Using neo-realist thinking, it could diminish the rise of potential future competitors—after all, history has seen hegemons decline due to the rise of challenger states. However, with the world structure after the Second World War, the U.S. was relatively free from any

immediate threat and saw that it was better to encourage and stabilize the growth of allies who would then undertake cooperative measures against any emerging threats.⁵ The U.S. aimed to maximize its long-term, instead of short-term, benefits. It designed institutions to facilitate the economic recovery and political stability of its allies and former enemies, using a “demanding” institutional form.⁶ America provided much for weaker allies in this institutional form, but also demanded a lot. It, hence, had a privileged position in the institutions it created (the U.S. has retained veto power in many international organizations, for example). Yet, echoing Irwin Abrams (one of the world’s leading authorities on the history of the international peace movement and on the Nobel Peace Prize) and Gungwu Wang (one of Asia’s leading scholars and historians), “it is striking that this immensely powerful state championed principles and norms that served to bind itself; it created institutions that were premised on the notion that even the United States would play by the rules it asked others to accept.”⁷

In order to create an institutionalized system and provide incentives for other countries to bind themselves to such an order, the U.S. had to bind itself to the institution along with the rules embedded in it. However, it is hard for a hegemon to bind itself credibly, given its relative power strength; to do so, the U.S. had to build a reputation for multilateralism. It had to demonstrate that while it had the power to maximize short-term gains by subverting rules, it would not do so. America did this by committing to multilateralism throughout the Cold War era, economically, politically, and in security aspects, while also investing in creating global regimes, living up to the majority of its commitments.⁸ Though it clearly had a privileged position in many of the institutions it created, it also illustrated its willingness for restraint. For example—each permanent member in the United Nations Security Council (UNSC) was given veto resolutions; in this sense, they are treated as equals to the U.S.

This form of exercising hegemony through institutions

was largely successful. Economically and militarily, the U.S. form of self-binding via institutions proved to increase and solidify its power.⁹ For example, on the security end, NATO was successful in preventing a major war between the U.S. and the Soviet Union.¹⁰ On the economic end, the international trade regime has been relatively stable despite certain challenges that remain. And although there is deliberation about whether the GATT (now WTO) as organizations, were directly responsible for such a trend, there is little doubt that the norms embodied within these institutions have contributed to trade growth.¹¹ By continuing to bind itself to the institutions it created, the U.S. was able to stabilize the world system within its favoured system of international cooperation and multilateralism. As John Ruggie, Professor at Harvard Kennedy School of Government and former UN Special Representative on business & human rights stated “[f]or American postwar planners, multilateralism in its generic sense served as a foundational architectural principle on the basis of which to reconstruct the postwar world.”¹²

American hegemony and institutions undermined

The international order post-WWII was shaped largely through cooperation fostered through institutions, which created a setting of mutually agreed-upon rules, providing collective rights, and most importantly, restraining power. Institutions have shared agreements over the rules of the international order, which then limits a state’s ability to use their power without consequences.¹³ The role of institutions as stabilizers in the global system lies in the strong linkages embedded within these institutions,¹⁴ because regimes are not simply solutions for collective action issues—they maintain order as intended by agreeing states. The question then, that this paper seeks to explore, is what happens when international institutions are undermined by the U.S., a leader so integral in their creation?

The September 11, 2001 terrorist attacks provided the framework upon which Bush would build his infamous legacy for launching U.S. military projections in both Iraq and Afghanistan. The geopolitical structure of the international system played a large role in the decision to invade Iraq. While Saddam Hussein led a violent and undemocratic regime, he was not an imminent threat in military terms to the U.S. Furthermore, the acquisition of natural resources plays a factor in power relations, but the wealthy supply of oil in the Middle East was not the biggest consideration either.¹⁵ According to Abrams and Wang, Iraq became an example of the punishment that the U.S. can lay upon a regime that defies a U.S.-led alliance. In attacking Iraq, the Bush administration wanted to achieve more than just a regime change—the goal was to redraw the political map of the whole region.¹⁶ Such endeavours were attempted in the past, as seen with the Israeli invasion of Lebanon, the alliance with Iraq against Iran in the 1980s, and the war in Afghanistan.¹⁷ Therefore, the purpose behind displacing Hussein's regime was not strictly localized to Iraq, but extended to the entire region, despite being hidden in a rhetoric opposing terror. As Abrams and Wang put it, "[The US] aim[ed] to impose a new regional order by creating pro-American regimes, first in Iraq [...] presenting regime change as a strategy for "democratization".¹⁸ As such, the Middle East was, and continues to be, an area of key political interest to America.

The Bush Administration justified going to war by insisting that Hussein's regime had to be dismantled, claiming that Hussein's regime possessed weapons of mass destruction, was a massive threat to the Middle East, had links to the terrorist group al Qaeda, and displayed gross violations to democratic rights.¹⁹ These claims are generalized in a speech in Ohio on October 7, 2002, when Bush said:

[Iraq] possesses and produces chemical and biological weapons. It is seeking nuclear

weapons...Members of Congress of both political parties, and members of the [UNSC], agree that Saddam Hussein is a threat to peace and must disarm. We agree that the Iraqi dictator must not be permitted to threaten America and the world with horrible poisons and diseases and gases and atomic weapons.²⁰

According to international law, which is defined in the UN Charter, state disputes are first brought to the UNSC, which has the authority to permit the use of military force. The UNSC cannot authorize military action unless it has concluded that there is a threat to peace or an act of aggression. Without permission from the UNSC, aggressive military action against another state is illegal.²¹ In fact, key countries in the UNSC, including France, Russia, and China, were against war, believing that there were other options to resolving disputes. These countries maintained that the institutional goals of the UNSC were to ensure international peace and security.²² Instead of adhering to the UNSC, the Bush Administration used ad hoc multilateralism against institutionalized multilateralism. Bush preferred a type of multilateralism—ad hoc coalitions of the willing—where collaborative action consists of the U.S. unilaterally deciding on a policy and acting with whichever state is willing to act in accordance with it.²³ According to Robert Keohane (author of *After Hegemony*) and Julia Morse (PhD Candidate for the Woodrow Wilson School for Public and International Affairs at Princeton University), “When change in existing multilateral institutions is difficult, building coalitions to contest the status quo is likely to be more promising than unilateral resistance.”²⁴ As such, the U.S. received support from a number of states, called the ‘coalition of the willing’, which included Britain, Australia, Spain, and Turkey.²⁵ After failing to receive a UN endorsement, the U.S., along with the coalition of the willing, moved to destroy Hussein’s regime in Iraq.

For Bush, moving outside of the constraints of international regimes may have been a more efficient way of dealing directly and immediately with what was perceived as the problem of Iraq. Officially, the U.S. and Britain claimed that war was necessary to implement resolutions of the UN and that Iraq was to be disarmed since its 'weapons of mass destruction' posed a direct threat to global security.²⁶ Yet, according to authors like Efsthios Fakiolas, who holds a PhD from the Department of War Studies in King's College London, and Tassos Fakiolas, who holds a PhD from IMEMO, Moscow, Russian Academy of Sciences, Bush was determined to "transform U.S. global primacy into hegemony, in the form of Pax Americana, to craft and lead a unipolar American security order."²⁷ The Fakiolas' argued that when major allies such as the European Union, Russia, and the China were not willing to legitimize the moves of his administration, Bush was intent on instead marginalizing them and ignoring their strategic concerns. He would only employ advice if it were relevant to his designs for the Middle Eastern order and for Pax Americana.²⁸ Others like James Putzel, Professor of Development Studies and Director of the Crisis States Research Centre at the LSE, argued that the republicans used the 9/11 tragedy to "pursue long-held goals of unilateralism by employing a rhetoric of fear,"²⁹ claiming that the invasion was highly motivated by embedded neoconservative views on the political economy of the region, as well as the need to contain the Middle Eastern oil reserve.

While there are many disputed theories regarding the Bush Administration's pursuit of war, this paper is interested in analyzing the costs of pursuit: did such actions undercut the legitimacy of the U.S. and of the UN? According to former UN Secretary-General Kofi Annan, "if the Security Council failed to agree on a common position and action was taken without the authority of the Council, the legitimacy and support for any such action would be seriously impaired."³⁰ With a loosely defined coalition of the willing supporting the U.S., defining unilateralist

pursuits of power and multilateral cooperation became shrouded in complexity.³¹ Furthermore, this represents a move away from established institutions such as NATO and the UN, as it illustrates that America is willing to create multilateralism on its own terms by rejecting the rules of international institutions that are bound by promises of compromise and cooperation amongst world players, to collectively decide upon a proper course of action.³² The coalition of the willing, under the leadership of the U.S., achieved the removal of Hussein's regime, "which had defied the United Nations and which was seen as a threat to peace and security"³³ but, it did not achieve the goals it had set out for a new Iraq. Serious disorder further unraveled in Iraq, aggravated by sectarian differences, the U.S. and U.K. could not contain—lack of security impeded economic, political, and social reconstruction.³⁴

America's leading role in the world was built upon its ability to maintain stable political relations with key allies and to construct an international consensus on global issues. Furthermore, it was built upon an institutional order that maintains global security and increases the legitimacy of U.S. power.³⁵ Yet, the actions of Bush deteriorated America's ties with many allies, including two major allies—Germany and France—due to disagreements over the war in Iraq.³⁶ However, while the U.S. might have weakened their European relations, Bush's actions have improved diplomatic relations with Asian states like Japan, China, and India.³⁷ Despite these improved relations with other rising powers, European powers cannot be disregarded as many of its key countries are among the U.S.'s most reliable allies. Ikenberry defined this crisis as an imbalance of political supply and demand, where the demand for cooperative institutions and collective actions were growing, but the supply was decreasing.³⁸ In the decades where global institutions were flourishing, America took the initiative to supply and maintain these cooperation organizations. Such a supply and demand imbalance produced a crisis, which is ironic, according to

Ikenberry: the very unilateralism pursued by the Bush Administration through the name of security, served to weaken American influence over other groups and states.³⁹

In some cases, according to international trade law scholar Robert E. Hudec, institutional disobedience is justified; if an actor breaches the law in order to improve the law being claimed. Hudec coins this as the principle of “justified disobedience”.⁴⁰ Actions may be justified if they are enacted in order to improve upon the law being broken, thus strengthening the principles and goals of the institutions. Hudec focuses on the General Agreement on Tariffs and Trade (GATT), a major economic institution which the U.S. played a key role in establishing. Many criticized the U.S. for violating certain principles and laws of the GATT in the years following its creation. Hudec aims to look at why the U.S. chose to undermine some of GATT’s rules, and whether its actions can be justified. The justification for inciting a measure which disobeys international rule-making bodies like the GATT/WTO, according to Hudec, is legitimate if it brings attention to deeply engrained problem-areas and forces the international organizations to make the required reforms to such institutions for the betterment of the institution as a whole. The U.S. wished to use the looming threat of further aggressive unilateralism to incite trading partners to settle on multilateral trade negotiations. Washington also wanted to reinforce dispute settlement procedures so that GATT rules would be enforced more consistently, intensified, and extended within areas where they were weak or did not exist. Viewed in this way, Hudec believed that their unilateralism was justified.

The U.S. was a key GATT/WTO participant and was the principle maker of the regime. It insisted on new dispute settlement procedures, and partners agreed to them for lesser use of aggressive unilateralism by the U.S. Yet, if America continued with aggressive unilateralism and forwent using the WTO, their partners would feel that it had abandoned the

Uruguay Round basic deal on trade rules and their enforcement.⁴¹ Critics of America's unilateralism also argued that such a strategy would be more likely to incite the closing of markets rather than their opening, thus undermining the very purpose of GATT.⁴² Critics argued that even if markets opened as a result of these unilateral measures, it would be at the expense of the international trading system. Despite the shortcomings of the GATT, Jagdish Bhagwati said that undermining GATT rules would result in growth of cynicism, and undermines the long-term sustenance of the international system.⁴³

The Bush Administration security policies can also be examined in a similar way. The Bush Doctrine differed drastically from the Cold War concepts of deterrence and containment, two areas that largely facilitated the creation of multilateral cooperation through security institutions like the UNSC. According to the *National Security Strategy*, "in the Cold War [...] we faced a generally status quo, risk-averse adversary...But deterrence based only on the threat of retaliation is less likely to work against leaders of rogue states more willing to take risks, gambling with the lives of their people, and the wealth of their nations...Traditional concepts of deterrence will not work against a terrorist enemy."⁴⁴ Yet the unilateralism and disobedience of the Bush Administration does not fit within the context of justified disobedience as laid out by Hudec. Much of the threat that the Bush Doctrine outlined as a reason for going to war lacks evidence. For instance, the Bush Administration had provided no evidence to link Hussein to 9/11 or of operational relationships between Iraq and al Qaeda.⁴⁵ Furthermore, his actions set a precedent that did not improve the functioning or laws within the UN, nor the U.S. The past decade has, instead, revealed the failures and inability to contain spillover effects from the Iraq and Afghanistan wars. Moreover, it has eroded the legitimacy of America as a leader of democracy and one that agrees to the rules of multilateralism. As former National Security Advisor Brent Scowcroft said in 2002, foreshadowing the

outcome of the attack on Iraq, “Our pre-eminent security priority...is the war on terrorism...An attack on Iraq would seriously jeopardize, if not destroy, the global counterterrorist campaign we have undertaken ...the [lack of international support of a US attack] would result in a serious degradation in international cooperation with us against terrorism.”⁴⁶

Bush’s direct subversion to institutional rules also set a precedent for how problems are later handled by the global community as other countries react to the hegemon setting different precedents. American unilateralism is not without precedent—the country has a long history of unilateral action. An example is NATO’s attack against Serbia in Kosovo in the 1990s, a key event because NATO countries acted without UNSC resolution authorizing their force. In doing so, countries expanded the scope of NATO’s mission, challenging the UNSC’s monopoly as a legitimizing authority for the use of force.⁴⁷ As Julia C. Morse and Robert Keohane put it, “Ultimately, NATO’s action changed the institutional hierarchy governing the use of force, creating a nascent regime complex. When NATO partners contemplate further actions...there is now a precedent for circumventing the Security Council.”⁴⁸

But the threat justified in the Bush Doctrine for going to war was one that was unprecedented, in that his rationale for unilateralism was due to the presence of an “imminent, multifaceted, undeterrable, and potentially calamitous threat to the United States—a threat that, by virtue of the combination of its destructiveness and invulnerability to deterrence, has no precedent in American history.”⁴⁹ The Bush Doctrine claimed that the appearance of such an unprecedented threat justified an unprecedented answer. As such, the doctrine adopted a notion of pre-emption, “an interpretation of international law rules related to anticipatory self-defence.”⁵⁰ As Jeffrey Record, a critic of defense policy and strategy teacher at the Air War College in Montgomery, said, “The Bush Doctrine rightly focuses on the principle of regime change as the most effective means of

defeating threats posed by rogue and terrorist-hosting weak states, but actual regime change can entail considerable, even unacceptable, military and political risk, depending upon local, regional, and international circumstances.”⁵¹ While preceding administrations such as the Clinton Administration may not have fully complied with institutional rules, they were “content to treat symptoms of aggression.”⁵² The Clinton Administration “recoiled from initiating a decisive use of force in the Balkans against the Bosnian Serbs and later Serbia, and countered al Qaeda attacks on American interests in Africa, the Middle East, and Persian Gulf with ineffectual punitive missile strikes.”⁵³ Moreover, international law has allowed states to use force for self-defence in face of an “imminent” attack by another state. Yet Bush tweaked this to “adapt the concept of imminent threat to the capabilities and objectives of today’s adversaries.”⁵⁴ According to the 2002 *National Security Strategy*, “the greater the threat, the greater the risk of inaction—and the more compelling the case for taking anticipatory action to defend ourselves, even if uncertainty remains as to the time and place of the enemy’s attack.”⁵⁵ Thus, the Bush pre-emption norm is such that America is ready and willing to destroy a threat before such threat materializes into an execution.

According to Ikenberry (2011), the Bush Administration “offered the world...a system in which America rules the world but does not abide by the rules.” Furthermore, the doctrine sets a dangerous precedent, where according to Record, “the risk is doctrinal degeneration into an excuse for attacking regimes we simply don’t like versus regimes that pose genuine “pre-emptive” threats. The doctrine invites abuse because it offers no criteria by which to judge a threat justifying a pre-emptive strike.”⁵⁶ According to the Brookings Institutions, the Bush Doctrine’s refusal to clearly outline the circumstances that justify pre-emption within institutional law, brings the possibility that other states “will embrace the pre-emption argument as a cover for settling their own national security scores...[U]ntil the

Administration can define the line separating justifiable pre-emption from unlawful aggression in ways that will gain widespread adherence abroad, it risks seeing its words used to justify ends it opposes.”⁵⁷

The violation of international institutions was also evident in the war in Afghanistan, which undermined the legality of the UN Charter that defines international law regarding war.⁵⁸ The U.S. has tried to claim that the attack on Afghanistan was authorized by the UN as claimed by the Bush-Cheney admin and repeated by Obama in his West Point speech in December 1, 2009, stating, “The [UNSC] endorsed the use of all necessary steps to respond to the 9/11 attacks [...] [US troops went to Afghanistan] under the banner of ... international legitimacy.”⁵⁹ Yet according to David Ray Griffin, author and researcher of 9/11, the UNSC Resolution 1368 outlines the language of “all necessary steps”. Here, the UNSC took note of its own responsibilities under the Charter and “expressed its own readiness to take all necessary steps to respond to the terrorist attacks of 11 September 2001.”⁶⁰ But the Council did not actually determine that one of the necessary steps was to authorize an attack of Afghanistan by the U.S. According to Griffin, “Resolution 1373, the only other Security Council resolution about this issue, laid out various responses, but [...] the use of military force was not mentioned.”⁶¹ The U.S.-led attack in Afghanistan was illegal from the start, if measured by the standards of the UN Charter.⁶² There are two exceptions to the UN Charter law that outlines that a military intervention must be authorized by the UNSC. The first is if a state was subjected to a military attack by another state, it may respond with military for self-defence.⁶³ 9/11 did not fulfill these conditions as it was not carried out by a nation—the 19 men that were charged with the crime were not even Afghans.⁶⁴ Second, the exception works if a nation has proof of knowledge that an armed attack by another nation will occur in such a quick manner that there is no time to consult the UNSC. The U.S. insisted that its military attacks in Afghanistan were justified due

to the need to prevent a second attack after 9/11, yet this need clearly does not match the level of urgency that the justification would have required it to have—the Pentagon did not launch its invasion until almost 30 days later.⁶⁵ Moreover, according to Griffin:

This war has been illegal, moreover, not only under international law, but also under US law. The UN Charter is a treaty, which was ratified by the United States, and according to Article VI of the US Constitution, any treaty ratified by the United States is part of the “supreme law of the land.” The war in Afghanistan, therefore, has from the beginning been in violation of US as well as international law.⁶⁶

Like its predecessors, the Bush foreign policy holds a strong assumption that peace and stability require the U.S. to assert its primacy in global politics.⁶⁷ Where it deviates is in its treatment of institutions. Bush did not explicitly reject international institutions as means of which to exercise and authorize actions against another state. Yet, he showed that if institutions did not suit the needs of America, he would act unilaterally. Such unilateralist action provokes a ‘crisis of legitimacy’ when the world leader pits the credibility of ad hoc alliances against embedded institutions.⁶⁸ It took decades for the U.S. to uphold its values and carry out its preferred domestic and international strategies as world leader. As examined above, the U.S. was largely successful in the post-WWII era and the Cold War era through constructing and embedding other countries within global institutions. Yet, the unilateralist actions of the Bush administration, especially in the Iraq war, have instigated international tensions that have served to divide America from many of their global partners, enacting a dangerous precedent, which the following section will further examine.

Analysis: Drone Wars

Obama came into power by promising a sharp break from the Republican's unilateralist foreign policies that directly preceded him, acknowledging that the U.S. must renew its image as a cooperative hegemon that adheres to global alliances and institutions:

To renew American leadership in the world, I intend to rebuild the alliances, partnerships, and institutions necessary to confront common threats and enhance common security. Needed reform of these alliances and institutions will not come by bullying other countries to ratify changes we hatch in isolation. It will come when we convince other governments and peoples that they, too, have a stake in effective partnerships... America cannot meet the threats of this century alone, and the world cannot meet them without America...We must lead the world, by deed and by example.⁶⁹

In his campaign, Obama promised to fix America's relationship with the UN. During his first year of office, his administration took several steps to accomplish this objective. For example, in his third day in office, Obama ordered the closing of the Guantanamo Bay U.S. detention facility in Cuba within one year and ordered the removal of coercive interrogations.⁷⁰ He also became the first U.S. president to preside over a meeting of the UNSC, steering it towards passing a resolution that called upon UN member states to carry out steps designed to strengthen safeguards against the use of nuclear weapons.⁷¹ Obama received a Nobel Peace Prize in 2009, seven months after being elected president. The prize committee did

not mention any accomplishments for the given award.⁷² According to David Skidmore, Professor of Politics and International Relations at Drake University, the prize was awarded because to international observers, “[Obama] created a new climate in international politics. Multilateral diplomacy has regained a central position, with emphasis on the role that the [UN] and other international institutions can play. Dialogue and negotiations are preferred as instruments for resolving even the most difficult international conflicts.”⁷³ As such, Obama’s initial viewpoints echo that of his predecessors in the Cold War era, who realized that leading through institutions and cooperation was the way to maintain hegemony. Yet, despite these actions, the legality behind Obama’s revised ‘war on terror’ is defiant to institutional laws and regulation, like his immediate predecessor.

For one, Obama has embraced the rhetoric of the ‘war on terror’ to justify the country’s military actions—similar to the former administration, he portrayed the 9/11 attacks as a watershed in global politics and embraced the rhetoric of the ‘war on terror.’ In an analysis on Obama’s counterterrorism policies, Michelle Bentley, a lecturer at the Department of Politics and International Relations in Royal Holloway University of London, argues that “Obama cannot realistically implement any aspect of counter-terrorism policy in isolation of the culture of fear promoted by his predecessor. The frames and narratives of fear that he has effectively inherited limit him.”⁷⁴ Amy Zalman and Jonathan Clarke, co-authors of *The Global War on Terror: A Narrative in Need of Rewrite*, further affirm this by stating that, “the basic contours of the original narrative, in which the [U.S.] conducts worldwide campaign against a diverse collection of actors presumed to be united by a commitment to Islamic extremism, remains intact in key branches of the U.S. government.”⁷⁵ As mentioned above, shared meanings and norms are essential for institutions and its successful operations. On a domestic level, the institutionalization of the discourse and narrative on the ‘war on terror’ has been embedded from the

Bush administration's strong focus on justifying its actions. Thus, the war on terror has been institutionalized in counterterrorism practices and institutions and normalized within the Obama administration—one that has been embedded in the past decade.

Furthermore, a key aspect of Obama's legacy was his reliance on drone wars. Although targeted killing using unmanned drones began under preceding president Bush, it became a centerpiece of Obama's war on terror campaign, justified by his administration claiming that drone combat is extremely effective and reflects the country's values better than the practices of previous administration. Bush ordered around 50 drone strikes; Obama's administration has seen over 500 strikes.⁷⁶ As such, Obama's reliance on drones have been criticized severely by many who insist that it plays into grey areas of international law, and in doing so, undercuts the existing legal and military practices that bind and define where war zones are.

First, it must be noted that drones are not an illegal type of warfare. It represents a development in technological warfare, and brings clear advantages, such as cost-efficiency, less risks of soldiers' lives lost for the country that is operating the drones, and heighten the chances of eliminating intended targets.⁷⁷ The use of drones, is where the controversy lies—such usage is subject to international law. Two controversial aspects of the U.S. drone warfare, are its reliance on strikes outside of “traditional, territorially-bounded battlegrounds”,⁷⁸ and the secrecy surrounding its operations. The U.S. government largely “does not comment on or acknowledge reported drone strikes that take place outside of “hot” battlefields, and it does not release lists of those targeted or killed.”⁷⁹ Furthermore, senior administration officials offer extremely general accounts of the drone strike program, providing few details on the legal analysis of the program.⁸⁰ Thus, it is difficult to analyze and describe the current drone practices of the U.S. with certainty, and impossible to know what legal constraints U.S. officials believe exist and how it

has changed.⁸¹

In a system of anarchic states, institutions foster a sense of security and predictability by having these anarchic states bind to certain norms, rules, and regulations in order to preserve the system. According to Rosa Brooks, Professor of Law at the Georgetown University Law Center, the international rule of law works upon:

The existence of a shared lexicon accepted by states and other actors in the international system. With no independent judicial system capable of determining (and enforcing) the meaning of words and concepts, states must develop shared interpretations of the law and the concepts and terms it relies on, and be willing (mostly) to abide by those shared interpretations. When such shared interpretations exist, key aspects of the rule of law can be present even in the absence of an international judicial system; state behavior can be reasonably predictable, non-arbitrary, and transparent.⁸²

Yet according to Brooks, the rise of U.S. drone strikes presents a massive challenge to the international rule of law, not because recent drone strikes “violate” such law, but because they “defy straightforward legal categorization.”⁸³ Mutual agreement on legal categorization are essential for international institutions. The key attributes of global institutions lie within their ability to facilitate negotiations, implement agreements, dispute resolution, and develop rules.⁸⁴ As such, countries within these institutions must agree upon similar standards and attribute common definitions and categorizations to areas covered by institutions.

For Brooks, the most fundamental aspect of the rule of law is concerned with constraining and ordering power and

violence. “Within the international system, this concern has led states to develop detailed legal rules governing the use of armed force,” Brooks said.⁸⁵ Like any law governing an anarchic system, international law regarding war has always been “vague and ambiguous.”⁸⁶ While such characteristics can serve to offer efficiency when new norms and developments in the global system require consensus-based modification, it can also serve to destabilize the core basis and authority of such laws. For Brooks, “when key international law concepts lose any fixed meaning, consensus breaks down about how to evaluate state behavior; and although legal rules may continue to exist on paper, they no longer ensure that states will behave in a predictable, non-arbitrary fashion.”⁸⁷ Furthermore, even with relatively high levels of international consensus on meaning of concepts, if the dominant superpower continues to challenge commonly accepted norms and meanings of concepts important in regulating rules of warfare, the rule of law can be undermined, as seen with U.S. drone strikes.⁸⁸

Obama has made attempts to justify America’s war on terror under his administration, by invoking international and domestic legal frameworks. According to Obama’s speech on drone warfare:

America’s actions are legal. We were attacked on 9/11. Within a week, Congress overwhelmingly authorized the use of force. Under domestic law, and international law, the United States is at war with al-Qaeda, the Taliban, and their associated forces. We are at war with an organization that right now would kill as many Americans as they could if we did not stop them first. So this is a just war—a war waged proportionally, in last resort, and in self-defense.⁸⁹

In fact, both the Bush and Obama administrations have

maintained the position that drone strikes against al-Qaeda and Taliban leaders are legal under both domestic and international law. The U.S. holds that drone attacks are allowed under the UN Charter as actions in self-defence, either with the consent of the country where the strike occurs or because that country will not, or cannot, act against an imminent threat towards the U.S.⁹⁰ However, both administrations are reluctant to confirm whether such consent was actually provided by specific countries.⁹¹ Furthermore, according to Brooks, the basis behind U.S. legal arguments such as this is hard to analyze as they usually alternate between putting forth a law of armed conflict framework and a self-defence framework.⁹² For example, the basis behind U.S. using the terms “armed attack” or “imminent” is difficult to interpret, and how the country evaluates problems of “necessity” and “proportionality” is also difficult to be certain of.⁹³

Vagueness and ambiguity in international law may help to facilitate legal adaption and evolution in order to improve upon current international regulations. If the majority of states accept the new interpretation of a key concept relating to warfare, the international law will adapt accordingly.⁹⁴ However, as of today, most states have not agreed upon a common definition as put forward by the U.S.’ justification of its drone strikes.⁹⁵ Due to the secrecy that still surrounds the drone program, it is impossible for any proper assessment of whether the program is in accordance with rules and regulations of international law. According to Harold Koh, the legal adviser at the State Department from 2009-2013, the poor transparency has unnecessarily damaged perceptions of the drone program.⁹⁶ Moreover, Hina Shamsi, the director of the American Civil Liberties Union’s (A.C.L.U) National Security Project, said that “there is great damage to the rule of law and human rights law when the United States, of all countries, engages in killings based on secret interpretations of the law, or entirely new and unilateral legal frameworks outside the agreed-upon international framework that places important constraints on the

use of lethal force and protects the right to life.”⁹⁷

In some ways, the precedent set by Bush in his war on terror has extended to the Obama administration. Although Obama entered into the presidential office promising a sharp break from Bush’s policies, it appears that his administration has simply continued to normalize the Bush doctrines regarding the conduct of war. According to *Time*, “Since 2009, Obama has adopted the notion of a global war against al-Qaeda and associates; he expanded the legal basis of that war to include ISIS; he embraced military detention without trial, military commissions, state secrets and large-scale secret surveillance; and he ramped up drone strikes, deployment of Special Forces and cyber attacks.”⁹⁸ As evidenced by the grey areas surrounding the use of drones, Obama and his administration have not moved from the Bush Administration’s “states secrets” definition, which encompasses many areas that are used to restrict evidence used in court, claiming that doing so would compromise intelligence “source and methods”.⁹⁹

Following somewhat in a direction of cooperation, Obama promised more openness and scrutiny for U.S. drone strikes in May 2013, portrayed as a move away from secret war against terrorists as laid out under the Bush Administration.¹⁰⁰ However, this shift did not materialize. Major aspects of the drone program, such as who makes the call to kill individual militants and what criteria are followed, are still classified.¹⁰¹ The nonpartisan research organization—the Stimson Center—provided a review that criticized Obama’s administration for not providing a clear legal justification for its usage of drones to kill Islamic State extremists or al Qaeda in areas where the U.S. is not at war. Obama was also criticized for not ensuring strong oversight or accountability of the drone program. According to the report, “the lack of action reinforces the culture of secrecy surrounding the use of armed drones [...] With a year remaining in this administration, this is the last chance to place the program on firmer footing and ensure that it is on a more transparent and

accountable track for the next administration.”¹⁰² Even in, July 2016, the Obama Administration produced a three-page report on the government’s drone campaign that did not shed much more detail on the actual program.¹⁰³

Another area that shows the impact of the Bush precedent is with the Guantanamo Bay detention center, which has been in operation for 14 years.¹⁰⁴ The U.S. is being criticized for imprisoning and interrogating individuals that it regards as enemy combatants at Guantanamo Bay, by the Bush Administration since after 9/11. According to Jonathan Rausch, author and senior fellow at the Brookings Institution in Washington, the Bush Administration has “unilaterally declared and exercised what amounts to selective martial law: the power to detain suspected enemies and hold them incommunicado, without meaningful access to courts or lawyers, for as long as they are deemed dangerous or able to provide useful intelligence.”¹⁰⁵ Even though Obama issued an executive order in 2009 to release or transfer Guantanamo bay detainees, as well as close the facility within a year, such action has not been affirmative. The continued existence of Guantanamo Bay under the current administration remains a foreign policy disaster, as the state continues to seize and imprison foreigners without charge, holding them without trial indefinitely.

Earlier this year, human rights experts from the UN and the Organization for Security and Co-operation in Europe (OSCE) called on the U.S. government to “close the Guantanamo Bay detention facility and end impunity for abuses in the so-called ‘global war on terror’ such as ‘enhanced interrogation techniques’ and extraordinary rendition,” (UN). Furthermore, in 2012, Navi Pillay, the UN High Commissioner for Human Rights, also cited the failure to close the facility as a clear breach of international law (UN). The failure to close the Guantanamo Bay detention center not only breaches international law, but also further erodes the accountability of the U.S. as an upholder of human rights and its public commitments to comply with said

law.

Overall, despite an initial attempt to break ties with the former administration's approach towards unilateralism, the Obama administration's means of maintaining power is marked by continuity with the Bush Administration. The precedent set by Bush in addressing the country's national security policy and how it reacts with regards to international institutions in addressing security issues has affirmed with the Obama administration. It appears that such rhetoric continues to play a big role in the current election campaigns of Hillary Clinton and Donald Trump as well. Furthermore, Obama did not shy away from grey areas of contestation within institutional boundaries, as evidenced with his preference for drone programs and the secrecy surrounding such usage. These actions only serve to weaken the legitimacy of such institutions and deteriorate the relations of U.S. with its allies. Many European allies who opposed the Bush administration for maintaining the unilateral right to construct force against terrorists in countries outside of Afghanistan, have not supported the U.S. drone strikes in Pakistan, Yemen, and Somalia under the Obama administration.¹⁰⁶ All in all, while Obama did not undermine the UN as aggressively as Bush, he continued Bush's pattern of eroding the authority and cooperation within the UN by showing that the U.S. would continue to redefine norms and categories in the way it wishes.

Analysis and Conclusion

This research paper explored the role of global institutions in exercising American hegemony since the Second World War. Furthermore, it explored how the actions of the Bush and Obama administration post-9/11 have affected the role of global institutions and American leadership. To answer the first question regarding the role of institutions and how it influenced

U.S. hegemony, America has achieved success through multilateralism and global institutions in the period following WWII. The calculated risk of investing in international institutions with the aim of achieving long-term stability and growth as opposed to seeking short-term gains, paid off for the most part in the post-WWII period. Economically and militarily speaking, binding itself to institutions has proven to enhance American power instead of reducing it.¹⁰⁷ As explored above, the U.S. embraced and pushed forward institutional and multilateral cooperation because it was pursuing its own interests in building these institutions, providing more benefits for the U.S.' freedom of action through veto rights, escape clauses, and weighted voting.¹⁰⁸ Yet in the era of Bush's unilateralism, the structures and benefits of multilateralism has shifted in that it offers less opportunities for the U.S. to maintain political control over others and fewer ways to escape binding responsibilities of agreements and institutions.¹⁰⁹

Unilateralism is not without precedent in the history of American politics—the U.S. has a tendency to act individually or reject treaties in the past centuries. Yet unilateralism was replaced by a tradition of restrained hegemony since the end of WWII in the U.S. In this sense, the actions of the Bush Administration with regards to the war on terror, created what Richard Holbrooke, former U.S. ambassador to the UN, said, “a radical break with 55 years of bipartisan tradition that sought international agreements and regimes of benefit to us.”¹¹⁰ The Obama and Bush administrations shared a key trait, which was the conviction that the U.S. must maintain its position as a leader in global politics. This is a fair expectation, as the U.S. is still the strongest militarily and economically in comparison with any other state, and has been essential in creating the world's strongest institutions like the UN. Security in the world has largely been maintained since the end of the Second World War by effective global cooperation and institutions under the leadership of the United States. Yet the unilateralist actions of

Bush and Obama, has served to undermine global institutions as laid out by the vision of the U.S. in the context of the Cold War.

The Bush administration justified going to war in Iraq and Afghanistan on its own premises and subverted the legality of the UN as well as the wishes of its allies. Its justifications served to undercut both the legitimacy of the UN and also of U.S. leadership, because it instilled vague definitions that blur the line between unilateral pursuits of power and multilateral cooperation. With a loosely-defined coalition of the willing, the Bush policy towards multilateralism is one of ad hoc multilateralism,¹¹¹ where multilateralism is only embraced if it serves the U.S.'s own interests. Here, institutions are treated as "tools of convenience to be used when they promise immediate payoffs and minimal restrictions on freedom of action, but in general to be kept marginal and treated with deep distrust."¹¹² This represents a move away from institutionalized acknowledgement, cooperation, consensus, and behavior. Furthermore, the paper finds that according to Hudec's definition of 'justified disobedience,' the actions of the Bush Administration were not justified. The reasons proclaimed for going to war lacked basis, evidence, and was not designed to improve the functioning of the UN as a whole, but instead, served the U.S.'s own interests. The Bush Doctrine of pre-emption also instilled a precedent contrasting with that of containment and deterrence from the Cold War era. Such a doctrine invites abuse, as it provides vague criteria upon which to judge a threat that justifies a pre-emptive strike. The U.S. acted with the coalition of the willing, despite opposition from UN members, which is against the legality of international law as laid out in the UN Charter, and as such, also undermines the legal basis to judge whether future pre-emptive actions are justified. Therefore, this paper finds that the unilateralism of the U.S. in igniting the 'war on terror' has not strengthened, but in fact, weakened its dominance. The situation in both Iraq and Afghanistan has not proven to be a direct and intense threat towards the U.S. and

global security. However, the results of the U.S.-led war in both countries were prolonged with violence that resulted in further chaos and instability in the Middle East—one that the U.S. and its allies have not been able to resolve. Furthermore, it has deteriorated the ties with other important allies, and weakened the basis upon which its hegemony had been established—international institutions like the UN.

While Obama came into power promising a sharp break from Bush's unilateral policies and aggressive strategies in global security matters, Obama's administration continued to undermine the institutions that symbolized and preserved American hegemony. Obama embraced the 'war on terror' rhetoric, which is embedded within the country's policies on global security. He also expanded the drone war program, which is problematic due to the grey areas defining its usage and the justifications for using it. While he has publicly announced that the U.S. government would strive to create more openness regarding the program, the drone program is shrouded by secrecy and is difficult to analyze. With the increased number of drone attacks in international warfare, the guidelines regarding its usage is essential—it must be agreed upon by international organizations and allies. Yet due to the secrecy surrounding its usage, the program is difficult to analyze, and attributes to further ambiguity in international law. Furthermore, although Obama committed to closing the Guantanamo Bay detention center in 2009, it is still in operation and heavily criticized by the UN for subverting human rights and for its illegal actions in accordance with international law. This is in large part, affected by the precedent set by the Bush Administration, which has maintained that if necessary, the U.S. has the ability to preserve the world order, and is privileged to act unilaterally and outside the bounds of international law if necessary.¹¹³

The Bush doctrine of pre-emption does not only have implications for the following U.S. administrations (as evidenced by the Obama administration), but also for the global system and

the actions of potential challenger states. With the U.S. carrying out the Bush doctrine in Iraq against the wishes of the UN and other leaders of the world, a dangerous precedent based on aggression and confrontation is set for potential future conflicts. This is in contrast to the previous security strategies based upon deterrence, containment, and collective security.¹¹⁴ As noted, some exceptions occurred in which the U.S. pursued an aggressive strategy, such as in North Korea in the 1950s and in Vietnam in the 1960s,¹¹⁵ but, what has changed today, is the justification used for such interventions. A “visible, imminent threat”¹¹⁶ to launch an attack against a “potential aggressor” is vaguely defined and not confirmed by international organizations—instead, such a justification is guided by a unilateral approach that welcomes multilateralism if it is helpful, but subverts it if it is not. This is dangerous for generating potential conflict between states with faulty relations, such as North-Korea/Japan, China/Taiwan, and Russia/Ukraine.¹¹⁷ In fact, Russia has already invoked the U.S. doctrine of pre-emption to justify possible military action against Georgia, where Chechen separatists conduct operations.¹¹⁸ In addition, China could justify a preventive war against Taiwan, in order to stall its threatened independence or potentially unfavourable change of military order and balance across the Taiwan Strait.¹¹⁹ As Henry Kissinger said, “It cannot be in either the American national interest or the world’s interest to develop principles that grant every nation an unfettered right of pre-emption against its own definition of threats to its security.”¹²⁰

Washington, in seeking unilateral actions and subverting the role of international institutions, in the meantime, undermined the legitimacy of such institutions upon which leading states worked through. As a result of U.S. unilateralism, many countries are “increasingly ignoring or contesting American leadership rather than embracing it.”¹²¹ As the U.S. actions undermined global institutions, the security of the states within were threatened—including that of the U.S. which built its

hegemony upon the security of leadership of multilateral cooperation. Ikenberry¹²² argues that the need for an institutional bargain persists in the face of the uncertain world order, yet, with the precedent set by Bush and Obama, the credibility of the US to act with restraints while providing public goods, is challenged. The incentives to agree to a world-order dominated by the U.S. has changed from the Cold War times.

The world system and its actors need multilateralism in the current age of globalization and international network. Even though the effectiveness of formal international institutions is shaped and restricted by power relations, institutions still serve a purpose for maintaining global stability. As explored in this paper, the success and thrust of U.S. hegemony largely relied upon their careful exercise of hegemony through multilateral institutions. However, as Ramesh Thakur, Director for the Centre for Nuclear Non-Proliferation and Disarmament in the Crawford School, said, "If they are to remain viable, international organizations and the values of multilateralism embedded in them must be reconstituted in line with 21st century principles of governance and legitimacy."¹²³ The UN is the largest international organization and has, for the most part, been an upholder of rules and regulations with which members largely complied with; as such, it must be respected and involved in all major, systematic decision-making processes. Thus, going to war without a majority of the UNSC in agreement, 'undermined the authority of the UN'.¹²⁴

All in all, this paper finds that America cannot continue to dominate the world without taking into account its allies and global institutions. The unfolding of chaos and turmoil in Iraq and Afghanistan has shown systemic shifts in the global distribution of power, which drives issues of change and continuity in U.S. foreign policy.¹²⁵ The wars uncovered a long and violent occupation that revealed the limitations of U.S. power, and also incited global critique that undermines the legitimacy of U.S. actions, as well as the UN. Just as the Bush

Administration subverted the UN by following through with the war on terror and practices of unilateralism, the Obama administration now works within a similar structure that prevents the strengthening of such institutions. Obama has not, unlike his predecessor, received as much explicit outrage from allies and international institutions for his security strategies like the drone strikes. However, he has not received whole support either. According to John Brennan, the White House counterterrorism adviser, “the effectiveness of our counterterrorism activities depends on the assistance and cooperation of our allies.”¹²⁶ One key aspect in gaining legitimacy might be to ensure that both allies and members of international security organizations such as the UN, understand and agree with U.S. foreign policies and legal justifications. With the rise of global terrorism and instability today, such problems can only be addressed with successful international cooperation— to this, even the multilateralism-adverse Bush Administration has admitted.¹²⁷

About the author

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- ¹¹⁴ Ajit Singh, "The Bush Doctrine: Creating Discord in International Security," *Critique: A Worldwide journal of politics* (2004): 79, accessed August 6, 2016, <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.579.3344&rep=rep1&type=pdf>.
- ¹¹⁵ Ibid.
- ¹¹⁶ Ibid.
- ¹¹⁷ Ibid., 80.
- ¹¹⁸ Record, "The Bush Doctrine and War with Iraq," 19.
- ¹¹⁹ Ibid.
- ¹²⁰ Ibid.
- ¹²¹ Lindsay, "George W. Bush, Barack Obama and the future of US global leadership," 766.
- ¹²² John G. Ikenberry, *Liberal Leviathan: The origin, crisis, and transformation of the American World Order*, Princeton: Princeton University Press, 2011.
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- ¹²⁵ Bentley and Holland, "Obama's Foreign Policy," 7.
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The Criminalization of Migration in Western Europe: A Shift Towards Punitive Ideology and Punishment Models

Hannah Sandrock

Introduction

The “criminal migrant” is a theme that has long dominated the literature of academics in the United States (US), as scholars have sought to understand the disproportionate representation of migrants within the penal system, and the factors that drive punitive behaviour towards this group of “others”. Only in the past 30 or so years, has this topic of study begun to permeate European scholarship.¹ This punitive turn, which has characterized the US since the latter end of the 20th century, is comprised of harsh punishments, high incarceration rates, the incapacitation of offenders, and the inevitable demise of rehabilitative principles.² Given that both the US and various European nations are generally considered to be western, industrialized countries, it is puzzling that these two regions have demonstrated this dissimilarity of prison ideologies in the past. In the wake of globalization and its role in increasing the flow of people across European borders, economies have expanded and ethnicities, diversified.³ Echoing the mass migration patterns that have traditionally been characteristic of North American countries, Europe is too, imitating the rise in punitive penal systems of the US. The ‘de-bordering’ of the western world that supplemented a rise in globalization, has been paralleled by a ‘re-bordering’ trend of late-capitalist societies, in an effort to combat

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the global migrations that accompany globalization. This trend is part of a larger pattern in punitiveness, in which countries seek to criminalize the regulation of migration, as can be seen emerging in the European context since the mid-1970s.⁴ This is counterintuitive, in that societies characterized by flexibility, individual freedoms, social mobility, to name a few, only embody these values for nationals, and reject the right to the same principles for non-western migrants⁵.

In light of the young, but growing literature in the European context, this paper will seek to answer the following research question: is mass migration causing European countries to shift from a traditionally rehabilitative model of incarceration, towards a more punitive model, as is conventionally demonstrated in the US? And furthermore, what are the underlying factors that can explain the role of migration in this shift? It is not the aim of this paper to provide a concrete answer to the aforementioned question, but rather to determine if there is in fact validity in this inquiry, and to provide both a theoretical framework and empirical insight to support this assertion. Essentially, this paper will concern itself with a combination of social, political, and economic factors that have pooled together to create what is the modern European justice system. The structure of this paper is twofold. First, a review of the current trends in migration and punitiveness will be examined, by providing empirical evidence of the shift towards a punitive behaviour in relation to migrants, to establish if there is an increasing trend towards a punitive ideology in European countries. The second section of this paper will apply a theoretical framework of classic sociological principles to empirical cases throughout Europe, in order to determine the possible explanations for this shift.

Current Trends in Migration and Punitiveness

Pre-Migration – Abandoning the Rehabilitative Model

In order to effectively determine whether or not Europe is indeed transitioning into a more punitive model of prison, it is necessary to briefly establish a background on the ideologies of punishment that Europe and the USA have previously held. To be sure, it is important to note that typifying all of European countries as rehabilitative is indeed a gross generalization. However, for the purposes of this paper, “Europe” shall refer to the majority of countries in the like-minded, Western European nations, most of which are former, or current members of the European Union (EU). Of course, there will be exceptions to the generalizations in global trends, and cross-national contentions of punitiveness.⁶ Given that the US incarceration rate is eight times that of the European system, it is true that these rates are far from quantitatively comparable to the mass imprisonment label that has branded the US penal system.⁷ However, focusing on the intensity, rather than the actual volume as a measure of penal severity, places European criminalization of immigrants at a level which is notably similar to the US model. In this way, the European case is leaning towards Feely and Simon’s concept of “New Penology”, whereby notions of correction and rehabilitation are traded in for a system of categorizing dangerous classes, and identifying risks in order to contain them before they disrupt the natural flow of society.⁸ Consequently, migrants fit this model, and are thus paying the price in society.

Mass Migration and Punitive Trends

Nearly two thirds (76 million) of international migrants currently reside in Europe.⁹ International migration trends in Europe have been on the rise, as the UN reported Europe as having added 20 million, the second largest number of, international migrants

between the years 2000 and 2015.¹⁰ Coinciding with this increase in migrants is another trend, namely, the “criminalization of migration”. This term refers to all of the discourses, facts, and practices made by those directly associated with the justice system (police, judicial authorities, government) as well as the indirect participants, such as the media, and those members of the population that hold immigrants/aliens accountable for the majority of criminal activity.¹¹ This is occurring despite the little evidence to contend that immigrants are responsible for a disproportionate share of national crime.¹² Though governments have long been concerned with deterring, controlling and incarcerating the mobile, scholars demonstrate a wide consensus that Western Europe has undergone a dramatic intensification of this punitive behaviour towards migrants in the last three decades. It is a trend, which some scholars have described as echoing that of the situation in the United States.¹³

Since 1990, nearly every European democracy has increased rates of incarceration, as governments seek methods and policies that put perceived outsiders behind bars.¹⁴ It is clear that the lines between modern immigration policy and criminal law, are becoming increasingly blurred, as seemingly unrelated developments in both, sanctions for migration offenses, and public anxieties have driven the criminalization of migration.¹⁵ While there is consistency in the punitive trend itself, the criminalization of migrants has manifested itself in different ways across the nations of the European Union.¹⁶ Although the degree of punitiveness in a region is difficult to quantify, there are distinct characteristics, which are representative of this notion. For the purposes of this paper, penal severity will be measured through increases in incarceration, detention, and removal rates, expansions of time limits, and an increase in the disproportionate capacity of foreigners.

Analyzing the statistics between 2000 and 2007, De Giorgi (2010) found that several European countries have witnessed a dramatic rise in prison population over the last few

years. Rates of increase are as high as 30.4 percent in the Austria, 32.3 percent in Finland, 25.6 percent in the Netherlands, and 24.7 percent in France.¹⁷ While these increases are vast, they seem less significant when compared to the rise in incarceration among the immigrant population, specifically. Here, there are increases of 79.1 percent in Finland, 88 percent in Austria, 118 percent in Spain, and 313 percent in the Netherlands.¹⁸ The immense growth in prison populations is revealing in terms of the increase in punitiveness that have emerged in Europe. These figures are especially relevant due to the fact that these rises occurred during a period of stable, if not declining crime rate across most of European countries.¹⁹ If crime rates are not on the rise, it can be inferred that the increase in incarceration rate is reflective of a proliferation in punitiveness of the penal system.

Though incarceration rates are a valid indicating factor of growing punitiveness, it is of greater importance to consider exactly which groups are being incarcerated. This will provide insight into the question of whether migrants are driving this increase in incarceration rates. Foreign nationals are overrepresented in almost all European prisons²⁰, as statistics show that foreigners are imprisoned 6.2 times more often on average, as compared to other EU citizens²¹. Countries such as Italy, the Netherlands, and Greece incarcerate immigrants up to 10 times more than nationals. This disproportionate representation is alarmingly higher than that of African Americans in the US prison system.²² Foreign migrants largely outnumber Greek nationals in the prison system,²³ making up over 50 percent of the inmates. Other figures of overrepresentation of foreign migrants are: 35 percent in Spain and Italy, and 28 percent in Sweden.²⁴ These statistics are as shocking as they are revealing in terms of the degree to which migrants are subject to a growing punitive nature of the European prison system.

Another indicator of the increasingly punitive treatment of European migrants is through systematic changes, such as those

applied to detention and removal. The blurring of lines between criminal law, and migration policy is the primary driver of this trend. Criminal law is being inserted into immigration law, and is thus used to regulate migration matters. This is problematic because as an administrative regime, migration policies are increasingly treated with the same degree of sanctions as the criminal system, but without the protections that are ensured in the criminal process.²⁵ To start, a noteworthy measure of the punitive shift in regulation of immigrants is the confinement of immigrants in pre-trial detention. Those immigrants awaiting trial are disproportionately incarcerated, as compared to nationals in similar circumstances. For instance, Italy keeps approximately three out of four immigrant prisoners in preventive custody. Other European countries, such as Denmark, Finland, Germany, Luxembourg, and Spain, place foreigners in pre-trial detention at a rate double the amount of nationals.²⁶ It is clear from these statistics that the spread in punitive measures within the European penal system is unreasonably prejudicial towards migrants, as this measure of confinement is being used as a tool for ostracism.

Beyond the stage of pre-trial detention, trends in vengeful sanctions are prominently displayed in the upsurge in capacity, and presence of detention and removal centers for immigrants. The trend towards criminal sanctions for the purpose of migration control is one, which has moved past the domestic laws of single nations, to the wider realm of the legislation in the EU. Detention, as a means of enforcing immigration has demonstrated a sizeable increase in the EU in the last 10 years. While the topic is understudied, thus affording limited information, there is a consensus among scholars that this increase in detention is dramatic.²⁷ The trends gain attention around the 1990's, as prior to the start of this decade, the United Kingdom (UK) for example, did not possess permanent detention centers. In fact, the concept of detention for immigration purposes was considered to be an extreme measure. The change

in punitive nature is thus noteworthy in the 1990's, as the number of people in detention grew from 250 people in 1993 to 2260 in 2003.²⁸ This significant escalation in the number of detention centers only continued on this path, as the government expanded its power to detain, which resulted in the UK 'detention estate', tripling in the 10-year period between 1997 and 2007.²⁹ This trend is not unique to the UK, as the Netherlands also demonstrated a sizeable expansion in immigration detention.³⁰ The capacity for administrative detention of immigrants accelerated at a rate that doubled from 9.1% to 18.1% in 1999-2006, and continued on this path by tripling in 1994-2006. In numerical terms, this is the rise in capacity for administrative detention from 45 places in 1980, to a colossal 12,480 in 2006.³¹

The mass of statistics demonstrated above is indeed overwhelming, and yet hugely necessary in order to convey the immense pattern towards the criminalization of migration. What all of these indicators of punitiveness have in common is the degree to which they deprive the liberty of migrants and foreigners as a group. Second only to the death penalty, this sanction is the most serious that the state can levy against an individual.³² This calls to question the motives and goals of migration policy. What was traditionally an administrative system has morphed into one that paints migration as a criminal offense. For example Britain has embarked on an initiative that removes non-national immigrants from the Britain prison system, relocating them to offshore sites such as Nigeria or Jamaica. This reveals the urgency that the nation has in its desire to rid itself of certain foreign members of society.³³ In light of the measures of punitiveness discussed above, this analysis is approaching an answer to the primary question of this paper, which seeks to understand if migration to Europe is causing a shift towards a punitive penal model. The evidence suggests that this is in fact the case. However, it would be naïve to contend that migration is the sole causal aspect of this transition. Leading to the second

subject of inquiry, what could be the underlying factors of migration, which are driving this shift in punitiveness?

Ironically, Palidda (2011) finds that this intensification of criminalizing migrants in European countries is not directly linked to an increase in crime rates, nor immigration. In fact, there is no correlation in a rise in crime and the criminalization of “aliens”, and periods of high immigration often present no significant change in criminal activity.³⁴ A better explanation for corresponding rise in migration and punitiveness is a combination of periods of economic difficulty, coupled with negative discourses, which promote xenophobia. The following section will apply three classic theories in the sociology of punishment, to the case of growing punitiveness in Europe, in order to explain this pattern of penalty, and how the trend is related to mass migration in Europe. These theoretical frameworks will be articulated using specific nation contexts to demonstrate their applicability to the current affairs of various European nations.

Theoretical Explanations for the Shift in Punishment Ideology

Sociologists constantly criticize the punishment theories of fellow scholars for their shortcomings, when these theories are taken to be the sole explanation for the nature of various models in the penal system. However, taken together, each theory offers beneficial aspects and key ideas. This makes it possible to consider multiple theoretical frameworks in establishing a comprehensive rationalization for the role of migrants in the shift in punitive nature. The trend of criminalization of migration has less to do with fluctuations in crime and immigration rates, and more to do with periods of economic and social crisis, whereby citizens, begin to perceive non-citizens as a threat to national ideology.³⁵ What follows is an analysis of three unique, but

interdependent theories of an increase in the punitive models of punishment. Individually, ideology, political economy, and public discourse theories do not provide a solid answer to the research question, but together, they overlap to provide an integrative approach to explaining the role of migration, in a shift towards punitiveness in European countries.

Ideology

While there are many scholarly critiques of Durkheim's theories, he does present some vital, overarching themes that are particularly relevant to this research question. Thus, it is beneficial to preface this ideological framework with a brief review of Durkheim's work. For Durkheim, penal sanctioning is representative of the "collective conscious" at work, meaning that the system is grounded on the value of social cohesion, and the desire to keep this society intact.³⁶ This theory largely presents punishment models as passion-driven, as opposed to that of reason. Thus, punishment is inflicted on the offender, not because of a rational chain of events, but because without such, the moral order, and consequently society, would crumble.³⁷ Ultimately in Durkheim's view, punishment is working to convey society's collective disapproval. Despite the obvious gaps in this theory, it serves as a beneficial background to demonstrate how the "us" versus "them" ideology, that is ever-present in the context of modern Europe, is a factor in criminalization of migrants and the rise in punitive modes of sanction.

As multiple authors have identified, there is continuity in the ways in which the "outsider" has been framed and managed throughout history. The current state of the European penal models is not new in ideology, but in categorization. In 18th century Britain, there were poor laws, enacted to control the poor and undesirable.³⁸ Thus, a societal anxiety around the perceived outsiders is a deep-rooted concept. Moving closer to the present day migration problem, this trend began with the

desire for state control within territorial boundaries, and then later to non-citizens outside of the “state”.³⁹ In light of this brief chronology, it is evident that migrants have simply joined, if not replaced the underclass, as the chief members of society’s “risk category”. These findings are representative of the ideology theory, in that migrants are not detained due to specific criminal acts, but rather their membership to the dangerous class, or the “other”.

Existential insecurity is a driving force in the demand for harsher and more punitive treatment of migrants.⁴⁰ Two concepts manifest given the ideological panic that is present in Europe: Racial Threat Theory, and Xenophobia. Racial threat theory is a hypothesis rooted in discourse regarding societal discontent for African American citizens. The hypothesis proposes that the higher the population of members of a subordinate group, the higher the levels of societal control mechanisms imposed by the dominant group, due to the feelings of insecurity and fear, that the dominate group feels about their current status.⁴¹ Taking the core message of this original hypothesis, this theory has been modified to fit the European context, under the new title, “Enemy Penology”. In this new context, migration scholars have found that mobilization has resulted in an increased sense of insecurity within the EU, essentially leading to the harsher treatment and sanctions of migrants.⁴² These ideological trends are evident with the rise of Xenophobia in Europe, which refers to the intense and irrational fear of people from other countries. Countries that have traditionally held leftist values, such as Belgium, Denmark, and Sweden, have joined the disturbingly uniform tone of distaste for strangers, which European nations are currently displaying.⁴³

Therefore the globalization of punitiveness that characterizes the European ideology of migrants is a direct attempt to provide a sense of security, and order in the face of a changing world.⁴⁴ In a similar fashion to the US, Europe has borrowed the “tough on crime” approach, rather than relying on

social welfare attitudes that one expects from Europe.⁴⁵ However, unlike the US, where anti-immigration ideologies are rooted around issues such as ‘welfare abuse’, or overpopulation, European ideology is established in response to the myth of the dangerous immigrant.⁴⁶ Stigmatizing migrants as a group of outsiders, and essentially punishing the stranger with irrationally punitive sanctions, is a method of the reinforcing national sovereignty, and asserting political authority, when it is perceived to be under threat of the outsider.⁴⁷

Therefore, the Ideological theory provides a crucial foundation in answering the question of why migration could be driving punitiveness in Europe, as it has been demonstrated that desire for social cohesion and survival of the “in” group, leads to irrational mistreatment of the outsiders. What Durkheim misses in his ideological theory, is the importance of power and conflict in society, namely the winners and losers, and the importance of combining ideology, with class struggles. Indeed, this section discusses the presence of national, existential insecurity, but it is imperative to consider what drives these anxieties. It is not likely to be the mere presence of migrants, but rather, what they represent, or for what larger problems they are being held the scapegoats. Where the ideological framework leaves off, the political economy begins, shedding light on the ways in which economic and political factors can increase anti-immigrant sentiments. It is important to consider not only the existence of “us’s” and “them’s” that emerge in societies, but also what differentiates the two groups. As will become evident in the next theoretical framework, it is often the political economy, which creates a society of haves and have-nots; the ruling and the subordinate. An ideological structure of penal systems that seemingly serves the interests of society as a whole is really one, which serves the ruling class alone.⁴⁸

The Political Economy

Garland (1990) reformulates Durkheim's ideological thesis, by reasoning that the processes of punishment do not necessarily promote social solidarity, rather attempt to reinforce authority relations that already exist. This provides a smooth transition into the next theoretical framework to describe the causality that exists between migration and punitiveness in Europe. Filling in the gaps of the Ideological theory, is that of the Political Economy of Punishment, which has its roots in Marxist traditions of a class struggle between two groups: the subordinates (the labour force) and the dominating figures (the ruling class). Marxist theory sees the economy as a locus of social power, allowing the ruling class to use their control over modes of production, to impose this power onto other spheres of society.⁴⁹ Thus, the main concepts of this theory, economics and politics, are applied to penal policy in order to examine the ways in which penalty serves as a tool for the dominant class to assert power.

The most influential adaptation of the Marxist interpretation of punishment is that of Rusche and Kirchheimer, in their work, *Punishment and Social Structure* (1939). In this by-product of Marxist themes, the authors explain the links between labour surplus, and its role in reducing the value of labour, making prison less palatable and criminal motivation more likely – thus contributing to harsher modes of punishment. This theory holds that the state maintains control of the surplus population with punitive measures.⁵⁰ In a period of mass migration, this framework would argue that the state views the influx of non-nationals as an unnecessary supply of labour. Given that this group is already characterized as a potentially threatening, dangerous class, which also fits the category of “social dynamite”, it is not surprising that these economic theories of punishment are applicable to the case of migrants in Europe.

De Giorgi's (2010) application of Post-Fordism and the principle of less eligibility as they apply to the problematic control of immigration in Europe is of particular significance. The author draws on the political economy of punishment, and

analyses the hyper-criminalization of migrants in connection with a reproduction of a vulnerable labour force – whose insecurity is suitable for certain labour markets in a post-Fordist economy.⁵¹ Drawing on the classic economic theories in this school of thought, he points out that “the idea that ongoing transformations of the penal system, are reflective of a need to shape the dangerous classes into a docile labour force”, is an incomplete theory. In order to adequately describe the relationship between the economy and penal structures, it is imperative that the principle of less eligibility be considered. The goal of this principle is to ensure that prison conditions are so poor that the underclassmen would be willing to accept any level of exploitation in the capitalist market, in order to avoid the alternative – punishment.⁵² Following this theoretical framework, and applying it to the penalty of modern Europe, this view holds that the excessive punitive measures imposed towards migrant groups, produces a vulnerable and exploitable labour force.⁵³

Essentially, by criminalizing migration, the ruling class takes control of the economy, and uses the principle of less eligibility to exploit the labour of the subordinate class. This model begins to emerge in the mid-1970s, when highly industrialized countries such as Germany, the UK, France, and Belgium put a halt to the labour immigration which they had been using in order to fuel the demanding and dangerous production of their Fordist economies. This was driven by rising unemployment rates and economic stagnation, essentially resulting in a re-bordering of these European boundaries.⁵⁴ However a few decades later, this turned once more to de-bordering when southern European countries such as Greece, Italy and Spain exchanged a model of exporting unskilled labour, for one of an importer of immigrant labour. Thus, what is demonstrated is a cycle of globalization and de-bordering for economic flexibility, to re-bordering in the face of global migrations.

This relationship between criminalizing migration, and

periods of economic crisis, align well with the idea that criminalization and punitiveness towards migrants is driven by moments of economic, political, and social crisis.⁵⁵ This hypothesis is consistent with aforementioned notions of racism and xenophobia, which assert that the perception of a threat posed by immigrants is a stronger driver than the actual economic competition. This perception is intensified by periods of crisis. Therefore, given the economic friction and recession that has impacted almost all European nations, it should not come as surprise that criminalization of migration, and a growth in punitiveness is observed.⁵⁶

Greece is an impeccable example of a European country that embodies precisely what the political economy theory seeks to convey. The current efforts to promote the criminalization of migration in Greece are largely due to forces of the economy and the labour market. In wake of the 2008-2009 financial crisis, Greece found itself plunging into a devastating period of recession, turned full-blown financial crisis.⁵⁷ The large amounts of irregular immigrants in Greece are prime candidates for labour exploitation. Thus, despite, or because of, the contribution made by these migrants to the Greek economy, as a group they are systematically subject to prejudice – a vicious circle that sees no real end.⁵⁸ This empirical application of the classic theories of political economy, indeed demonstrates its validity.

Nonetheless, the theories proposed by Marx, and Rusche and Kirchheimer are not without criticisms. Truly, this theoretical framework grossly overestimates the influence of economic forces in shaping the penal systems, and underestimates the importance of ideological and political forces.⁵⁹ However, when combined with the ideological framework, presented in the prior section of this paper, it is evident that the political economy is a crucial driver of the increase in punitiveness that coincides with a rise in the proportion of European migrants.

It is essential to consider the ways in which ideology, and economic strife translate into the implementation of punitive policies that unfairly target immigrants. This will be examined through the lens of a reinforcing feedback loop of negative public discourse. In establishing the prior divergence between the prison ideologies of the USA and European countries, it is beneficial to take a brief look at Savelsberg's 1994 article, *Knowledge, Domination, and Criminal Punishment*, which contrasts the stability of knowledge in the US and Germany, and how this produces different outcomes in penalty. This will aid in establishing the ways in which the treatment of public discourse in European countries have shifted. In his article, Savelsberg expands on Foucault's original theory by narrowing in on the "knowledge" aspect of his larger argument. Foucault provides a beneficial theoretical framework for the importance of public discourse through his argument that penal systems exercise control through the use of knowledge as it applies to power relations.⁶⁰ The main point of Savelsberg's (1994) paper is to consider the role of dissemination of knowledge, and its impact on public policy. He finds that while the US and Germany are otherwise comparable countries, the ways in which each country controls the dissemination of knowledge, determines the punitiveness of its respective penal system. In the US, where changes in knowledge and dominant ideology are often privatized, thus less stable and regulated, there is an increase in punishment, as opposed to Germany, where the news media is publically organized, the stability prevented the fluctuations in degree of punitiveness.⁶¹

Scholars have found that despite the varying degree and nature of immigration discourses, there is a discursive threat, which spans across all regions of Europe.⁶² A "discursive" criminalization of immigration refers to ways in which public discourses around immigration are able to construct false

threats, effectively convincing the public that immigrants are deviant, and are putting national security at risk.⁶³ This can be reinforced through the use of specific choice of highly misinterpreted terms, which are used to refer to migrants, such as “undocumented, or illegal”.⁶⁴ The public discourse theory of increased punitiveness towards migrants requires another look at the concept of “moral panic”. Patterns of news coverage are able to create moral panic simply by placing the attention on stories involving foreigners.⁶⁵ As was discussed prior, in periods of economic decline for instance, attitudes of moral panic have a connection to the ways in which the public discourse represents non-nationals as deviant, and criminal.⁶⁶

It is necessary to consider, who are the major actors driving the negative public discourses that surround migrants? Though these actors may have different intrinsic motivations, the effect is overlapping, and indeed allows public discourse to become a powerful force in the criminalization of immigrants. The mass media and political actors use irregular immigrants as easy targets, in their efforts to reach broader goals.⁶⁷ Politicians are a major driver of the public discourses around migrants. State actors use immigration as a platform, where messages are effortlessly transferred to the public. It is far simpler to take on a “tough on illegal immigration” stance, rather than explaining the economic and foreign affairs of the government.⁶⁸ It is easier for politicians to mobilize supporters in the presence of a common enemy, because through fear, comes sovereignty.⁶⁹ The media outlets motivated by both political incentives, and the drive for profit maximization. However, more often, the media outlets are less politically motivated, and more commercially inclined to contribute to this public discourse of “the threatening migrant”.⁷⁰

In regards to the role of negative public discourse in fuelling the criminalization of migration, it is evident that Greece emerges as a particularly relevant country. The financial crisis that has burdened Greece since 2009, gave rise to messages placed forward by the neo-fascistic party, Chrysi Avyi. These

messages have resulted in a heightened hostility towards migrants in Greece.⁷¹ The anti-migration discourses place the blame for poor economic conditions and living standards, on migrants.

As a whole, the discourses around migrants and foreigners contribute to their overrepresentation of detention in the penal system. This creates a negative feedback loop in the opinion of the public, which further reinforces discourses that paint these subordinate groups as criminal offenders, effectively creating a criminalization of immigrants.⁷² This feedback loop creates a never-ending cycle of racism and xenophobia, which translates into a further increase in punitiveness as a response to a rise in migrants. Public discourses have established themselves as powerful catalysts for punitive governance. This trend is clearly reflected in the overrepresentation of immigrants in the European prison systems.⁷³

Discussion and Conclusion

Returning to the original research question, probing the relationship between mass migration and an increase in punitiveness, there are two main conclusions that can be drawn from the above analysis. Firstly, it is clear that there has been a massive shift in degree of punitiveness in regards to migrants in European countries. The evidence, which adequately demonstrates the increase in severity, and capacity of migration laws, displayed a range of clear indicators of punitiveness, such as increases in incarceration rates, capacity of detention centers, and the disproportionate representation of foreigners within these systems. Secondly, this shift has been produced by not one particular driver, but a combination of factors, namely, ideology, the economy, and public discourse, that have worked in a concerning harmony, to criminalize migration in Europe.

The main contention of this article was to provide a

comprehensive approach to the criminalization of migration, and the corresponding increase in punitiveness in Europe. The objective of the first section of the paper was to reveal the alarmingly similar method through which Europe is heading towards a repeat of the penal system, which characterizes the US. Next, this paper aimed to take classic sociological theories of punishment, and apply them to the situation that can be viewed in modern day Europe. Through a combination of theory and empirical evidence, it is easy to see how easily ideology, the political economy, and public discourses can lead to the criminalization of migration, and thus shift a nation towards a punitive model of sanctions. Anti-immigrant discourses can certainly resonate in a racist, and nationalistic society, with deep-rooted ideologies, especially in the presence of financial distress.

To conclude, perhaps it is not mass migration itself that is driving the definitive increase in punitiveness among European countries, but rather a combination of influencing elements. While migration cannot be determined as the independent driver of this shift in Europe's punishment model, it is clear from the theoretical and empirical analysis that it is an extremely relevant factor. This topic is relatively understudied, especially in comparison to the vast collection of literature that exists around the incredibly similar trend that has afflicted the United States for a much longer period of time. It is highly likely that the literature will soon catch the attention of scholars, and match the pace of this accelerating topic of inquiry.

About the author

Hannah Sandrock, born in Waterloo, Ontario. In my final year of study at McGill, and will be graduating with major in International Development Studies, and a double minor in Economics and Politics, Law & Society. Interested in international trade law, the political economy and global affairs. After graduation, I hope to take some time to travel Europe and Asia before furthering my education!

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A Line in the Sand: Coercive Diplomacy and the Persian Gulf Crisis

Kathryn Schmidt

The end of the Cold War prescribed a recalibration of American foreign policy. Strategists and laymen alike advocated for the termination of the Pax Americana “fantasy” in place of a more durable strategy of collective security safeguarded by instruments other than military predominance.¹ However, developments in the Middle East in the summer of 1990 rendered this trajectory improbable. The unprecedented invasion of Kuwait, orchestrated by Iraqi President Saddam Hussein, marked the first trial of the United States’ (US) foreign intervention conducted solely through political and economic means following the collapse of the Soviet Union. Although widely condemned by the international community, few states initially advocated to confront “Arab Prussia” with military action.² Thus the Bush administration and the United Nations Security Council (UNSC) adopted coercive diplomacy: the issuance of threats of force, political pressure, and economic isolation in order to compel the Iraqi government to cease its aggression and to withdraw from Kuwait.³ Coercive diplomacy did not succeed in resolving the Gulf crisis as military intervention by US-led coalition forces was ultimately required to dislodge Iraqi troops in February of 1991.⁴ Indeed, Operation Desert Storm was the consequence of diplomatic intransigence by both the US and Iraq. This piece seeks to evaluate the deficiencies inherent in the American strategy of coercive diplomacy and the impact of the “Vietnam syndrome” and Arab

nationalism on Saddam's political calculus. Through this analysis, it can be observed that both parties failed to accurately estimate the resolve of their adversary and to perceive the conflict beyond zero-sum terms, thus leading to the collapse of diplomatic efforts.⁵

Theoretical Framework

Coercive diplomacy is often touted as preferable to outright military engagement as it provides an opening for the reconciliation of a serious dispute without the immediate risk of human or material sacrifice.⁶ However, coercive diplomacy is not a sustainable remedy unless "should it fail, you are prepared to go down the path of war."⁷ As conceptualized by Alexander George, coercive diplomacy is a form of crisis bargaining with a distinct defensive character; it is a strategy that "attempts to persuade" an opponent to "stop" or "undo" an aggressive action through the application of military threats, "persuasion, positive inducements, and accommodation."⁸ This political-diplomatic strategy therefore aims to augment an opponent's incentive structure in order to induce it to "comply with one's demands" or to negotiate a suitable compromise.⁹ It should be noted that compellence, as constructed by Thomas Schelling, includes both the offensive nature of blackmail strategy in addition to coercive diplomacy.¹⁰ For the purpose of this argument, however, Schelling's diction will be avoided as it is important to differentiate the strategies incorporated into his umbrella term: coercive diplomacy suggests a flexible response, whereas blackmail implies passivity or inevitability of action on the part of the targeted state.¹¹

The abstract theory of coercive diplomacy is constructed upon multiple facets that provide policymakers with a template for potent and effective strategy. However, theory solely provides the framework for constructive policy: the "conditions and

processes” associated with its successful operationalization rely upon sufficient “knowledge derived from study” of a given threat environment.¹² As emphasized by Jack Levy, coercive diplomacy is “highly context-dependent” and therefore strategists must obtain the insight necessary to fashion the tenants of the theory to suit a particular scenario.¹³

The logic of the theory is based upon the premise that a coercer is issuing demands on an adversary “which the threat of punishment for non-compliance” is sufficiently credible and communicated clearly.¹⁴ Moreover, the threat is persuasive: the targeted state is compelled to accede to the coercer’s demands as refusal would exact insuperable costs or political consequences. Inherent in the theory is the assumption that the opponent ascribes to pure rationality: given the facility to obtain and to process perfect information, the state will act in a manner that maximizes national utility. This presupposes that the opponent can conduct an “appropriate” evaluation of the threat, assess its credibility, appraise its potency and consequently determine whether it is in the state’s best interest to acquiesce to the demands or to resist.¹⁵ However, the theory does not consider the “possibility of misperception” of an opponent’s behavior or rationality. Particularly the model does not account for cultural, religious or moral variables that may skew a state’s calculus from a “normative assumption” of rationality. As noted by Quincy Wright, non-democratic, authoritarian states ascribe to starkly different calculi than liberal, democratic entities. Wright asserts that authoritarian states tend to conduct their analyses according to what is preferable to leadership, rather than what is most beneficial to the citizenry or livelihood of the nation.¹⁶ Therefore, according to Robert Art, it is of “critical importance” that the operationalization of the theory yields multiple strategic “possibilities”.¹⁷ Coercive diplomacy is not merely a political strategy: its psychological aspect must “be directed by political leaders, coordinated with diplomatic efforts” and adjusted to address “an adversary’s political constraints, worldviews, and

perceptions.”¹⁸

Although the impending threat of military force is central to the theory, George suggests that the “exemplary use of limited force” in order “to demonstrate resolution [...] and to establish credibility of one’s determination to use force” may be an appropriate technique in a crisis situation.¹⁹ “Small, exemplary force” may yield a “disproportionately large coercive impact” if the opponent is affected by how momentous the ultimate retaliatory impact could be. Nonetheless, the issuance of threats is typically accompanied by signaling and varying degrees of bargaining in order to ensure a military reaction is not activated. Threats are not limited to the use of force: economic or political coercion is also effective in augmenting state behavior. Economic intimidation—as attempted during the Persian Gulf crisis—can be a powerful mode of pressure that magnifies “the bite” of diplomatic efforts.²⁰ Geoeconomic tools, particularly in the post-Cold War era, have gained currency for their ability to gradually strangle an economy and to isolate a state from external interaction.²¹ The psychological and material costs of this method can be significant in the long term if a regime is liable to its citizenry. Regardless of the tactic employed, it is at the discretion of the coercer to decide if its threats have failed and when to engage military force.

Coercive diplomacy theory yields a number of “empty boxes” that George asserts policymakers must “fill” in order to construct a tailored strategy.²² These variables consider the following: “what to demand” of the opponent; “how to create a sense of urgency”; what mode of punishment “is acceptable”; and whether to offer “conditional inducement of positive character.”²³ The adjustments of these variables yield five strategies: the tacit ultimatum, the explicit ultimatum, the “turning of the screw”, the “try-and-see” approach and the “carrot-and-stick” method.²⁴ The form of the strategy does not guarantee its success, however the coercive impact of some of the variants are better-suited for certain scenarios. Although the

ultimata approaches demand varying degrees of urgency, there is a clear expectation that force will be employed if a demand is not met. The “try-and-see” approach also issues indisputable demands on the opponent, but there is no time limit and thus a lesser sense of urgency. Particularly, this approach issues subsequent threats according to the opponent’s initial reactions, in the hope of gaining better insight into what will ultimately induce the adversary to capitulate.

The “turning of the screw” approach is the most onerous method as threats are issued incrementally and the cost of noncompliance gradually increases.²⁵ Although the opponent may not perceive a sense of urgency, the issuing state abides by a predetermined progression of “gradual coercive pressure” until a point of maximum tolerance.²⁶ This strategy will be discussed in further detail within an analysis of the Persian Gulf crisis. In contrast, the “carrot-and-stick” approach relies on “positive inducements and assurances” as well as retaliatory threats in an attempt to reconcile. Through this approach, the coercer does not abide by a strict policy of punishment but rather integrates negotiation and extensive bargaining as the most prominent elements of strategy. Positive inducements in the form of face-saving concessions may ease a state to capitulate and yield a “balanced quid pro quo.”²⁷ Regardless of the character of the coercive strategy, the core task remains constant: “to create the expectation of costs of sufficient magnitude” in order to “erode the opponent’s motivation.”²⁸ Thus, policymakers must accurately gauge the opponent’s conception of “what is at stake.” How strongly an adversary is disinclined to comply with demands will dictate the course of action and the viability of a diplomatic solution. Given the delicacy of this balance, the issuing state should only advocate for the “most important of its interests” so as not to undermine the feasibility of a peaceful solution with oppressive demands.

Kenneth Schultz’s contribution to the body of literature on coercive diplomacy is particularly relevant to a discussion of

the Gulf crisis. Schultz views war as “an extremely risky and costly way” for a state to pursue policy objectives. The human and economic dangers of conflict are particularly salient in democracies as the state is susceptible to domestic disapproval.²⁹ Namely, the features of “political competition and public debate” engender political risk if a policy were to yield an unfavorable result.³⁰ These attributes can produce diametric effects on public support for foreign policy, either “restraining” or “confirm[ing]” attitudes.³¹ If domestic actors do not support an initiative, the credibility and potency of the threats are undercut. Due to institutional constraints and the free nature of information in liberal democratic societies, governments cannot conceal domestic opposition. Therefore their political vulnerability is exposed to an adversary. Although domestic dissent does not always influence government behavior, an opponent is likely to “capitalize on the electorate’s unease” and manipulate a government’s political constraint for its own benefit.³² Conversely, if public support for a strategy is unwavering, an opponent may reconsider his incentive structure and retreat from hostilities.³³ Strong domestic support signals the resolve of the electorate and therefore the credibility of the threat; the government has the “political incentive” to execute its policy of coercion.³⁴ Hence, the institutional features of democratic polities have the ability to either intensify or compromise the efficacy of coercive diplomacy and the adversary’s threat perception.

Coercive Diplomacy and the Persian Gulf Crisis

The US has long had a “peculiar” relationship with Iraq, one that has vacillated between tolerance, confrontation, and outright animosity.³⁵ However, Iraq did not always pose a security challenge to the US or the international community. Within the context of the Iran-Iraq War, the regime of Saddam Hussein was

viewed as “moderate” and the US covertly supported Hussein against a greater foe to liberalism and regional stability, Ayatollah Khomeini.³⁶ Indeed, Iraq was a totalitarian police state with an abysmal human rights record, but Hussein was viewed as a “ruler the US could deal with” to secure its interests.³⁷ This position, established during the Carter and Reagan administrations, persisted until the presidency of George H.W. Bush.³⁸ As noted in *National Security Directive 26* and confirmed by Bush in October of 1989, the US desired “economic and political ties with Iraq” as “relations between the US and Iraq” would secure “access to Persian Gulf oil... and serve longer-term national security interests to promote stability in both the Gulf and the Middle East.”³⁹

War with Iran had wounded Iraq, particularly its oil facilities. This development led to a sharp decline in the state’s productive capability and thus its critical source of revenue. To harness alternative income, the regime engaged in military industrialization, resulting in further debt, structural unemployment and inflation.⁴⁰ In the midst of this economic contraction, the US offered credit to the Iraqi government to provide “economic and political incentives for Iraq to moderate its behavior and to increase US influence.”⁴¹ However, President Hussein had other remedies in mind. The oil price collapse of 1986 had forced members of the Organization of the Petroleum Exporting Countries (OPEC) to agree to a system of quotas such that a price of \$18 per barrel could be maintained and all states could afford to sustain necessary outlays. Yet, Saudi Arabia and Kuwait refused to comply with the quotas and single-handedly drove the price per barrel below the predetermined amount. Although market forces recovered to \$20 per barrel in 1990, Kuwait and other recalcitrant states again raised their output, thereby undercutting price stability.⁴² The fluctuation in the price of oil exacerbated the already delicate state of the Iraqi economy: a one-dollar decline in oil pricing translated to a \$1 billion loss in revenue. At the Arab Emergency Summit Conference in the

spring of 1990, Hussein warned that continued manipulation of the OPEC consensus would yield “significant” consequences for noncompliant states.⁴³

Saddam Hussein targeted Kuwait, a state he viewed as truly part of Iraq, not only for its repeated violations but also for its alleged diagonal drilling into the Iraqi-held Rumaila oil field. This, Hussein condemned, was part of a grander Kuwaiti scheme to “halt Iraq’s progress and to impoverish its people.” In essence, it was economic warfare.⁴⁴ Iraq subsequently demanded payment from both Kuwait and Saudi Arabia for their OPEC violations and also for compensation for Iraq’s “protection” of the Arab people against the Iranians throughout the previous decade. Although economically incapacitated from the war, Hussein was psychologically energized; in his view, Iraq had successfully defended the Arab people from Persian marauders and deserved recognition. These baseless demands went unaddressed by the community of Arab states, even as Iraq began to amass troops along the Iraq-Kuwait border. Indeed, the international community and the US believed these actions were an attempt by Hussein at coercive diplomacy, “designed to extract concessions from his neighbors.”⁴⁵ As Hussein’s aggression intensified, the US Department of State arranged a meeting between Ambassador April Glaspie and Hussein. Glaspie insisted that America understood oil was “the immediate cause of confrontation with Kuwait” and that it held “no opinion” on Iraq’s conflict with its Arab neighbors. Hussein articulated that if Kuwait was not willing to “reach a settlement ... then it [would] be natural” for events to escalate.⁴⁶ According to diplomatic cables, Glaspie surmised that Saddam was exaggerating and that he truly intended to reach a negotiated consensus. On August 2, 1990, Iraq invaded and occupied Kuwait.⁴⁷

The invasion forced the Americans to re-evaluate their Iraq policy. At first news of the event, President Bush, a staunch internationalist, pushed to mobilize an international coalition to

denounce Iraq's aggression.⁴⁸ As noted by former Secretary General Boutros Boutros-Ghali, Bush's action was a remarkable validation of the UN's purpose as "Iraq was the first instance since the founding of the UN that one member state sought to completely overpower and annex another."⁴⁹ On August 2, the UNSC passed *Resolution 660*, condemning Iraq's invasion as a "violation of international peace and security" and demanding the "complete and unconditional" withdrawal of Iraqi forces.⁵⁰ This multilateral effort, as noted by National Security Advisor Brent Scowcroft, was backed by American resolve to "use force to evict Saddam *when* necessary."⁵¹ The US was concerned that Hussein's next target would be Saudi Arabia, a key American ally in the region and one of the leading oil-producing states. Leadership in Jordan, Egypt, and Yemen also expressed their uneasiness with diplomatic efforts to coerce Iraq, but they did not hold sufficient military force to mount a challenge. American strategists noted that Iraq held twenty-percent of the world's oil reserves with Kuwait as its "nineteenth province"; the annexation of Saudi oil fields would raise that amount to forty-six-percent.⁵² Thus, senior administration officials and General Norman Schwarzkopf of Central Command hammered-out military strategy and prepared troops in the Arabian Peninsula to prevent any further challenge from Iraq and to safeguard Saudi oil reserves. As noted by President Bush "this aggression against Kuwait ... will not stand."⁵³

In a strong display of united resolve, the UNSC reconvened on August 6th "deeply concerned" that Iraq had not responded to its prior resolution. Article 51 of the UN Charter endowed the community of states the right to collective self-defence and therefore the ability to apply force or other coercive measures in order to restore Kuwaiti sovereignty.⁵⁴ As stipulated in *Resolution 661* the Council opted for a strategy of coercive diplomacy and enacted comprehensive, debilitating economic sanctions.⁵⁵ As stipulated in the document, all commodities, with the exception of medical supplies, were banned from export or

import into Iraq and Kuwait. Sanctions issued by the UNSC obliged all member-states to comply and thus commercial activity with Iraq ceased; a crippling development for a state that relied on international trade for seventy-percent of its food consumption.⁵⁶ The objective was not solely to paralyze the economy, as Saddam held little liability towards his people, but to prevent the maintenance of the Iraqi military. In the long term, this would result in either an unconditional surrender or withdrawal, as the regime would have no alternative but to yield to international pressure. Thus the UNSC agreed to reconvene periodically to reassess the impact of the sanctions, resolve any enforcement considerations and ultimately adjust their “bite.”⁵⁷ *Resolution 661* marked the commencement of a gradual “turning of the screw” strategy: the international community would continue to “ratchet-up” economic pressure on Iraq until the *status quo ante* was restored. No “carrot” element was present in the strategy, or ever truly considered. However, Iraq remained defiant.⁵⁸

Drastically unequal in terms of military strength, economic clout and “almost every other conceivable measure,” it is perplexing why Hussein seemingly continued on the path to confrontation with the world’s predominant military power. Although the Bush administration argued the effects of the sanctions and the increasing American military presence in Saudi Arabia compelled Hussein to reconsider his plans to invade Saudi oil fields, there is scant evidence to suggest Hussein even aspired to this aim.⁵⁹ Hussein’s resistance of the international coalition earned him the title of the “madman” of the Middle East, but this pejorative label is tremendously misplaced. Saddam was not “mad” or even irrational. Rather, he was a “judicious political calculator” who perceived himself as Gamal Abdel Nasser incarnate, the second-coming of the legendary Pan-Arab leader, destined to realize his Ba’athist dreams of a united Arab nation.⁶⁰ Hussein ascribed to a “narrow and distorted worldview” in which any obstruction to his radical

socio-political agenda was perceived as part of the “great struggle” for Arab unity.⁶¹ Aggression and patience were the diametric, yet key facets of Hussein’s existential “struggle”, both values embodied the sacrifice required to “free” the Arab people from external manipulation. Indeed, Hussein utilized the economic hardship of the sanctions to harness a “rally around the flag” effect and to unite the Iraqi people against “American neo-imperialism.” Saddam equated capitulation with weakness and was therefore resistant to efforts to dislodge his troops without military engagement.⁶² Given this exalted self-concept and fanaticism, it is evident that Saddam’s value rationality spurred him to resist international pressure to withdraw, unless he could ensure his power and honor remained undamaged. Otherwise Hussein was willing, like Nasser, to engage in conflict to further his cause.⁶³

Saddam’s calculations were also thoroughly influenced by the effect of the “Vietnam Syndrome” on American domestic opinion.⁶⁴ Similar to the logic presented by Schultz, the open, involved nature of the American political system served as a handicap as events developed in 1990; President Bush did not *initially* wield the political clout to pursue measures beyond political or economic pressure on the Iraqi regime. The Gulf crisis was to entail the first major deployment of US forces since Vietnam.⁶⁵ However, since 1975, the cultural memory and political legacy of the Vietnam War had produced perceptible national trauma; an ever-present sense of guilt and apprehension haunted the American psyche, thus producing an aversion to foreign intervention.⁶⁶ The Vietnam experience was remembered as a “national quagmire” in which irresolute military aims and misguided policies had plunged America into a bloody, protracted war “whose purpose or objective” the public did not fully understand.⁶⁷ Simply put, the “catastrophe” of Vietnam deeply challenged the post-World War Two conception of America as a benevolent intervening power, resulting in public reluctance to foreign military engagement unless it directly

affected the national security or the livelihood of the American state.⁶⁸

Indeed, for senior administrative officials such as Chairman of the Joint Chiefs of Staff Colin Powell and General Schwartzkopf, service in Vietnam was a lesson in caution and preparedness. As later revealed by Powell, “from the president downward, the ghost of Vietnam hovered over every proceeding.”⁶⁹ The confluence of these sentiments within both the civil and political spheres had a restraining effect on the Bush administration.⁷⁰ Not only was this reflected in Congressional hearings on a “future Vietnam without trees,” but within policy debates at the Pentagon regarding the plausibility of a limited war.⁷¹ However, senior administrative officials later noted that despite this trepidation, there was an “overwhelming feeling that we’re going to do it right this time, if needed.”⁷² As established by the Powell Doctrine, the administration *publicly* believed unless a vital national security interest was threatened, the US would exhaust all “political, diplomatic, and economic” avenues for reconciliation before launching the military alternative.⁷³ Furthermore, the US would only engage in combat if public and Congressional support was present, the objectives of the campaign were achievable, a clear exit-strategy was established, and the enemy could be matched with overwhelming force.⁷⁴ These public proclamations of American strategy augmented Hussein’s perception of the US commitment to the crisis.⁷⁵ Saddam observed that the American hesitancy to discuss military engagement as a tenable solution undermined the efficacy of the growing number of troops in Saudi Arabia.⁷⁶ Moreover, it was clear that the US public would not permit the administration to engage in a conflict that would yield heavy casualties. Compounded with his ideological dedication to “struggle” through economic hardship and political pressure, Saddam did not seriously fear international demands for him to exit Kuwait. Moreover, Saddam also believed that as the sanctions persisted, the humanitarian catastrophe in Iraq would

convert American allies in the region to support their “Arab brethren”, thereby eroding the international coalition. If international resolve were to collapse, the US would not hold neither the domestic nor the international backing needed to launch an offensive. From this perspective, it is evident that Saddam viewed the “turning of the screw” was bound to fail.

However the Vietnam syndrome had a more nuanced effect on US foreign policy than Saddam anticipated. Although Bush later acknowledged the Vietnam syndrome “was very much present” in cabinet discussion, the administration perceived the sanctions regime as an intermediate measure that would ease public support for a military incursion.⁷⁷ From the start of the crisis, it can be noted that Bush was determined to safeguard American interests in the Gulf and to protect “regional allies from Iraqi aggression.” The President remained adamant that he would not accept any settlement other than the “complete and unconditional” withdrawal of Iraqi forces from Kuwait.⁷⁸ America’s initial pivot to the UN was a duplicitous gesture shrouded in a romantic respect for international law, mutual cooperation and collective security.⁷⁹ In reality, Bush perceived Hussein as a “new Hitler bent on world domination,” drawing many parallels between the Iraqi invasion and that of Czechoslovakia in 1939. It was later revealed by Secretary of State James Baker that the deployment of US troops in the Gulf was to “preserve [US] options” rather than to fortify the coercive diplomacy strategy.⁸⁰ Both Hussein and Bush viewed the conflict as zero-sum; neither side was willing to compromise or accept a settlement other than one that confirmed their pre-existing attitudes. The objectives of both states were not reconcilable, thus it was just a question of which state would either initiate military engagement or capitulate.⁸¹ However, given the constraints of public opinion, Bush needed to first exhaust all diplomatic options before his military response would become politically feasible.⁸²

By the late fall, it became clear that the threat of force and

further economic distress would not be sufficient to dislodge Iraqi troops.⁸³ Leadership across the international community realized that economic sanctions typically required time before yielding substantial results. However, at this stage they were failing to show necessary evidence of “isolating and incapacitating Hussein’s regime.”⁸⁴ Given the limited success of the prior resolutions, the UNSC issued *Resolution 678*, authorizing the use of “all means necessary” to force Iraq from Kuwait if Iraq did not concede and withdraw on its own volition by January 15, 1991.⁸⁵ It was at this juncture that the strategy evolved from a gradual turning of the screw to an ultimatum fortified by American troops poised for engagement.⁸⁶ As Congress and the American people were not entirely convinced that war was the appropriate solution, the US arranged for talks between Iraqi Foreign Minister Tariq Aziz and Baker on January 9, before the ultimatum deadline. Although Aziz demonstrated his resolve for “constructive talks” he also declared “Iraq does not yield to pressure,” referencing heightened international calls for Iraqi withdrawal. In anticipation of such a response, Baker attempted to deliver to Aziz a letter from President Bush for President Hussein. Bush noted the gravity of the situation: “we stand today at the brink of war ... this began with your invasion of Kuwait; this is a war that can be ended only by Iraq’s full and unconditional compliance with UNSC Resolution 678.” Bush elaborated that noncompliance with international demands “would be a certain calamity for the people of Iraq,” as “the international community is united in its call for Iraq to leave all of Kuwait without condition ... anything less than full compliance with *Resolution 678* is unacceptable.” Bush underscored that “there can be no reward for aggression, nor will there be any negotiation” as international principles and respect for the rule of law “cannot be compromised.” But with these final threats, Bush offered that compliance with international demands would permit Iraq “the opportunity to rejoin the international community.”⁸⁷ However, rather than accepting the “carrot”

proposed to his delegation, Aziz rejected the US letter as it was “contrary to the traditions of correspondence between heads of state.”⁸⁸ Bush’s tone and threat to employ force was clear and definite, but so was Iraqi resolve.

On January 12, Bush was able to “peel off” a sufficient number of Democrats in the Senate to secure congressional authorization for war. The American people witnessed, the US had exhausted all peaceful efforts to compel Iraq to accede, yet the Iraqi regime remained defiant. Additionally, the Bush administration had extended the olive branch to Iraq and was again rejected. To the American audience, Iraqi noncompliance was a true “act of evil” which undermined the world order in which “civilized states” ascribed to. Beginning on January 17, US-led coalition forces launched a month-long air campaign, designed to dismantle “the Iraqi nervous system” by destroying critical infrastructure and Iraqi political networks.⁸⁹ This tremendously-successful initiative was followed by Operation Desert Storm on February 24, 1991, known as the American campaign to liberate and restore Kuwait.⁹⁰ In this final episode, American-led forces won a decisive victory against Saddam’s Republican Guard, forcibly expelling his troops to Basra.⁹¹ This would not be the last clash between American and Iraqi troops in the region.

Conclusion: the Failure of Coercive Diplomacy

Unable to eject Iraq through diplomatic maneuvering or economic pressure, the US and the international coalition forcibly extirpated Iraqi troops through an act of raw coercion. Although the strategy of coercive diplomacy is fraught with complications and opportunities for miscalculation, Iraq proved to be a difficult target due to Saddam Hussein’s value structure and the ever-present emotional baggage of the Vietnam War. Coercing Iraq was synonymous with coercing Saddam: it was

futile to attempt to persuade an enemy with such passionate religious, political and cultural aspirations without a “carrot” element to the strategy. Conversely, the Bush administration was unwilling to renege on its commitment to the stability and security of the Gulf. From the outset, Bush courted the viability of a limited war not only to punish Iraqi aggression but, most importantly, to establish that such behavior would not be tolerated within the “new world order” of the post-Cold War era.⁹² Thus the intransigence of both the Bush administration and the Iraqi regime ensured no mutually acceptable negotiated solution could ever be reached and that a strategy of coercive diplomacy would ultimately prove fruitless.

About the author

Kathryn Schmidt is a third-year student at McGill University pursuing an honours degree in Political Science and History. Her area of concentration lies in the Middle East, with a particular interest in human security, post-conflict reconstruction, and U.S. policy in the region.

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An analysis of Singapore's past and future economic and social trajectory

Tina Ghaemmaghami

Introduction

The tropical city-state of Singapore has garnered considerable traction in the global sphere as it has grown to become one of the most economically successful nations of the 21st century. Since its separation from Malaysia in 1965, Singapore has transformed itself from a 'developing' nation into a First World economy by way of its export-oriented business operations.¹ Completely devoid of all natural resources, Singapore has been able to prosper despite its dependence on the global market for virtually every resource, ranging from capital and labour to materials and food. This thesis begins by outlining the nation's relative factor endowment, owing to its location and size. The paper will then move into an exploration of Singapore's first three decades post-independence. In the first of these, growth was largely led by export-oriented promotion and labour-intensive manufacturing. Thereafter, during the two subsequent decades, growth was propelled by an increase in technology-intensive manufacturing activities, largely by way of high-technology products offered by foreign multi-national corporations (MNCs) which contributed an increasing share of total gross domestic product (GDP) value.

The analysis will begin with an examination of Singapore's historical trajectory in order to investigate the dichotomy between internal (controlled) and situational (fixed) factors that contributed to the growth of the nation. The research

has been conducted in 3 parts: Part 1, 'Singapore's History and Growth', Part 2: Case Studies, and Part 3: 'Singapore Today'. Part 1 is broken up into two broader sections; the first will focus on the fixed factors that enabled Singapore to grow, namely its strategic location and natural harbour; the second, on the internal role of the state in implementing interventionist policies that enabled Singapore to experience economic growth and access to resources in order to leverage itself as a contender in the global market. The first part of the findings will be more factual and theoretical, whereas the second part will provide a contemporary assessment of the country's current progress, and will consider the economic and social factors that Singapore's government must consider in order to maintain relevance. Throughout the findings, more emphasis will be placed on Part 1 in order to provide the necessary time-line and history of the country, while Part 2 provides a broader overview into the contemporary state of the nation from an economic and social perspective. Through this lens, this paper will examine the extent to which Singapore's ability to prosper was due to its interventionist policies, and offer commentary on whether the country's economy and citizenry will continue to benefit from such policies today.

Methodology

Research was primarily carried out through the use of Google Scholar and McGill University's online library over a four-month period, spanning from September 2016 to December 2016. Qualitative research was conducted in order to address the focus of this thesis. Through the use of online publications, government data, as well as two case studies for the last section of Part 1, existing material was analysed and critiqued to form new conclusions. Sources span from 1980 to 2016, and are composed of a variety of primary and secondary sources, as well as opinion pieces that have been developed in the form of blogs and

contemporary articles. In addition, by way of monthly meetings, Professor Frederick Stapenhurst had input on the structure of this paper, and reviewed the literature being used in addition to tracking the overall progress of the piece.

Findings

Part I: Singapore's History and Growth

Factor endowment

After gaining independence in 1965, Singapore's future looked bleak and world leaders and economists alike wondered whether or not the country would survive as an independent state.² The island was tiny, underdeveloped and lacking in natural resources, with a population that was largely comprised of immigrants with no shared history. Despite these setbacks, the country was able to build on its factor endowments and leverage its location and size to its economic benefit.³

In the study of economic development, a country's *factor endowment* is commonly understood as the amount of land, labour, capital and entrepreneurship that a country possesses and can exploit for manufacturing.⁴ A nation is said to have a *comparative advantage* in these factors when the cost of specialization is lower than the cost to other nations to specialize in the same factor. Thus, comparative advantage can be defined as the ability of an economic actor to produce goods and services at a lower opportunity cost than other economic actors.⁵ Singapore's comparative advantage laid in its strategic location and natural harbour. Located at the mouth of the Malacca Strait, between the Malay Peninsula and the Indonesian island of Sumatra, Singapore had access to 40% of world maritime trade passes in the early 1960s.⁶ It is worth noting that, prior to this, the port was a central trading place in the 14th Century and once

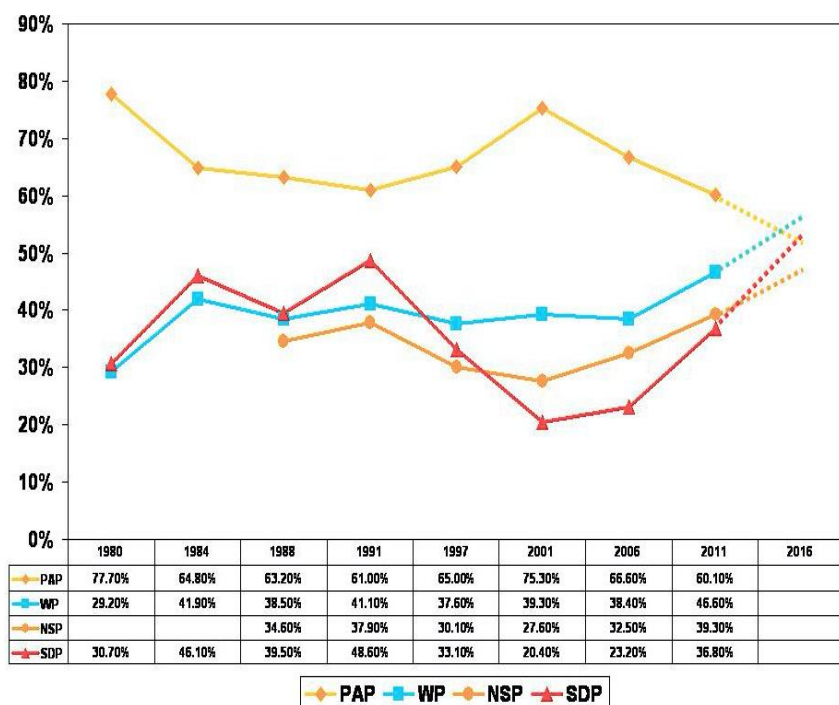
again in 19th Century when Sir Raffles founded the modern city, highlighting its important even prior to the formation of Singapore as an independent state.⁷ The island's strategic location allowed the country to act as an intermediary between the U.S. and Europe trading ships on their way to Asia, since these ships had to stop in Singapore to refuel, making Singapore the Suez Canal of Asia.⁸ In line with this, Singapore advantageously bridged the time zone gap between the New York and London markets for foreign exchange, and by 1968, a short three years after gaining independence, the average daily turnover on the Singaporean foreign exchange market had reached roughly half that of New York.⁹

Thus, it can be deduced that the development of the region's financial centre can be attributed to the country's relative factor endowment, which laid in its strategic location and pre-existing amenities. In their book titled *Singapore: Public Policy and Economic Development*, Soon and Tan assess that prior to the 1960s, the country's ability to grow was contingent on the factor endowment that enabled the country to become specialized, primarily in banking, regional shipping, warehousing and transportation.¹⁰ However, by the end of the 60s, they re-assessed that the country had "very limited possibilities for expansion" and would have to investigate new strategies as to ensure that the achieved growth could be maintained.¹¹ The next section will outline how Singapore overcame the odds against it by adopting interventionist policies and diversifying its economy.

Leadership: Lee Kuan Yew and People's Action Party (PAP)

While Singapore had a comparative advantage during colonial times, with an economy centred on entrepot trade, this economic activity provided limited potential for future economic growth and development in the post-colonial period, as Singapore still lacked a skilled labour force and thus productive efficiency.¹² *Entrepot trade* is an external method of trade that occurs when

Table 1: % of Votes won in the Singapore General Elections (1980-2011)



Source: Ngerng (*See works cited*)

imported goods are re-exported with or without any additional processing repackaging.¹³ However, given its lack of natural resources and limited expertise amongst the work force, the Singaporean government had to look beyond its borders in order to spur its industrial development. As such, then Prime Minister Lee Kuan Yew (LKY) and his colleagues decided to further connect Singapore with the developed world in order to market it as a desirable location for MNCs who were deciding where to set up manufacturing plants.¹⁴ LKY was a fourth generation Singaporean of Hakka and Chinese Hokkien descent who founded the PAP just five years prior to the PAP's election on November 21, 1954.¹⁵ At the time, he was a young, English-

educated, middle-class lawyer finishing up his studies in the United Kingdom.¹⁶ An ambitious visionary, he had hopes of turning Singapore into an economically sound country that would be robust enough to sustain future generations.¹⁷ LKY recognized that it would be necessary to alter the mindset of its then-two million people to achieve his vision, and that, given the lack of local expertise, Singaporeans would have to be more welcoming to immigrants.¹⁸ Although critics such as economist George Tullock have referred to LKY's paternalistic soft-authoritarian form of governance as a dictatorship, a look at the country's electoral past (Table I) shows that opposition parties do in fact compete regularly in Singapore's free, non-corrupt elections; they just have yet to win.¹⁹

Following Britain's withdrawal from Singapore in 1967, the government was forced to operate quickly in order to tackle the problems of a stagnating entrepot economy and high unemployment, as well as meeting the urgent housing and educational challenges that resulted from a fast-growing population.²⁰ Although the government sought to govern the market, as will be explored in the next section of this paper, given that the small state was heavily reliant on overseas capital and markets, it also recognized that the citizenry needed to be able to be disciplined by the volatile market - hence the emphasis on forced savings.²¹ *Forced savings* is an economic situation in which consumers spend less than their disposable income, because the goods they seek are not available.²²

Singapore's administration recognized the importance of state action in promoting industrialization, and thus launched a development plan in hopes of spurring economic development.²³ The country's state pilot agency, the Economic Development Board (EDB), was one of the many institutions the government established in order to shape Singapore's business and economy. Founded in August of 1961, the official government website describes the mission of the EDB as being "*to create for Singapore, sustainable growth with vibrant and good job*

opportunities".²⁴ Thus, the purpose of the EDB was (and is) to attract investments while enhancing the business environment and preparing Singapore for the future. In line with the belief that law should principally govern a nation, Singapore honed in on efficient government structures in order to create an environment that was safe, free of corruption and low in taxation.²⁵

After experiencing a housing crisis in 1960 – a time when only 9% of the nation's populous lived in government flats – the government set up a public-housing initiative called the Housing & Development Board (HDB) under the leadership of LKY.²⁶ The aim was to solve the housing shortage by accelerating economic development via increased expenditure on housing.²⁷ The HDB portal determined that during the 1960s, 250 000 people were still residing in squatter settlements, while 300 000 were in the suburbs.²⁸ Subsequently, LKY introduced a measure that would enable citizens living in public housing to "tap into" their government pensions in order to purchase residences.²⁹ Further, in order to sustain the rapid development while also protecting local needs, the government enforced compulsory purchase orders and capped land purchase prices, which in turn prevented landowners from profiteering from sales.³⁰ By the 1980s, government expenditure on housing had increased from 8% to a staggering 15%.³¹ *Statistics Singapore* shows that, today, approximately 80% of citizens live in government-built residential units.³²

Another institutional measure taken by the Singaporean government was the creation of the Ethnic Integration Policy ("EIP") on March 1st of 1989, which aimed to "promote racial integration and harmony in HDB estates" by preventing the existence of racial enclaves.³³ The EIP zones are symbolic of Singapore's core principles: using multiculturalism as an instrument of social control. The emergence of ethnic enclaves in HDB estates was first noted in January of 1989, when then-Minister for National Development Suppiah Dhanabalan

discussed the neighbourhoods in Bedok and Tampines, where Malay households made up more than 30% of the estate population, and Hougang, where over 90% of households were Chinese.³⁴ He announced that under the EIP, the government would adopt policies such as the establishment of ethnic quotas for HDB neighbourhoods and blocks in order to foster strong social and racial cohesion, and to prevent the escalation in the creation of ethnic enclaves.³⁵ Roughly 35 out of 125 neighbourhoods across 25 HDB “new towns” were positively impacted by the above policy changes of 1989.³⁶

Singapore's Economic Growth Strategies and Interventionist Policies

Several factors played a critical role in spurring Singapore's economic growth at an unprecedented rate: interventionist governance (such as radical deregulation to attract foreign capital); the creation of Export Processing Zones; a shift to labour-intensive industrialization; as well as the promotion of a savings scheme.

Singapore initially sought to adopt an *import-substitution industrialization* (ISI) approach, but LKY and the PAP instead made the decision to turn towards export-oriented manufacturing due to the small size of the domestic market.³⁷ Given Singapore's concentration in the commercial services of a colonial port city, there existed few domestic companies with the capability to operate as industrial contenders in the international markets, and as such, policy-makers had to focus on attracting foreign capital through this export-oriented strategy.³⁸

The government adopted a free trade regime in order to attract foreign capital and to exercise extensive controls over labour and forced savings.³⁹ Neoclassical proponents argue that, by eliminating trade barriers and adopting realistic exchange rates, the policy fosters an environment that would bring a country's production structures in line with comparative

advantage.⁴⁰ In contrast, Goh Keng Swee, the PAP's most influential economist, believed that pure laissez-faire only offered a "developmental dead-end, the entrepot".⁴¹ In line with this, the state decided upon aggressive export-based growth financed by foreign capital.⁴² The idea was to grow the economy through capital investment and the increase of inputs.⁴³ The strategy, export-oriented promotion ("EOP"), can be defined as the opening up of domestic markets to foreign competition in exchange for market access in other countries.⁴⁴ For a 'developing state' looking for economic growth and opportunities, this strategy is desirable for two main reasons. Firstly, it creates profit and allows a country to balance their finances, as well as overcoming their debts as long as the facilities and materials for the export exist. Secondly, increased export growth can trigger greater productivity and thus lead to the creation of even more exports.⁴⁵ Across the region, Singapore's neighbours, such as Hong Kong, Taiwan and South Korea (also referred to as the Asian Tigers), had also adopted this form of industrialization and experienced successes.⁴⁶

According to Soon and Tan (1993), since 1969, trade in Singapore was continuously liberalised, and by 1973, the government had eliminated all quotas and almost all tariffs. It is clear that Singapore's economy was based on a free trade model in the sense that the average incentives to sell on the domestic market are equal to the average incentives to sell on the export

Table 2: Differences between effective subsidy for export sale and for domestic market sale (%)

	Korea	Singapore	Israel	Argentina
All manufacturing industries	7	-5	44	-145
By trade orientation				
Export	31	0	-130	-91
Import-competing	-61	-3	-88	-190
Export & Import-competing	-46	-7	-65	-164
Non-import-competing	16	3	-5	-153

Source: B. Balassa 1982, table 2.5

market (Table 2). The ultimate aim of trade liberalization was to attract export-oriented industries and to encourage foreign investments. Macroeconomic management shifted as the government adopted more interventionist fiscal and monetary policies during its era of self-governance.⁴⁷

One particular measurement that the government took in order to achieve this shift was the establishment of the Export Processing Zones (EPZ).⁴⁸ The EPZs were characterized by their industrial sites with excellent infrastructure at highly subsidised rates, and the allowance of duty-free entry of goods destined for re-export.⁴⁹ In order to attract investors into the EPZs, the state steadily increased tax incentives from 1967 onwards.⁵⁰ By 1983, there were 21 EPZs in place, which covered 2 895 foreign and indigenous companies and consisted of nearly 212 000 employees.⁵¹ The EPZs were created and organized by the Economic Development Board, underscoring the crucial role of institutions in the government's interventionist policies.⁵² By looking at Latin America, whose post-colonial governments opted for import-substitution industrialization, it is possible to see that countries that applied outward-oriented development experience superior performance in terms of exports, economic growth and employment.⁵³

The government further exercised its influence by turning to labour-intensive industrialization as a means of securing national economic development and reducing the level of employment.⁵⁴ In line with this, the state imposed authoritarian corporatist controls over labour in order to stabilize labour costs, and to ensure industrial stability and low-cost availability of resources and capital to foreign investors.⁵⁵ In the summer of 1961, the government made the decision to split the labour movement by forming trade unions such as the National Trades Union Congress.⁵⁶ *Unionism* is a method in which all workers in the same industry are organized into the same union with the intent of representing the collective interests of the workers in negotiations with employers over wages, hours,

benefits and working conditions.⁵⁷ In Singapore's context, it was to be an instrument for mobilizing labour around the government's political and developmental aims, once again highlighting the extent to which the state exercised its power and influence over its citizenry.⁵⁸ The crucial single-party system that LKY had successfully manoeuvred and gained support for is what permitted them to control labour and subdue any political opposition. By 1970, the state had created an economy where the unit labour costs were among the lowest in Asia and an assembly worker in the semiconductor industry had a wage that was roughly one-tenth of those in the US.⁵⁹

The government further extended its control over domestic capital by way of a tactic first used by the colonial government, the Central Provident Fund, in which it forced the private sector to save through the social security scheme.⁶⁰ These savings were then used by the government to further finance planned investment, for example in the EPZs and in state owned enterprises ("SOES").

Another way in which the government spurred industrialization was by pursuing a strategy of entrepreneurship that would help overcome the obstacles that "late industrialization" had created.⁶¹ In 1991, LKY released following the statement:

In the early stages, when you try to bring up a very low level of economy to catch up with others, the government must be an activist, a catalyst to growth. But once the businesses get along, they would become too complex and specialized for any government to be involved. Hence, private entrepreneurs and companies must be encouraged to take over.⁶²

Economists have estimated that the interventionist policies of the EDB, coupled with that of the state-owned enterprises,

generated a return of \$5-7 billion in 1983, equalling approximately a third of the GDP.⁶³ Regulations that emphasized export-oriented promotion together with the creation of free trading zones and cheap labour bolstered a healthy investment climate that was able to attract foreign capital while generating growth and employment.⁶⁴

The positive investment climate was set as a result of the PAP's political stability and widespread influence, coupled with low inflation, as well as the maintenance of stable infrastructure that was largely due to the creation of the aforementioned institutions. As a result of an influx in foreign interest, foreign direct investment (FDI) in manufacturing rose to S\$151 million per annum in 1968 and reached \$708 million by 1972.⁶⁵ During this time, FDI was being poured into petroleum refining, electronics, textile and garment industries.⁶⁶ The economy saw a boom in the former two industries with the share of manufacturing value-added accounted for by capital-intensive petroleum rising from 13.6% in 1965 to 19.2% in 1970, whereas consumer electronics and electrical machinery leapt from 3.3% in 1968 to 11.3% in 1970.⁶⁷ The latter industries, textile and garment, generated more than half of the growth in manufacturing employment with the creation of roughly 150,000 jobs between 1968 and 1972.⁶⁸ Overall, the economy was on a rise throughout the late 60s and early 70s as GDP grew at a compound rate of 13.0% annually, with manufacturing industries rising dramatically from 16.3% to 22.5%.⁶⁹ By 1983, because of the state-led expansion in manufacturing, the city-state ranked 22nd in the world in per capita nominal price (USD \$6 620).⁷⁰

Diversifying and Restructuring

Singapore maintained its upward trajectory throughout the latter half of the 90s via diversification and economic restructuring.⁷¹ In order to maintain the competitive labour costs outlined above, the government decided to import a large number of workers

from neighbouring countries, and between 1966 and 1980, Singapore saw an influx of 100 000 “guest workers” from its closest neighbour, Malaysia.⁷² The government further sought to diversify its economic activities by using the country’s advantage in both financial and business services. Thus, the Monetary Authority of Singapore (MAS) was established in 1971 with the hope of transforming the nation into an international financial hub.⁷³

In 1968, the government even went as far as to create an Asian dollar (ADM) that resembles that of the Euro dollar market.⁷⁴ The creation of the ADM seemed practical, as it was a suitable way for the country to develop itself a regional financial centre. Given the time zone advantage, Singapore was able to step in after the markets closed in the US and reopened the next day in Europe.⁷⁵ According to Deputy Managing Director of Financial Supervision at Monetary Authority of Singapore, the creation of the ADM resulted in the GDP growth of more than 20% in the period of 1980 to 1990 because of its ability to retain foreign banks interests.⁷⁶ As financial services were more readily available, there was a spur in the inflow of FDI. It is worth noting that the development of the offshore ADM minimized the drawbacks of Singapore’s small domestic banking market, by presenting the country as a viable financial contender in the global marketplace.⁷⁷ The country’s financial stability and resilience was made particularly evident following the oil crisis of 1972 and world recession of 1974-76, during which time the economy was able to maintain its GDP with a growth of 7.4% per annum.⁷⁸ It can be deduced that the government’s ability to diversify the economy’s monetary policy was essential in maintaining the country’s upward growth despite the odds that were against them during turbulent times.

As the 1980s neared, the government identified a series of challenges that needed to be addressed in order to ensure that they would be able to maintain their established growth.⁷⁹ Firstly, there was an ever-present threat of protectionism that was

looming in developed markets such as Singapore who were undergoing the transition from 'emerging' to 'developed'.⁸⁰ Secondly, industrial countries that were undergoing development were entering a period of slow growth, and lastly, high levels of trade dependence required Singapore to establish new niches based on high productivity and higher value-added activities.⁸¹ As such, the government initiated the second industrial revolution in 1979 in order to leverage Singapore's comparative advantage into high-value activities.⁸² In doing this, the government focused on five pillars of potential growth: manufacturing, trade, tourism, transport, communication and "brain services", including financial, medical, and architectural services.⁸³ They introduced a high-wage policy in order to encourage a shift from unskilled to skilled labour-intensive activities, where higher labour productivity would allow for higher wages, without granting specific advantages to capital-intensive industries.⁸⁴ Shortly after, wages were raised in successive increments by a total of about 80% over the period of 1979-1981.⁸⁵

In order to ensure that the quality of labour remained high, in 1979, the government created the Skills Development Fund to provide subsidies to companies for the training of their staff along with fiscal incentives to promote a shift of its operations towards automation, mechanism, computerisation and R&D.⁸⁶ In terms of investment, the government modified fiscal incentives in order to retain the interest of current foreign investors and to further attract new ones.⁸⁷ As such, the tax rate for exports was cut from the usual rate of 40% to 4%.⁸⁸ Furthermore, it created an investment scheme for newly approved manufacturing projects whereby it became possible to claim up to 50% tax credits for fixed investments in plant and machinery.⁸⁹ In order to further stimulate investment through plant expansion, automation, computerisation and R&D, the government provided a variety of other initiatives such as the Warehousing Incentive, an Investment Allowance Incentive, an

International Consultancy Service Incentive, an Approved Foreign Loan Scheme and an Approved Royalties provision.⁹⁰ It made the incentives more selective by favouring projects that were both technologically sophisticated as well as capital and skill intensive in order to stimulate Singapore's progression in the aforementioned areas.⁹¹

The interventionist policies that focused on diversification and economic restructuring were successful in securing FDI and controlling its flow to the desired industries. Following expansion in new tech industries such as computer technology, electronic machinery, printing and pharmaceuticals, such net investment commitments averaged S\$1.7 billion per year in the early 1980s.⁹² The government's ability to build up a skilled labour force and creating higher-value added activities was reflected between the early 70s and early 80s as value added per work in Singapore's manufacturing industry increased from 1/4 to 2/5 of that in U.S. manufacturing.⁹³ Table 3 outlines the country's rapid success - the share of financial business services that accounted for 13.9% of GDP in 1965 reached 17.8% in 1980, and 25% in 1985. It is important to note that in 1985, the city-state had established a mature structure with the financial and business service sector contributing to a larger share of GDP (25%) than manufacturing (19%) (Table 3). These figures suggested that Singapore's dependence on foreign firms was likely to continue and even increase in the following decades.

Table 3: Singapore's GDP by Industrial Sector, (1960-1985) (%)

Manufacturing	15.6	19.7	22.4	23.9	19.0
Financial and business services	13.9	14.0	15.1	17.8	25
Trade	29.5	30.1	27.1	25.8	23.4
Transport and communication	11.6	11.6	17.6	19.2	22.4
Construction	6.8	6.7	5.1	5.0	7.7

Sources: Department of Statistics, 1988: 45; Ministry of Finance: 73; Ministry of Finance, 1986: 89.

During the 70s, the government aggressively built on Singapore's comparative advantage in financial and business services whilst the 1980s saw a shift to high-valued activities.⁹⁴ This was achieved by providing incentives that would guide potential foreign investors into industries that would induce skill and technology levels.⁹⁵ In addition, state-owned industries were used to tackle targeted activities, and high wages to discourage labour-intensive industries and stimulate skill-intensive industries.⁹⁶ This access to MNCs both provided Singapore with high levels of technology and management, and also ensured that the country would have access to world markets that Singapore, as a small player, would otherwise have trouble entering alone.⁹⁷

The city-state's internal policies towards structural transformation allowed it to achieve substantial economic growth. The success of the economic restructuring was contingent on the large inflow of foreign investment that Singapore was able to secure. Dr Alwyn Young offers the following insight:

“...The Singaporean government has, since the 1960s, pursued the accumulation of physical capital via forced national savings and the solicitation of a veritable deluge of foreign investment...these policies had been astonishingly successful, with the share of gross investment in Singapore's GDP rising from 9% in 1960 to a high of 43% in 1984.”⁹⁸

Thus, the aforementioned forced savings acted as a foundation for future success that would present itself as a rise in physical capital, increased FDI, and ultimately an upward surge in the national GDP.⁹⁹ The five-fold growth in GDP as a result of interventionist policies highlights that unlike Singapore's neighbours; the city-state's growth cannot be attributed to technical progress.¹⁰⁰ Rather,

Singapore's government capitalized on its decision to pursue an active policy of 'industrial targeting', pushing one sector to another rapidly.¹⁰¹ Table 4 outlines that, between 1970 and 1990 FDI contributed to 24% of physical capital whilst Table 5 shows that in 1990 nearly 90% of the investment in manufacturing was committed by foreign capital, ahead of both the US (42.4%) and Japan (28.4%). These figures highlight the positive impact that foreign financing has on Singapore's growth, as a result of interventionist policies.

Table 4: Foreign direct investment as a share of gross domestic capital formation in Singapore 1967-1980 (1985

	Gross fixed capital formation (GFCF) \$m	Foreign direct Investment in Singapore \$m	% of GFCF
1967/69	2382.2	219.0	9.2
1970/79	6648.6	1471.3	22.1
1980/90	16297.1	4012.5	24.6
1970/90	22945.7	5483.8	23.9

Sources: Adapted from Huff, 1993, table 11.22.

Table 5: Singapore investment commitments in manufacturing, 1990 (\$m)

	Total (%)	Local (%)	Foreign (%)	US (%)	Japan (%)
1990	2,484.3 (100%)	266.8 (10.7%)	2,217.5 (89.2%)	1,054.8 (42.4%)	708 (28.4%)

Sources: Economic Development Board. 1990/91: 16.

In order to attract foreign capital and to maintain its constant flow, the state had to continuously invest in physical infrastructure and in education and training in order to upgrade its population's labour skills. A 1993 study of 47 countries by Business Environment Risk Intelligence shows that on the basis of a weighted composite index, which measures the number of skilled and technically trained people against market requirements, the Singaporean labour force ranks best in the world in productivity – ahead of its counterparts in runners-up

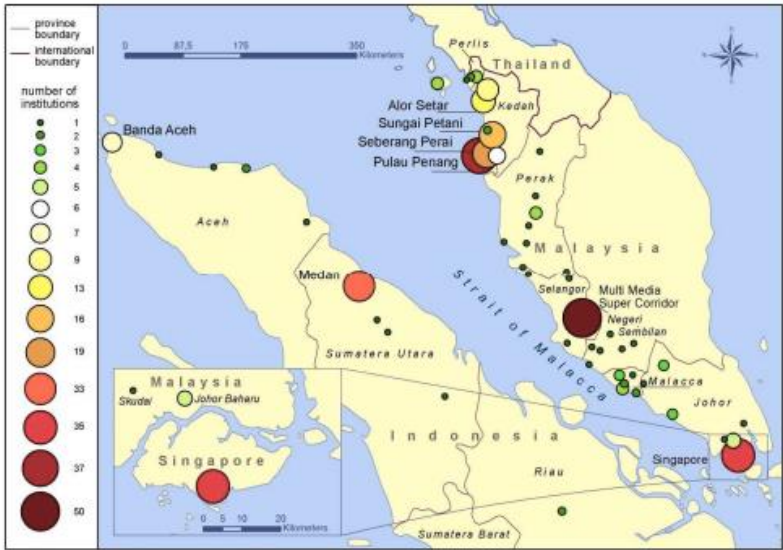
Switzerland, Japan and Belgium.¹⁰²

The Role of Key Governance Actors in Cluster Expansion

Though manufacturing and financial and business services remained important to the economy, making up with 27.7% and 26.5% of Singapore's 2006 respectively, the 2000s saw a shift in focus towards the country's technological capability.¹⁰³ Despite being limited until the 1980s, R&D became more prevalent in the following decades as investment increased with gross domestic expenditure on research and development (GERD) experiencing a thirteen-fold increase between 1987 and 2006 and the GERD/GDP ratio doubling to reach 2.4% in 2006.¹⁰⁴ Singapore experienced higher investments in R&D through the development of a knowledge-based industrial cluster.¹⁰⁵

A knowledge-based industrial cluster is one that 'signifies value creation from advanced knowledge creation and

Figure 1: Knowledge Clusters along the Straits of Malacca



Source: (Evers, Gerke and Hornidge 2008; Evers and Hornidge 2007:426)

utilization'.¹⁰⁶ Aside from an increased transfer of knowledge through FDI, experts advocated that the creation of clusters of knowledge hubs act as the incubators for future economic development.¹⁰⁷ In organizational behaviour terms, knowledge hubs are nodes in networks of knowledge production and knowledge sharing where spill over and dissemination occurs.¹⁰⁸ These connections can be characterised by high connectedness with increased flow of knowledge sharing capabilities. Figure 1 shows the knowledge hubs that existed along the Straits of Malacca.¹⁰⁹ The state, in this case the Singaporean government, can play a significant role in facilitating the development of knowledge-based clusters by tapping into these regions through their policies and investment programs. The following sections will illustrate the importance of good knowledge governance for creating robust and value-added knowledge clusters and hubs to ensure future prosperity.

Part 2: Case Studies

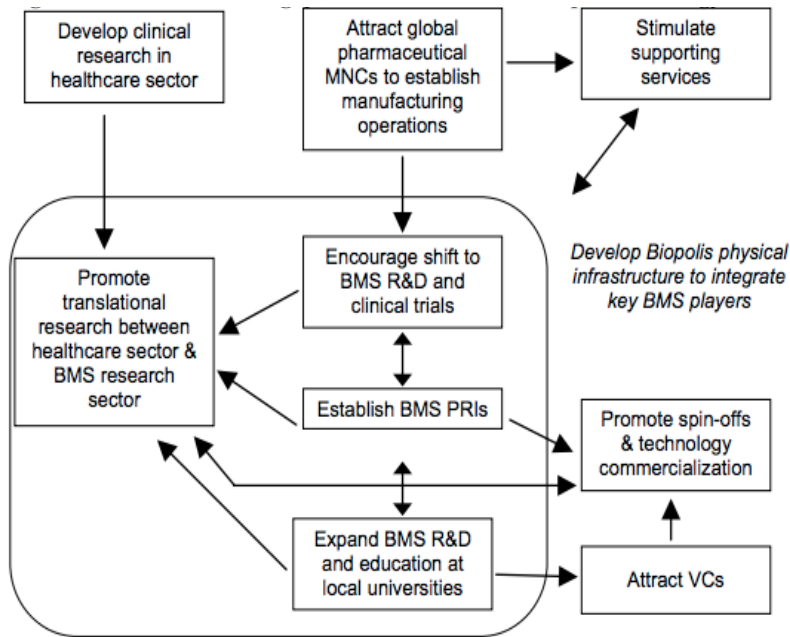
For the purposes of the research, this thesis will outline two case studies that examine the dynamics of the formation of regional knowledge clusters in Singapore; The Biomedical Cluster and the Singapore Marine Cluster. The Asian Development Bank (ADB) has identified knowledge as the most important resource in maintaining the region's competitiveness, keeping in mind the rapid rate of change created by globalisation and technological innovation.¹¹⁰ Both case studies highlight two successful ways in which Singapore leveraged itself to exploit technologies developed elsewhere and to experience growth in both the pharmaceutical and maritime industries.

The Biomedical Sciences Cluster

In 1999, when the state decided to transform the country into a "biomedical-science (BMS) hub", it was seen as an emerging

cluster in the early stages of formation as Singapore had no BMS industry to date.¹¹¹ Prior to this, as explained in the previous section, Singapore had relied on attracting FDI from MNC's as a means to spurring its economic growth. The state decided to grow on its five pillars by adding a sixth: life sciences, in order to turn the island into Asia's go-to for biomedical services with *“world-class capabilities across the entire value chain, from basic research to clinical trials, product/process development, full-scale manufacturing and healthcare delivery”*.¹¹²

Figure 2: Flow-Chart of Singapore’s BMS Cluster Development Strategy



Source: Tsuji (see works cited)

The driving factor behind the creation of a BMS cluster originated when the government announced a strategic shift towards the promotion of biomedical science and technology in order to allow for the diversification from IT and electronic

manufacturing.¹¹³ The two branches of government responsible for transforming the country into a biomedical science hub are the Agency for Science, Technology and Research (A*STAR), and the previously-mentioned Economic Development Board (EDB). This highlights the role that these aforementioned institutions played in the promotion of knowledge clusters that led to Singapore's increased economic prosperity.¹¹⁴ The former institution, A*STAR, concentrated on allocating the necessary policies, resources, research and education that would build biomedical science competencies, whilst the latter, the EDB, was responsible for accumulating investments and generating long-term economic value in the BMS sector.¹¹⁵ Figure 2 captures the strategies adopted by A*STAR and EDB in developing the BMS cluster in Singapore. Due to the EDB's success in attracting MNC investments to Singapore, foreign companies dominated the majority of the BMS cluster (Table 6), where the largest pharmaceutical manufacturing firms operating in Singapore in 2005 were all foreign owned. It is worth noting that firms such as GlaxoSmithKline (GSK), Schering-Plough, and Merck had originally come to Singapore in order to benefit from the country's well-established manufacturing industry, only to then expand in industries as they were welcomed by the country's sudden boom in pharmaceuticals.¹¹⁶

Table 6: Top Pharmaceutical Companies in Singapore, 2005

	Company	Nationality	2005 sales (S\$ million)
1	Glaxo Wellcome Manufacturing Pte Ltd	UK	30419.6
2	Merck Sharp and Dohme Asia Pacific Services Pte Ltd	US	2079.4
3	Beecham Pharmaceuticals (PTE) Ltd	UK	562.4
4	DSM Nutritional Products Asia Pacific Pte. Ltd	Netherlands	585.1
5	JMS Singapore Pte Ltd	Japan	120.2
6	Becton Dickinson Medical (S) Pte Ltd	US	114.4
	<i>Total</i>		<i>3,3881.1</i>

Source: Singapore 1000

The EDB went one step further by encouraging foreign

companies to set up their own R&D clinics in Singapore in order to move their investments into higher value-added portions of the biomedical industry value chain.¹¹⁷ In the past decade, after establishing itself as a life sciences infrastructure, BMS development has shifted its focus by encouraging the development of traditional and clinical research.¹¹⁸ Examples of this are the West Clinic's Excellence Cancer Centre (established in 2006) and the Eisai's Regional Clinical Research Centre.¹¹⁹ The above outlines the government's success in fulfilling its vision of turning Singapore into Asia's 'premier hub for biomedical sciences'.¹²⁰

The Singapore Marine Cluster (SMC)

Similar to the creation of the BMS cluster, governance was a key factor in the success in the development of the Maritime cluster in Singapore.¹²¹ Institutions such as the aforementioned EDB, the Maritime and Port Authority (MPA), A*STAR together with Jurong Town Corporation (JTC) and the Urban Redevelopment Authority (URA) played a critical role in the creation and maintenance of the expansion of Singapore's marine cluster.¹²² Aside from building business acumen, R&D and talent development, these institutions were able to attract various shipping finance-related companies in order to expand the industrial cluster – namely banks, boutique shipping investment banks, private equity arrangers, shipping finance advisers and shipping finance conference organizers.¹²³ Together with its strategic location, the nation's maritime cluster has boosted local and international shipping and the institutions in place allowed the cluster to propel itself as one of the world's most important port and shipping locations.

Part 3: Singapore Today

What is Singapore's current growth rate?

In February of 2016, Singapore's biggest local news agency reported that the economy has been slowing down considerably since the aftermath of the 2009 financial crisis, citing a mere 2% growth in 2015.¹²⁴ As outlined throughout this thesis, Singapore's economy is exclusively dependent on other countries, and given that the crisis had a dampening effect on global trade, Singapore's miniscule, open economy has been hit hard. In August of 2016, The Minister of Trade and Industry stated that the trade-dependent economy is expected to expand 1-2% this year, compared with the previous forecast of 1-3%.¹²⁵ An economist at Mizuho Bank explained this in simple terms, stating that "*global demand continues to be weak and for a country like Singapore that is open, it shows very, very quickly and rapidly*".¹²⁶ This suggests that the very foundation of the laissez-faire economy, the strategy that Singapore originally tapped in to in order to propel itself on a global scale, will also be what may inhibit its growth, contingent on global market demand. Exhibit I breaks down Singapore's GDP on a quarterly basis, highlighting a downward trend from 2015 onwards, with 0.6% annual growth

Exhibit I: Singapore GDP Annual Growth Rate, 2006-2014



SOURCE: WWW.TRADINGECONOMICS.COM | WORLD BANK

rate forecasted in July of 2016.

With these findings in mind, can Singapore maintain its upward trajectory?

In 1994, Paul Krugman, an economist and vocal critic of Singapore's development strategy, warned that "*a mere increase in inputs, without an increase in the efficiency with which those inputs are used- investing in more machinery and infrastructure- must run into diminishing returns; input-driven growth is inevitably limited*".¹²⁷ Essentially, Krugman believed that by focusing heavily on capital investment as opposed to productivity growth, it was unrealistic for the country to expect long-term growth because this method of expansion is not sustainable. Contrary to Krugman's predictions, concrete evidence (as outlined above) does indicate that the Singapore capitalist model served the city-state well over the years and that under LKY's leadership and monetary policies, the country saw a rise in productivity over the years. However, today, Today, Krugman's statement holds an element of truth in that the country must seek out new strategies in order to ensure that the productivity does not plateau, as suggested by the growth rate exhibited above. Current Prime Minister Lee Hsien Loong echoes this by stating that the country's greatest challenge will be raising productivity to grow on an already advanced economy.¹²⁸ He warns that if the city-state does not find a way to continue growing, it has a chance of further stagnating and losing ground as did Taiwan, Korea and to a certain extent Japan.¹²⁹ In order to best assess this question, we will examine the economic and social and factors that Singapore must consider.

a. Economic factors

With a recent decline in Singapore's margin of economic growth, the government must look beyond its shores in order to

capitalize on new opportunities. During global financial turmoil – such as the 2008-2009 crisis – Singapore immediately feels the impact of recession, as it is excessively dependent on super powers such as the US for local commodities. As a result, companies and businesses have resorted to wage cuts, wage freeze, hiring freeze and shorter working hours to offset the burden of the economic downturn.¹³⁰ An economist from the National University of Singapore and co-director of the Asia Competitiveness Institute echoed these realities in an article written for the *Globe and Mail*:

Singapore's economic strength is so vulnerable. When Europe stops, when America goes into recession, when Japan goes into recession and China slows down, there is not nothing left for Singapore because we are so small, our economy is all exports.¹³¹

Thus, Singapore must seek out new markets such that it is not as heavily dependent on the U.S. and Europe. One way in which the city-state has started doing this is through negotiation agreements with ASEAN member states, namely China, Australia, New Zealand, Japan and Korea.¹³² By strengthening its relationship with Japan, Singapore can get market access, while avoiding the possible imposition of protectionist measures in the future (with regard to the US in particular).¹³³

Indisputably, another way in which Singapore has attempted to deter from this overdependence is through the aforementioned creation of knowledge clusters, providing the nation with value-added production and services. However, given the rise in Asia over the past decade, global competition has intensified and Singapore's external comparative advantage has been called to question in today's increasingly globalized market. One example is the on-going infrastructural development of the Dawei Port in Myanmar.¹³⁴ The project aims

to serve as a cost-efficient commercial gateway to Asia, reducing the aforementioned trade dependency on the Straits of Malacca.¹³⁵ As it aims to stimulate local businesses for Myanmar, this project also has the likelihood of eroding Singapore's comparative advantage in one of its fixed factors, the port, and presents the possibility of further economic strains.

b. Social factors

Internally, there has been a shift in today's social expectations, and the government must find a way to create an inclusive growth strategy that stresses productivity and collaborative growth. Despite maintaining a high GDP over the years, a survey taken in 2014 showed that only 31% of Singaporeans claimed that their salary can cover their basic needs and some non-essential luxuries, while 42% claimed that it is only sufficient to meet their basic needs.¹³⁶ In 2015, out of a population of 5.6 million, 1.32 million were foreign workers.¹³⁷ This dissatisfaction can be explained as owing to a "resentment against foreigners", and is widely attributed to the rise in expatriates across the nation. This refers to the professional and managerial workers who are more skilled and thus earn more than the average Singaporean.¹³⁸ Many locals blame immigration for rises in property prices and living costs, and have taken their cause to the streets in mass rallies.¹³⁹ Local economists explain that the widening gap between the "haves" and "have-nots" has reached alarming proportions.¹⁴⁰ In a 2013 local news broadcast, the Prime Minister stated that, though the entrance of billionaires into the country would raise the GINI coefficient¹⁴¹, Singapore would nonetheless be better off, as the supremely-wealthy would bring business and big opportunities.¹⁴²

Though the GINI co-efficient decreased from 0.463 to 0.412 from 2012 to 2013, it is still one of the highest in the world and locals are calling on the government to implement an adequate minimum wage across industries in order to enable the

lowest 20% of the country's population to catch up with the rest of the economy.¹⁴³ The government has started taking measures, and passed a law in 2015 that requires employers to seek local talent for two weeks prior to offering jobs to outsiders for positions under S\$12 000 (\$8 760) per month.¹⁴⁴ In order for the nation to maintain a positive upward trajectory – one that not only boosts the economy but also adheres to the needs of its wider citizenry base – the government must take similar steps to ameliorating the widening income gap of its citizenry base.

Conclusion

This thesis provides a critical insight into the development of Singapore over the past sixty years, outlining the factors that enabled the country to prosper and the ways in which the PAP government accounted for the resources at hand in order to establish economic policies that would best benefit the nation's growth. Part I looks at the progression of the nation by considering factor endowment, leadership strategies and interventionist policies. While fixed factors, such as Singapore's strategic location, were critical in providing the trading means necessary for Singapore to expose itself on a global platform, without persistent interventionist policies the benefits of this exposure and experienced growth would not have been sustainable as growth was largely spurred by forced savings and the government's ability to attract of FDI. Thus, the country's ability to sustain upward growth and global success was contingent on the interventionist policies implemented by the PAP government and its adaptability to change their strategies in the face of changing demand.

Through his vision, LKY mobilized the government to adopt practices in order to meet necessary demands such as rising unemployment and the need for educational reform. Under his leadership, the establishment of crucial institutions

such as the EDB and the HDB transformed his words into measurable action, as Singapore gained steady momentum by attracting investments whilst enhancing the business environment. The late seventies saw a shift in workforce diversification as well as the introduction of the MAS in order to ensure that Singapore remained a competitive global contender in the financial market. After maintaining upward growth in various sectors, the 2000s presented itself as an opportunity for the government to tap into the nation's technological capabilities, introducing the development of knowledge clusters that would further ensure Singapore maintained in comparative advantage. The analysis in Part 2, 'Singapore Today', allows us to conclude that the country must be weary of both a decline of economic growth, largely a result of an open and heavily dependent economy, as well as a high GINI coefficient. Moving forward, it is essential that the government seek policies to both increase the country's comparative advantage such that it is less reliant on the global market as well as implement policies and taxation schemes that aim to reduce the gap in inequality to ensure that it meets the pressing needs of its local citizenry.

About the author

Tina Ghaemmaghami is a fourth year student at McGill, completing a degree in Honours International Development and Management. In line with her studies and past experiences of living in Singapore for the majority of her childhood, she decided to complete her Honours Thesis on the economic make-up of the city-state in order to strengthen her theoretical knowledge, whilst offering new recommendations.

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Shaping the Sustainable Success of Cocoa Farmers in Ivory Coast

Alexander Russell, Cannella Gerber, Romane Frouté

Ivory Coast is the largest producer of cocoa in the world. There are close to a million cocoa farmers in the country, producing the “black gold” that constitutes 35% of the country’s total exports.¹ The majority of this production takes place on small subsistence farms, generating an income of around US\$3.7 in household income per day. On a national level, the value of production was US\$2bn in 2013, representing an essential source of foreign exchange and tax revenues for the government.² The global demand for cocoa products is projected to continue expanding at an annual rate of 2%. However Ivory Coast needs to correct their supply deficit, which amounted to 180,000 tons in 2016 alone.³

During the 1980s, cocoa farmers in Ivory Coast were able to capture 16% of the market value of a chocolate bar. However, over the past 35 years, this fraction has decreased to 3%.⁴ The decline in productivity of Ivorian cocoa can be attributed to several factors. In the 1990s a major reformation occurred in the Ivorian cocoa industry. Under the influence of the World Bank and the International Monetary Fund (IMF), liberalization policies were introduced, diminishing the government’s role in standardizing prices and subsidizing the cocoa sector.⁵ Liberalization allowed foreign multinationals and export corporations to increase their fraction from 56% to 70%, retailers to increase their fraction from 12% to 17%,⁶ while farmers’ fractions decreased. The structural adjustment reforms prolonged the supply chain in the country, substituting parastatal marketing boards with multiple middlemen and

agents, thus creating greater volatility in farm-gate prices. As a result, many farmers have turned to opportunities in the rubber sector while others have chosen to smuggle their products to Ghana, the world's second largest producer of cocoa, where market conditions are more favourable for farmers.⁷ Indeed, between 2014 and 2015, Ivorian cocoa production fell by 12.58%, while Ghana experienced a 10.81% increase in productivity over the same time period.⁸

This paper will build upon data from a previous study conducted by Nyemeck et al., "the role of credit access in improving cocoa production in West African countries." *Figure 1* illustrates the significance of credit access, showing that the productivity of Cameroonian farmers with access to credit was over double the productivity of those without it. Furthermore, credit-supported farmers spent over triple on pesticide expenditures. Thus, it can be inferred that Ivorian cocoa farmers' lack of fertilizer and pesticide use is influenced by their inability to access credit. Ivorian farmers have limited opportunities for obtaining loans from financial institutions and are unable to create a formal savings account, which severely inhibits their ability to generate personal savings. Additionally, farmers' limited information on the benefits of sustainable agricultural practices has led to a deterioration in quality of cocoa trees and pods over the last decade. With outdated farming techniques resulting in inefficient production, farmers are currently producing at half of their potential, an average of 300-400kg/ha of cocoa beans.⁹

This paper further identifies the inaccessibility of credit and ineffective means to utilize funds combined with inadequate information in regards to sustainable agriculture practices, as the main constraints facing small-scale cocoa farmers. Addressing both of these frictions will increase the productivity of Ivory Coast's farmers, allowing for their upward mobility in the cocoa industry. This paper suggests that, by providing farmers with access to credit through mobile banking

and encouraging the use of loans to develop an agroforestry model of production, the identified frictions will be greatly reduced. First, a brief review of the identified frictions will be explored. Second, a pragmatic and sustainable strategy of microfinancing in conjunction with providing farmers with information on sustainable agricultural practices will be proposed. Third, a framework for a randomized control trial (RCT) will be suggested, which can be used to assess the effectiveness of the proposed policies.

Frictions

Credit Constraint

The majority of farmers across Ivory Coast are financially constrained in terms of access to financial institutions, which results in their inability to access credit and generate savings. Without this friction farmers would have the means to increase their productivity and income. This view is supported by previous research conducted by the IMF and International Finance Corporation (IFC). As *Figure 2* shows, Ivory Coast's agriculture industry is under-financed on a national scale. It constituted 23% of nominal GDP in 2015 yet only received 5.3% of loans.¹⁰ This problem is especially significant for the cocoa industry, as this sector contributes the greatest percentage to Ivorian GDP. In previous research, the IFC carried out a survey of 1,149 smallholder farmers from the West-Central region of Ivory Coast between 2013 and 2015. *Figure 3* shows that only 11% of all borrowing farmers received loans from formal financial institutions.¹¹ This lack of credit inhibits farmers' ability to invest in productivity improvements, such as fertilizers and sustainable agricultural techniques.

Inefficiency in the Credit Market

It is evident that the cocoa industry is an invaluable part of Ivory Coast's GDP, making the inefficient allocation of credit a puzzling phenomenon. This inefficiency has come from banks' inability to access credit history information about farmers as well as the issue of limited liability among borrowers. Farmers have little to no collateral and no credit scores due to their poor socio-economic status. Both of these issues originate from the problems of adverse selection and moral hazard that banks face. In terms of adverse selection, banks cannot differentiate between inherently "risky" borrowers, who are likely to default and "safe" borrowers, who are not. Therefore without this information banks have to charge a high interest rate to both groups. As a result, "safe" borrowers exit the market, with those willing to accept this high interest rate having a higher probability of defaulting on their loan.¹² In the case of cocoa farmers, "safe" borrowers are those who would have used their loans to invest in productivity enhancing activities. Moral hazard is a consequence of the limited liability farmers have, stemming from the non-existent collateral that farmers can offer the bank. As a result, there is an incentive for farmers to strategically default on their loans without the threat of punishment. Therefore, banks either charge extortionate interest rates or, as seen in the cocoa industry, offer a limited number of loans. If farmers do receive loans from a bank or microfinance institutions (MFI) they are relatively ineffective, as they are often short-term and do not align with the seasonality of cocoa.¹³

Limited Savings

The inability for farmers to effectively save their income has serious repercussions on future investments. Nearly all farmers currently hold their income in cash, with only 20% of the farmers surveyed by the IFC reporting having access to a

savings account. A principle reason for this is the inconvenience of banking services.¹⁴ However, the more staggering statistic is that only 35% of farmers reported saving at all.¹⁵ This means that income received from the annual or bi-annual harvest has to cover all their expenses for the remainder of the year. This becomes problematic when there are unexpected circumstances that lower productivity, or if farmers need to make an investment in their farm. Thus, even if a farmer gained access to a line of credit they would lack the means to budget effectively. Furthermore, it is dangerous for farmers to carry around or stash loans in informal places, especially in Ivory Coast. In a similar study carried out on agricultural businesses in Uganda, it was shown that 10% of annual operating budgets were spent on covering losses from theft or fraud.¹⁶ Although there are differences between Uganda and Ivory Coast, the same underlying problem remains; farmers are unable to adequately save and/or spend their money when they deem it necessary. However, even if farmers were able to save their income, without an adequate understanding of how to use inputs and how to implement sustainable agricultural techniques, farmers will ultimately struggle to increase their productivity.

Lack of Access to Information

The liberalization of cocoa markets throughout West Africa in the 1980s resulted in a fall in the provision of public goods such as research into agriculture as well as the abolition of subsidized fertilizers. The knock on effects of these changes was farmers' continued use of unsustainable and outdated agricultural practices that affected the quality and quantity of cocoa beans produced. The production of a singular crop increased the chance of pests and diseases due to the low biodiversity of Ivorian rainforests.¹⁷ Since the liberalization period, outdated practices in conjunction with a lack of access to fertilizers due to

the inaccessibility of credit, has resulted in an increase in pests and diseases. Farmers currently invest what they can in fertilizer and other agricultural products but without adequate volume these products are ineffective and therefore a waste of farmers limited capital. The most common cocoa pathogen in Central and West Africa is the black pod, causing a global yield loss of 20-30 % and tree deaths of 10 % annually.¹⁸ This disease can be effectively eradicated with appropriate agricultural practices, illustrating the importance of providing farmers with proper knowledge on productivity-enhancing agricultural practices.

Current Techniques

Smallholder cocoa farmers have the potential to be agents of both ecosystem fragmentation and protection. Some of Ivory Coast's rainforests have been damaged to such an extent that little natural forest remains. Consequently, biodiversity is very low. However, an entirely different situation has unfolded in Ivory Coast's neighboring country, Ghana where cocoa farms bordering the Kakum National Park are being collectively managed to form a critical buffer zone that maintains the integrity of the park's forest ecosystem.¹⁹ Ivorian cocoa farmers use two types of techniques on their crops. First, farmers use "selective shade", which is a similar practice to agroforestry without being as diversified or effective as the latter. Another technique utilized by farmers is the "full sun cocoa technique," in which cocoa trees are frequently exposed to sun without any shade. Similarly to selective shading, the environmental damage is greater than it would be if farmers used agroforestry. Cocoa production should be an agent of reforestation rather than an agent of deforestation.

Policy Implementation

Digital Financial Services

There are two credit assumptions that can be inferred from the highlighted frictions. First, increasing access to credit will improve the productivity of the Ivorian cocoa farmers. Second, providing credit alone is not the most effective strategy, as it does not provide farmers with the means of saving and/or utilizing this resource effectively. Therefore the proposed policy is to combine credit with mobile banking, which addresses the outlined issues; providing access to credit, providing a savings tool, and implementing a safe and convenient way to use money.

Steps of Implementation

The development of this strategy is based on the previous success of Advans, a MFI operating since 2012, which dispersed \$5 million in loans to 3,700 farmers within the first two years of implementation.²⁰ The institution currently has 13 branches across Ivory Coast but has yet to target the West of Ivory Coast, including the region of Soubre.²¹ The proposed policy hopes to emulate the success that Advans experienced when they collaborated with the Consultative Group to Assist the Poor (CGAP) and MTN Group to introduce mobile banking to Ivorian farmers in Central and Eastern Ivory Coast. CGAP attempted to fill the gap that financial service providers (FSPs) have failed to address due to the aforementioned reasons as well as the high costs needed to build infrastructure in remote villages. This proposed project has many similarities to the previous programs performed, with farmers receiving a sim card that will give them access to mobile banking, for a fixed one-time annual fee of \$4.30.²² Farmers will then receive their loan in the equivalent of US\$400 through the provided mobile phone and will be

required to repay the loan after one year with a 17.18% interest rate, a similar figure used by other MFIs in Ivory Coast.²³ An RCT can be used to compare Treatment Group 1 (access to credit through mobile banking in conjunction with access to sustainable agricultural knowledge) and Treatment Group 3 (credit alone through mobile banking) to ascertain whether providing farmers with agricultural information in conjunction with mobile banking is more effective for increasing productivity than just credit alone. The RCT and evaluation method will be explained in further detail in a later section.

Mitigating the Frictions

The proposed policy is to provide farmers with credit in conjunction with mobile banking. This will be achieved through group lending, which will provide a form of joint liability. Farmers will choose group members through assertive matching, forming a collective of 10 people. The underlying condition is that if one member defaults on their loan after a period of one year, the other members will either make up the difference or be forced to forfeit future loans. As previously mentioned, farmers are underfinanced because they lack a credit history or collateral and are therefore protected by limited liability. Implementing group lending will mitigate the problems of moral hazard and adverse selection. The collective will be formed through assertive matching of the farmers, which requires that they choose members who have similar preferences. In other words, “safe” borrowers will form collectives with other “safe” borrowers. This means that all cocoa farmers will pay the same interest rate of 17.18%, but “safe” borrowers will pay lower effective interest rates, including the cost of a member defaulting and the collective having to pay back the difference.²⁴ Forming a collective creates joint liability, a form of “social collateral”, which creates social pressure for the members to repay the loan. The mobile banking element

mitigates the risk of holding large volumes of cash because farmers will receive US\$400 of credit through their mobile phone, a more convenient and safer method of access. With mobile banking, farmers will have the ability to transfer some or all of their e-money into cash using the established ATMs in the Soubre region. Therefore, farmers will have the ability to pay for inputs for their farm through their phone or cash depending on the ability of the supplier.

Potential Concerns

There are some concerns worth addressing in regard to the implementation of this policy. First, Ivorian cocoa farmers may not have access to phones or sim cards. Second, network coverage may be poor, which would hinder the frequency and ease of mobile banking. Third, farmers and those with direct business relationships to farmers, such as fertilizer suppliers, may be unwilling to accept mobile money. However, the study carried out by the IFC, showed that 99% of farmers had access to a mobile phone and 81% reported good network coverage.²⁵ Additionally, a survey of 23 cooperatives and 67 producers carried out by Advans in 2015 reported that 97% of farmers had a desire to access formal financial products, such as credit and a deposit account.²⁶ Furthermore, *Figure 4*, shows that mobile money penetration in Ivory Coast is 24%, which is above the average of 11% in Sub-Saharan Africa.²⁷ When specifically examining cocoa farmers, Advans reported that 64% of their farmers had already used a mobile money account.²⁸ Finally, the concern regarding fertilizer suppliers and other relevant actors can be mitigated through the farmers' ability to pay for inputs in either cash or e-money, at the supplier's discretion.

Implications of Access to Credit and Banking Services

Figure 1, from the study carried out by Nyemeck et al. illustrates

that farmers with access to credit had higher expenditures on pesticides across the board and later achieved higher productivity. Thus, due to cocoa farmers' high marginal rate of return of capital, it is likely that a similar finding will emerge in Ivory Coast once farmers gain access to credit and other banking services. This assumption is based on the fact that Advans experienced a 100% repayment rate in their first two years of financing the cocoa industry.²⁹ It is clear that once farmers gain access to credit, they allocate these funds efficiently, allowing them to repay their loans. Finally, the mobile banking aspect reduces the cost of developing FSP infrastructure, and provides farmers with the tools needed to save money, reducing their marginal propensity to consume. By providing farmers with access to these digital financial services combined with adequate training on how to use the new inputs, farmers will have the means to further increase their productivity.

Agroforestry: A Sustainable Cocoa Model

In the RCT, the 1st and 2nd treatment group will be encouraged to use their loans on the practice of "agroforestry". Cocoa grown in an agroforestry model is the most compatible with the conservation and enhancement of biological diversity.³⁰ Agroforestry is an ecologically based management practice that integrates cocoa trees and other tall woody plants.³¹ Ghana, a neighboring country of Ivory Coast, has similar forests, climate, and crops, and has implemented the agroforestry model to great effect. Thus, the agroforestry model is a suitable candidate for the proposed policy in Ivory Coast.

Collective Training

In order to provide farmers with information on sustainable agricultural techniques, the paper proposes that farmers will be

given access to a sustainable agricultural expert, who will use door-to-door interaction to educate the farmers on agroforestry practices. The farmers will additionally receive monthly updates on techniques and pesticide use through voice messages on their phone, which will mitigate the high illiteracy rates among cocoa farmers in Ivory Coast. This approach differs from the work of other institutions, as previous studies have rarely incorporated sustainable agricultural techniques nor have they proposed sustainable practices in collaboration with mobile services. Farmers will be trained in the following areas; plant variety, soil requirements, crop biodiversity (plantain, yam, manioc), and shading techniques.³² They will be provided with credit to buy pesticides and will be introduced to fertilization management. As cocoa's harvest occurs twice a year, technical advice will be provided for the main harvest, occurring between October and March, as well as for the mid-harvest, occurring between May and August. This training will result in a higher crop yield, which may provide incentives for farmers outside the experiment to also participate in agroforestry training.

Benefits of Agroforestry

The adoption of an agroforestry model will not incur increased costs for farmers in Treatment Group 1 (access to credit through their mobile account and information) than those in Treatment Group 3 (access to credit through their mobile account) because farmers practicing agroforestry use less pesticides and spend significantly less on replanting the trees. For this reason, this policy proposes providing the same loan to both treatment groups. The expectation is that monthly follow-ups will increase farmers' incentive to substitute their current agricultural methods for the more productive and environmentally friendly agroforestry model. The benefits of agroforestry are numerous, with reduced vulnerability to price shocks, market swings and, pest and disease outbreaks. Additional crops can also add to a

family's resources, increasing food security and economic stability. In addition, agroforestry increases the livelihood of rainforests, with cocoa trees yield lifespan increasing from 25-30 years to 60-100 years.³³

Randomized Control Trial (RCT)

In order to provide a measurable comparative, this paper suggests the use of an RCT to evaluate the success of the proposed policy. The RCT will involve gathering data on three treatment groups and one control group:

- a. *Treatment Group 1:* Access to credit (in conjunction with their mobile account) and information (through specialized training programs)
- b. *Treatment Group 2:* Only access to information (through specialized training programs)
- c. *Treatment Group 3:* Only access to credit (in conjunction with mobile their mobile account)
- d. *Control Group:* No access to credit or information.

The aim of the RCT is to ascertain whether the first Treatment Group, on which the proposed policy is formulated, is the most effective measure to improve cocoa farmers' productivity.

Randomization

To minimize selection bias in the experiment, a large sample size of 40 collectives made up of 10 farmers spread evenly between the four groups will be employed. Groups will be chosen based on their geographic isolation from one another, in order to reduce any potential spillover effects. These spillover effects can potentially skew the results if farmers have the ability to influence individuals in other groups, which could cause an

exodus of farmers from the experiment. For example, if farmers from Treatment Group 3 discover the more productive agricultural techniques used by Treatment Group 1, they may attempt to adopt these techniques. As previously mentioned, each collective of farmers will be formed through assertive matching, as this creates social collateral, mitigating the problems of moral hazard and adverse selection faced by commercial banks.

The chosen location is the Soubre region, in the South-West of Ivory Coast due to the proximity of the Tai rainforest, a climate propitious to agroforestry. Choosing this region also ensures that the chosen farmers face similar limitations, as most cultivate cocoa on fields of 2-3 hectares, and have limited access to ATMs or other financial institutions due to the isolated nature of the region. Similar to the strategy used by MTN Group, the installation of mobile ATMs will occur.

Units of Observation and Time Frame

The unit of measurement that will be employed in the RCT is the output sold per collective of farmers, measured in kg sold, per year, per collective. The RCT will evaluate the yields produced over a year with the experiment running for three time periods. Due to the time lag between when farmers grasp the concept of agroforestry and when the benefits of agroforestry are realized, a long period of observation is the most effective way to evaluate any increase in productivity.

Steps of Policy Implementation

Each research team will be composed of one microfinance expert, who understands the technical aspects of mobile banking, and one expert in agroforestry practices. Together, these experts will survey the farmers in the RCT, collecting data and ensuring the appropriate use of both policies. At the

beginning of the trial, each of the ten collectives will be contacted to ensure the desired number of farmers have been placed in each collective. The first period of the RCT will start after the collectives' crops have been sold and calculated for period 0, occurring between February and March. During the initial survey, the farmers from the 1st and 2nd Treatment Groups will be trained to develop agroforestry through the aforementioned door-to-door technical advice. Farmers from Treatment Group 1 and 3 will be trained to use the mobile banking service to gain access to their savings account and loans, amounting to the aforementioned US\$400. The size of the loan was chosen based on the average expenditure per year by farmers with access to credit in West Africa, as calculated by the International Institute of Tropical Agriculture.³⁴ Farmers from both Treatment Group 1 and 3 will have access to the same sized loan, as the cost of implementing agroforestry is similar to the cost of pesticides. Farmers would have to repay the loan one year after it was received, as it coincides with the income they receive from their harvest.

Each collective will be surveyed every three months to collect data about their yields, current agroforestry practices (in Treatment Group 1 and 2), use of mobile banking, and expenditure on inputs and savings (in Treatment Group 1 and 3). The 1st and 2nd Treatment Groups will be consulted on their use of agroforestry techniques to observe their success and correct any issues that may have arisen. Furthermore, monitoring farmers regularly will reduce the risk of them leaving the experiment due to the extended duration of the RCT. Finally, the total output per hectare sold for each of the three periods, will be calculated in kg of cocoa produced, per year, per hectare, on average, per collective. The RCT will measure differences in output produced between farmers from the different treatment groups and the control group. It will observe:

- a. *Whether the farmers using agroforestry produce more cocoa/ha than those who do not*, by comparing Treatment Group 1 and 3, or Treatment Group 2 and the Control Group.
- b. *If the provision of credit and the implementation of a mobile savings account helps farmers increase their productivity*, by comparing Treatment Group 3 and the Control Group
- c. *Whether farmers with access to information on agroforestry need access to credit or savings to increase their productivity or whether this productivity increase can occur without the need for mobile banking*, by comparing Treatment Group 2 and the Control Group
- d. *If the combination of access to credit and information is the most effective solution to improve overall productivity*, by comparing Treatment Group 1 to all other groups

Regression Analysis

The following regression equation will be employed to observe the productivity of each treatment group:

$$Y_{it} = \delta_t + \beta_1 X_{1it} + \beta_2 X_{2it} + \beta_3 X_{3it} + U_{it}$$

Y_{it} = kgs of cocoa sold by farmers in the collective i during period t ($t = 1, 2, 3$) divided by the total number of hectares of collective i .

δ_t = initial output before implementing or pursuing the policy at time t . It is a positive quantity.

U_{it} = residual error at time t (due to level of infrastructure

development, reputation of the farmers, weather, etc.) It has mean 0.

X_{lit} = exposure to information about agroforestry of collective i of farmers at time t . It is a dummy variable, and is either equal to 0 or 1.

β_1 = causal effect of a collective's exposure to information about agroforestry on the output sold. That is, the effect of giving a collective information about agroforestry if it did not have this information prior. This is expected to be positive as exposure to information is supposed to increase the productivity of collective i .

X_{2it} = access to credit of collective i of farmers at time t (dummy, either 0 or 1)

β_2 = causal effect of giving a collective access to credit through mobile banking on the output sold. That is, the effect of giving a collective access to credit if it did not have it before. This is expected to be positive, as giving access to credit to collective i , will enable it to invest in pesticides and fertilizers, thereby increasing the productivity of collective i .

$X_{3it} = X_{lit}X_{2it}$ = combination of exposure to information about agroforestry and access to credit of collective i at time t . It is a dummy variable, either equal to 0 or 1.

β_3 = causal effect of exposure to information about agroforestry and giving access to credit to a collective on the output sold. That is, the effect of giving a collective information about agroforestry and access to credit if it did not have it before. This is expected to be positive because the policy

proposes that providing access to both credit and information is the most effective method of increasing the productivity of collective i . The RCT aims to show that it will be the highest coefficient in period $t = 3$.

This regression analysis will assess if the proposed policy - the combination of giving farmers access to mobile banking in collaboration with agroforestry techniques - is the most effective solution to increase the productivity of cocoa farmers in Ivory Coast. However, there are some limitations to this RCT. Many farmers have a high marginal propensity to consume which may be a source of error, as farmers may spend their money and savings on emergency and miscellaneous expenditures rather than on agricultural activities. However, this policy's use of social collateral from the implementation of group lending will mitigate this problem. Furthermore, there is some uncertainty in the implementation of the agroforestry model in Ivory Coast, as it was widely used in Ghana, which has the same climate and type of cocoa production, but has never been implemented or observed in Ivory Coast.³⁵ Thus, there is the possibility of unforeseen costs or obstacles. Additionally, there is also concern with respect to the use of digital financial services amongst farmers, as 56% of these individuals are illiterate, according to Advans.³⁶ However, previous studies have shown that there is strong support for the adoption of mobile banking while the use of voice messages should potentially bypass this problem. There are also concerns surrounding the length of the proposed RCT, since the full benefits of agroforestry can only be observed decades after its implementation. It is therefore impossible to observe the full extent of the policy's impact during the RCT.

Conclusion

A sustainable and productive cocoa industry is crucial for the economy of Ivory Coast, as the cocoa sector employs close to a million farmers and represents a majority of the country's exports. However, the last decades have seen low productivity and deteriorating bean quality, resulting in a supply deficit. This supply shortage is the result of outdated farming techniques and a lack of adequate financing. In order to rectify these issues and meet this growing demand, the Ivorian government needs address the identified frictions. Credit is the most important aspect of the digital financial services, demonstrated by the growing number of institutions willing to lend to farmers. By giving farmers the means to save and budget their income, their dependency on credit will be reduced and their ability to save and repay loans will increase. It is evident that there are some limitations with mobile banking. However, institutions and countries around the world have seen its potential for development in rural communities that are often excluded from traditional services, by providing them with a convenient and safe means to hold and use money. Therefore, the combination of credit, through mobile banking, and access to agricultural information is the most effective means to address farmers' declining productivity. This is not supposing that credit or information alone would not be effective, rather that its combination provides farmers with the best tools and knowledge in order to tackle the aforementioned issues, ensuring Ivory Coast's pedigree of the world's top cocoa producer.

About the authors

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Appendix

Figure 1

Credit Access and Cocoa Production in West Africa

Table 2. Descriptive statistics

	Cameroon			Difference	Nigeria			difference
	All farmers	Non access to credit	Access to credit		All farmers	Non access to credit	Access to credit	
Total cocoa production (kg)	1453.8	950.2	2307.5	1358*** (9.698)	1770	1406.7	2088.2	681.5*** (4.39)
Total cocoa farm size (ha)	5.87	5.15	7.089	1.94*** (3.69)	4.72	4.58	4.86	0.28 (0.28)
Number of workers (man/day)	4.40	3.59	5.76	2.17*** (6.55)	3.01	2.7	3.28	0.58*** (4.29)
Total expenditure on pesticides used (US\$)	191.19	100.9	343.9	243*** (7.25)	155.3	132.77	175.08	42.31*** (3.91)

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Figure 2

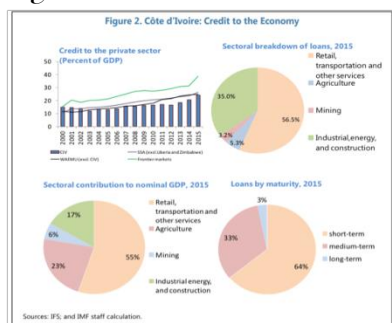
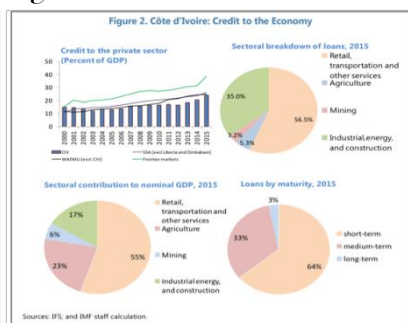


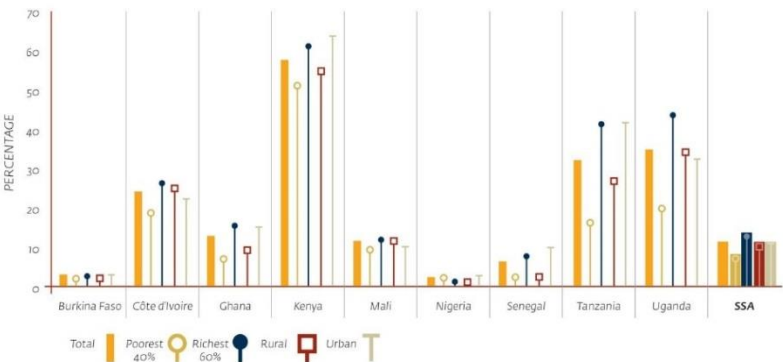
Figure 3



Macario, C. and Willems, T., "Cote D'Ivoire," No. 16/148, International Monetary Fund, June 2016

Figure 4

FIGURE 1: MOBILE MONEY ACCOUNT OWNERSHIP IN SUB-SAHARAN AFRICA



Source: World Bank Global Findex database.

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