

PROSPECTS FOR 2007

Some have already labelled the New Year as the year of “James Bond” because of the “007” link. If reference to the star screen is due to the increase of global wealth being generated in places such as the Arab Gulf states, China and India, then this certainly augurs well for the year ahead. Unfortunately, there is also the risk that political crises and wars around the world result in making the reference to the swashbuckling “007” too close for comfort.

With 1.4 billion people and a continuous double-digit economic growth rate and large fiscal and external account surpluses China leads the pack of the big emerging markets of India, Brazil, Russia and South Africa that are all spurring global economic growth. Exporting nearly \$1,000 billion worth of manufactured products a year and currently laying the infrastructural underpinnings in the transport and communications sectors that will rival that of the United States, China’s economy is set to soon supersede that of Europe and Japan and could even surpass that of the United States in future decades.

Closer to the Mediterranean, thanks to the rise in oil prices the economy of the Gulf Cooperation Council states of Saudi Arabia, Kuwait, the United Arab Emirates, Qatar, Bahrain and Oman, has grown by 74 per cent over the last three years. This economic and financial boom has already resulted in the rise of Dubai as a leading regional financial centre and triggered a construction bonanza beyond the \$1,000 billion mark in Abu Dhabi, Qatar and Saudi Arabia.

While such economic growth is lifting hundreds of millions of citizens out of poverty more than half the world’s population still lives on less than two dollars a day highlighting the north-south nature of global relations at the start of the twenty-first century. Moreover, ongoing wars in Afghanistan and Iraq, the continuous waves of terrorist attacks around the world, violence in the Middle East and tensions over Iran’s nuclear programme continue to cast a shadow of uncertainty about future trends in international relations.

The direction of geopolitical trends will again largely be determined by actions taken by the world’s current only superpower, the United States. 2007 will be President George W. Bush’s penultimate year in the White House. The success of the Democrats in recent mid-term elections and the negative report card issued by the Iraq Study Group suggests that the Bush Administration will adopt a more moderate bipartisan foreign and domestic policy agenda in the last phase of this Presidency.

But this is no foregone conclusion. The volatile nature of political dynamics in Iran, Palestine, Lebanon, Iraq, Afghanistan and North Korea could convince policy makers at the White House to maintain more of a military natured foreign policy agenda than a diplomatic one. In order to safeguard his legacy, President Bush will also be seeking to generate some “feel good economic and political factor” in America so that the eventual nominee of the Republican Party has a good chance of re-capturing the White House in 2008.

The New Year will also see the new budget of the European Union (2007-2013) starting to function which is certain to boost political and economic activity across the EU, especially among the ten EU accession states of 2004 and the new members of Bulgaria and Romania. The German Presidency during the first half of 2007 is certain to usher in a new phase of momentum on all EU policy fronts as Brussels seeks to take advantage of the positive mood that the fiftieth anniversary celebrations scheduled to take place in Berlin towards the end of March are certain to generate.

Political indicators to watch that will have a major impact on EU policy making in 2007 include the outcome of the French Presidential elections in April and developments concerning the planned changing of the guard at 10 Downing Street by summer. The successors to the political stalwarts of Chirac and Blair will certainly seek to influence EU policy making during the German and Portuguese EU presidencies in 2007.

There will be plenty of opportunity to demonstrate their new style of foreign policy decision making as the EU grapples with a never ending list of challenges awaiting it in the New Year which includes managing the Cyprus–Turkey crisis, influencing more directly Israeli-Palestinian relations, fostering closer relations with Russia, and nurturing a more co-operative transatlantic relationship. The commencement of successful implementation of its Neighbourhood Policy will go a long way towards boosting the fortunes of the EU's Euro-Mediterranean Partnership that has not managed to create a zone of stability and prosperity as enshrined in the Barcelona Declaration of November 1995.

2007 will also see a new Secretary General, the former South Korean foreign minister, Ban Ki-moon, take over at the helm of the United Nations. It is essential that the new Secretary General utilise his new mandate to introduce the necessary reforms to ensure that the world's universal international institution remains an effective force of peace in global affairs.

Professor Stephen C. Calleya, International Relations Analyst extends his very best wishes for the New Year to all visitors of .his website.