The Baily Star

DILIP HIRO

S hosts of the 16th summit of the Non-Aligned Movement, NAM, in Tehran, Iranian officials tried to advance their agenda. Top of their list was to secure NAM's endorsement of their right to peaceful nuclear energy. Next was to get NAM to condemn foreign armed interference in Syria, a strategic ally of Iran since the Islamic revolution of 1979. The summit's final communiqué supported Iran's stance on the nuclear issue. But it made no mention of backing for the beleaguered regime of Syrian President Bashar al-Assad.

Iran's officials also saw an opportunity to present their country as a victim of international terrorism, not perpetrator. To that end, they displayed the cars wrecked in the killings of five Iranian nuclear scientists widely attributed to agents of Mossad, the Israeli secret service outside the conference

By the summit's end, Iran could claim that US-led efforts to isolate it diplomatically and economically with unilateral sanctions had failed and that it had made progress in presenting itself as a victim of international terrorism rather than perpetrator.

In the process, however, Iran had to endure jarring criticism from UN Secretary-General Ban Ki-Moon and the UN watchdog International Atomic Energy Agency, IAEA, on its failure to come clean on past nuclear activity.

The mere fact of Iran hosting the NAM summit attended by all 120 members, a quarter represented by their heads of state, but also most of its 21 observers contradicts the Western-inspired notion of its diplomatic isolation. For the next three years, its leader will act as the secretary-

general of the NAM, based at the United Nations. In 2015 chairmanship will pass to Venezuela, another bête noire of Washington.

Before the summit, both the United States and Israel publicly urged Ban to boycott the event, asserting that the Iranian government would manipulate this opportunity to deflect attention from its own failings in human rights and cooperation with the IAEA on its nuclear program. Ban ignored the advice, replying that as the UN secretary-general he had "a mandate to engage with all the member states of the United Nations" As it is, NAM's membership is second only to the UN's.

Iran has a positive trade balance with 92 of the 179 countries that traded with it during the fiscal year ending March 2012. For example, in defiance of Washington's call to end purchases of Iran's oil, India imported Iranian petroleum worth \$12.5 billion while exporting \$2.5 billion worth goods to the Islamic Republic. To rectify the imbalance, India's Prime Minister Manmohan Singh brought a delegation of 250 businessmen and industrialists with him to confer with Iranian counterparts while he attended the NAM sum-

Iran is the second largest source of imported Middle Eastern oil for India after Saudi Arabia. Given the urgent need for energy security to ensure robust GDP growth, Delhi has no intention of accepting the extraterritorial application of US law imposing unilateral economic

Non-Aligned Summit belies isolation of Iran



sanctions on Iran. It abides only by UN Security Council resolutions. That's also the case with China and Russia, which attended the NAM gathering as observers.

Much to the disappointment of Western capitals, the summit's final communiqué, published 31 August, supported Iran's claim that under the Treaty on the Non-Proliferation of Nuclear Weapons it signed in 1968, it has the right to peaceful nuclear energy as well as the right to ownership of a full nuclear fuel cycle, including uranium enrichment, a contentious issue. The document stated that these rights belong to all NAM members.

Iran gained the unanimous backing of NAM attendees after a speech by Supreme Leader Ayatollah Ali Khamenei on 30 August. "The Islamic Republic of Iran considers the use of nuclear, chemical and similar weap ons as a great and unforgivable sin," he declared. "We proposed the idea of the Middle East free of nuclear weapons, and we are committed to it. Our motto is nuclear power for all and nuclear weapons for none."

Before Khamenei's speech, the families of the assassinated Iranian nuclear scientists were seated in the front row, holding photos of the victims. Equally effective was the organizers' decision to give all NAM delegations free access to the Natanz nuclear facility where uranium enrichment is taking place.

Khamanei said nothing about the conflict in Syria, which has claimed the lives of nearly 20,000 civilians and 8,000 members of the security forces. He failed to refer even to his government's proposal for a threemonth truce between the regime of President Bashar al-Assad and the rebels as a preamble to talks between the warring sides, which had secured the backing of 30 states three weeks earlier at the Tehran Consultative Conference on Syria

President Mohamed Morsi, popularly elected president of Egypt since June, exploited this chink in Khamenei's armor.

Asserting that the world had a "moral duty" to support Syria's rebels, Morsi said, "Our solidarity with the Syrian people against an oppressive regime that has lost its legitimacy is... a political and strategic necessity." He called on Iran to participate in a four-member contact group including Egypt, Turkey and Saudi Arabia all three being Sunni states to mediate an end to the Syrian crisis. He left out Iraq, where the popularly elected government is led by Prime Minister Nouri al Maliki, who famously described himself as Shia first and Iraqi second. Morsi's pro-Sunni bias was unmistaken.

But before Iran could officially respond to his proposal, Syrian rebels summarily rejected Iran's participation in any peace efforts. So, too, did the United States, which two months earlier had threatened to boycott the meeting called by Kofi Annan, the UN's special envoy on Syria, in Geneva if Iran were invited to

The Obama administration doesn't share Ban's view that Tehran has a key role in ending Syria's civil war. In the upcoming US presidential contest, Barack Obama faces Republican Mitt Romney, who agrees with Israel's plans to bomb Iran's nuclear facilities. Given this, Obama is unlikely to soften his hostility toward Iran.

attend.

Ban used his speech to prove that his diplomatic integrity wasn't compromised by participation in the NAM summit, describing Iran's verbal threats against Israel and its denial of the Holocaust as "outrageous." During interaction with students and teachers at Tehran's School of International Relations, he urged Iran's top officials to release opposition leaders and political activists to create a level playing field before the presidential poll next year.

In meetings with Khamenei and Iranian President Mahmoud Ahmadinejad, Ban said that Iran should comply with IAEA and UN Security Council resolutions and do more to assure the world that their nuclear program was for peaceful purposes. Ban was referring to the latest IAEA report noting that Iran failed to give inspectors access to a site at Parchin, southeast of Tehran, believed to be a facility for testing high explosives.

Iran's behavior is open to different interpretations: It intends to keep Western opponents guessing about its capabilities, a strategy that has served it well so far. Or its policymakers think that, when the West is waging economic and diplomatic war against their nation, cooperating more than what's absolutely essential with the IAEA could be construed as weakness

With the NAM summit unanimously supporting Iran's right to enriching uranium, its leaders do not want to be seen as weaklings. At the very least, they estimate that Israeli Prime Minister Benjamin Netanyahu will be forced to rethink his plan to stage air strikes against Iran's nuclear facilities, openly opposed not only by Israel's former and serving defense and intelligence chiefs, but also Obama.

The writer is the Author of "The Iranian Labyrinth" (Nation Books, New York). His most recent book is "Apocalyptic Realm: Jihadists in South Asia," published in April by Yale University Press, New Haven and London.

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## Russia's stake in Asia-Pacific

DMITRI TRENIN

OLDING the Asia-Pacific Economic Cooperation summit in Vladivostok will give Russia a chance to remind the world that twothirds of its vast territory is in Asia and that it has a longer stretch of the Pacific coastline than any other country. After the break-up of the Soviet Union and the end of the Cold War, Russia has all but vanished from the Asia-Pacific horizon.

The name of the game has changed: Ideological confrontation and military stand-offs have been succeeded by economic competition under globalisation. Russia, a champion of the former, is yet to prove itself a modern economic power. Merely playing host to a score

of APEC leaders will not do the job, really, because Russia needs to upgrade its economy to make its presence genuinely felt in

Asia and the Pacific. Can an opening to Asia-Pacific help? It surely can. Some of the Russian regions most hit by de-industrialisation and falling population are East Siberia and the Far East. These territories physically abut some of Asia-Pacific's most dynamic or most advanced economies: China, Japan and the Republic of Korea. Once an industrial power itself, Russia has now turned into a raw materials' base for its neighbours. Can Russia do better? It must, if it wants to stay

in one piece. To modernise, it needs capital investments and technology transfers from the neighbouring countries, which it should

treat as its own modernisation resources. To be able to attract and then absorb those transfers, it needs to improve its business environment. Again, Asian countries' experience would be useful.

Russian President Vladimir Putin evidently understands that. Long accustomed to viewing Siberia as its backyard and the Far East as its bulwark, Moscow is now visibly rebalancing toward Asia and the Pacific. Holding this year's APEC summit in Vladivostok - and not, as some suggested, in St. Petersburg or Moscow is one way of building elements of modern infrastructure in the far-flung outpost; the establishment of a special ministry for the Far East in Khabarovsk is

another. Putin, Russian Prime Minister Dmitry Medvedev and their ministers log long hours visiting the region. These are too traditional and probably not the most effective ways of spurring regional development, but they suggest that the problem is certainly understood even if the solution still looks rather distant.

An additional factor pushing Moscow eastward is the eurozone debt crisis. The European Union, Russia's most important economic partner by far (it accounts for just more than 50 percent of Moscow's overall foreign trade), is likely to spend a decade without economic growth. In contrast, China, even if its economy is slowing down, is still growing at a rate that most other countries can only envy.

The Sino-Russian economic interaction does have its share of problems. Energy cooperation, in particu-

RUSSIA 2012

lar, has fallen short of either country's expectations, primarily in the natural gas area. The plans developed three years ago for close cross-border ties between the Russian Far East and China's Northeast, have so far failed to materialise. There are concerns in Russia, including in the government, over labour immigration from China, and the government itself is occasionally accused by its domestic opponents of turning the country, beginning from the Far East, into an economic appendage of the Chinese colossus.

However, China has remained important for Russia since 2000 and overtook Germany as Russia's largest trading partner in 2011. And Russians are thinking hard about ways to both expand bilateral trade and improve the structure of its exports, dominated by

natural resources.

There are problems with others as well. For a long time, Russians have been stymied in their outreach to Japan by the continuing territorial dispute over four relatively small islands, which they call the Southern Kurils, and the Japanese refer to as their Northern Territories. The dispute does not prevent Russo-Japanese trade, of course, but it does not allow Tokyo to use public funds to stimulate economic

relations. Russia's plans of laying a gas pipeline to the Republic of Korea via the Democratic People's Republic of Korea and similar plans of building a Trans-Korean railroad, and connecting it to the Trans-Siberian, have been stalled by the continuing tensions on the Korean

> Peninsula. Gazprom's drilling for gas and oil off Vietnam's coast in the South China Sea is too close for Beijing's comfort.

Yet the Russians are clearly rediscovering Asia - including the Association of Southeast Asian Nations, India and Australia - as an economic rather than a strategic field. Even if Asians still do not see much of them, the Russians are there to do business. Unnoticed by virtually everyone in the region, they are working on a free trade area agreement with New Zealand: a test case, one should hope, for more and larger deals.

Putin and other leaders in Russia recognise that economic power is the new hard currency in the international arena. After nearly two decades of negotiations, Russia

has just joined the World Trade Organisation. The APEC agenda focuses on trade and investment liberalisation, business facilitation, and economic and technical cooperation - all top priorities for Russia.

The test of Moscow's policies, however, will not come during the Vladivostok summit. It will come after all the guests will have returned home. After the city returns to normal, will Moscow keep focusing on the region that not only presents the greatest geopolitical challenge, but also offers a set of tantalising opportunities?

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## North Korea: Reforms imminent?

RUHEE NEOG

ALK about North Korea's satellivte launch in April 2012 is now being followed by a slew of speculations about political change and possible economic reforms on the horizon. What has prompted these speculations? More importantly, could there be any truth to them or are they, as is usually the case of North Korea, a misguided shot in the dark?

The first signs of the regime heading towards change were prompted by the dismissal of North Korean Army Chief of General Staff Ri Yong-ho from all posts held by him. He is thought to have been removed to downsize the role of the military in state affairs, over which it is known to have a firm hold. This is a significant development especially because he was naturally one of the chief advocates of Jongil's 'military first' (songun) policy. In terms of public posturing too, Jong-un has adopted a deliberately informal demeanour. This has been demonstrated in staged photographs of him joking with workers, taking joy rides on a rollercoaster with a visibly thrilled foreign diplomat sitting opposite him, delivering public speeches and making appearances with his young, attractive wife all suggestive departures from the way Jong-il conducted himself. Admittedly, these instances lend themselves very well to speculations on alleged North Korean reforms and the 'opening up' of the regime. However, one must tread with caution.

Posturing does not necessarily signal actual intent, nor should too much be made of a few public appearances that may eventually have nothing to do with wide-ranging change. The KCNA (Korean Central News Agency), on its part, has vehemently disavowed news regarding reforms it does not do anything for the image of an airtight command economy. Jong-un may have ousted Yong-ho to inch towards a more inclusive approach that would allow the party and cabinet greater say in matters of the economy and society than the military. This apparent fall-out may also have been caused by the apparent split within the ruling elite, with some opting for the traditional hardline stance and others looking to soften North Korea's international image, especially at a time when it is dire need of outside assistance. None of this indicates a major economic upheaval as envisaged by many, but merely posturing to make potential benefactors more amenable to providing the flooded and food and resource-starved state with

aid. There has been a great deal of coverage of the June 28 economic measures that have apparently been introduced in North Korea. It is claimed that these would allow some independence to entities in identifying products for sale, determining their marketing strategies, and setting prices. Farmers would also be able to keep a share of the produce (30 per cent), instead of having to ship off their entire produce basket to Pyongyang. It has also been suggested that these reforms bear some resemblance to Chinese reforms implemented by Deng Xiaoping. If true, this would of course be a dramatic loosening of a very tightly controlled command economy. It may be easier to accept if they are seen as pilot projects that can come to a sudden whimsical end and signal no noteworthy change whatsoever aimed therefore both as a domestic experiment as well as a ploy to assuage international public opinion. It is difficult to believe that a regime that vests all power in one man would be open to the erosion of authority, however slight that may be, for fear of loss of influence and control, and the development of ideas of freedom.

Interestingly, North Korea has witnessed reforms being attempted in the past with no success, which do not make for promising precedents. It must be remembered that these were tested under a ruler who had been in power for a sustained period of time. For example, Jong-il introduced the makings of a market economy in 2003 but these were soon lifted in 2005. Jong-un has yet to complete a year in office, and while he is slowly consolidating power, he can hardly seek to over-turn the erstwhile system in such

a short period of time and be successful at it. By removing Yong-ho in what appears to be a move to diminish the power of the military, Jong-un has probably earned himself the ire of many domestic elements. He seems to be keen on publicising his own brand of informality that would paint him in a 'human' light; certainly more so than his father who delivered one public lecture during his entire rule. There are therefore many issues Jong-un already has to contend with at a time of leadership transition in North Korea. Expecting him therefore to usher in wide-ranging change over and above what is already being demonstrated is a tall order indeed.

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