

ISSUES

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Phone + 33 (0) 1 56 89 19 30 • Fax + 33 (0) 1 56 89 19 31

Editing / Layout : Katherine Iliopoulos / Hanno Ranck

EDITORIAL



Álvaro de Vasconcelos DIRECTOR

AFTER LISBON: THE STATES OF THE UNION

It is probably in the area of foreign policy that Europeans have the highest expectations of the Lisbon Treaty. They expect a European Union that is capable of speaking with one voice on the major international issues that concern them directly.

Many people believe that if, for example, the Copenhagen Summit had been held at the end of 2010, with the Lisbon Treaty already fully in force, Europeans would have been able to make their voices heard more effectively and to negotiate a common position with the main protagonists involved. Moreover, the Lisbon Treaty creates the conditions for trade relations and development aid to become an integral part of the EU's foreign policy goals, for instance in its neighbourhood. This should facilitate the emergence of strong political initiatives aimed at resolving the 'frozen' conflicts in the east, and the Israeli-Palestinian conflict in the south.

The creation of the External Action Service is vitally important, but it will not be enough to achieve this. Clearly, the merging of the external relations departments of the Commission and the Council within the same structure, under the authority of the High Representative, constitutes a major step forward. However, if the Union is to wield real influence in the international arena, the Member States also need to make more efforts to agree and implement common policies.

The equation is quite simple: if the EU is to exercise strong international influence, this will derive from the combined efforts of the common institutions and of the Member States.

A Europe that acts in a coherent and coordinated way will be able, in relation to a number of vital issues such as international justice and the environmental and development agendas, to participate in developing common responses to these global and regional challenges.

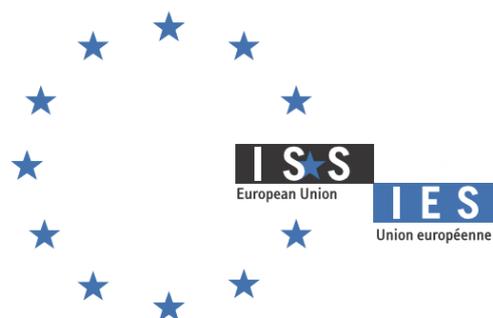
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The European Foreign & Security Policy Institute

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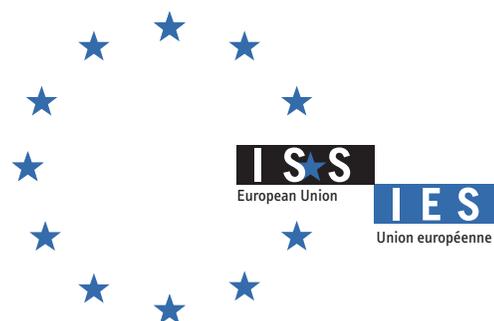
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The Member States will continue to play a key role in the formulation of the EU's external policy for a long time to come, possibly forever. The European Union remains in a sense a kind of 'federation in reverse', which on the one hand devolves to its centre the competences that would elsewhere (e.g. in the United States) be the prerogatives of the States, while on the other hand allowing the Member States to retain responsibilities that in a federation would come under the remit of the central government, notably foreign policy and defence. Under the new regime created by the Lisbon Treaty, the Member States will remain essential to the political and military strength of the Union: but it will be imperative that they speak with a single powerful voice in the international arena.

The Member States are also an important component of the Union's power of attraction – its 'soft power'. The EU's foreign policy should draw on the richness and the variety of the historical, human and cultural relations built between the individual Member States and the rest of the world. With the end of the rotating presidencies in the realm of foreign policy, the Union must find new ways to integrate the sensibilities, activism and initiative capacity of the various Member States.

In order to ensure unity and coherence between EU institutions and those of the Member States, it is essential to define a strategy for the external policy of the Union. Identifying the vital interests that are shared by all the Member States should be its starting point. The 2003 European Security Strategy (ESS) was a milestone in the evolution of the ESDP (now known as the CSDP): however, it cannot serve as a framework for EU foreign policy as it remains a document whose scope is by definition limited to just a part of the Union's external action – security and defence. Therefore, once the External Action Service has been established, the European Union should define the general guidelines and strategic orientation of the EU's foreign and security policy as outlined in the Lisbon Treaty.

To consider the international action of the EU as if it were that of a state, or a superstate constructed along the lines of the United States, would be to entertain an illusion that

would inevitably be shattered every time a serious crisis highlighted the divisions between the Member States.

It is true that the Member States authorised trade policy to be centralised in Brussels. However, there are no indications that they are prepared to do the same and relinquish their autonomy when it comes to foreign policy. In the coming decade, the Union's external policy will either be forged by the Member States or it will not exist at all.

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Fireworks celebrating the entry into force of the Treaty of Lisbon, December 1, 2009.

The Member States must realise that a real common external policy is essential, if they want to be capable of defending their citizens' interests in today's multipolar world. For this reason, any European external strategy needs to take the definition of the vital common interests of the Member States as its starting point.

Peace in Europe, based on the unity of its constituent states, ranks first and foremost among those vital common interests. There is a danger that the European construction project may be called into question in the future. To ignore this risk, by focusing solely on past achievements, would demonstrate an almost Panglossian optimism – which is, incidentally, an all-too-European trait. The multipolar world that we are now entering creates conditions that are adverse to the development of a project founded on the delegitimation of power politics, such as the European Union. It should be borne in mind, though, that a multipolar world based on a balance of power would be the worst-case scenario for defending the European model of multilateral integration. In such a context, some European states might be tempted to play the big power game. Such a development could even lead to a fragmentation of the European Union itself.

The EU has a vital interest in fostering the emergence of a world governed by precepts and rules – in other words, in making the 'multilateralisation of multipolarity' its major strategic goal during the first part of the twenty-first century. An efficient system of multilateral governance will also make it possible to better identify solutions to major global issues like climate change, pandemics and poverty.

The election of Barack Obama as US President represents a unique opportunity to undertake the reforms necessary for the creation of a multilateral system of global governance. For this reason, the EU must rise to the occasion and fulfil the expectations generated by the Lisbon Treaty both within and beyond Europe, and particularly in the United States.

If it is to be a credible foreign policy actor, the EU has to speak with one voice at the main international forums.

This means that it must not only have a common policy, but that it must also reduce the representation of its Member States in international organisations like the IMF and the World Bank or in multilateral structures like the G20. For the big EU Member States, transforming their international representation in this way would mean that new ways would have to be found for involving them in EU decisions and initiatives. Enhanced cooperation would be a good way of achieving this.

The main goal of the Lisbon Treaty is to create the conditions that will enable the EU to speak with a coherent voice – a strong voice reflecting the values of the European Union. A failure of the Treaty in the field of external policy would be perceived as a major failure of the EU, and this would have serious repercussions not only for European external policy but also for the whole European integration process. In spite of the prevailing pessimism, there is currently no indication that the institutions created by the Lisbon Treaty will fail to live up to the challenge of projecting European unity in the international arena. However, to achieve this goal, institutional coherence will not be enough: a clear strategy and the support and commitment of all the Member States will be required.

2009 ANNUAL CONFERENCE

MANAGING A POST-CRISIS WORLD

Paris, 22-23 October 2009

The EUISS Annual Conference was held in Paris on 22-23 October 2009 when the implications of the current global economic crisis for the international order, in particular the added strain it places on effective multilateralism, were discussed.



Carl Bildt, Foreign Minister of Sweden; Álvaro de Vasconcelos, Director EUISS

The 2009 Conference was structured along four subsets of topics, dealing with the emergence of new opportunities for global governance (1), the evolution of peace-building (2), the challenges on development policies (3), and the future of the European policy of democracy and peace “by inclusion” (4). All these issues are high on the EU agenda and feature with equal prominence in the renewed engagement with the United States and in the ‘strategic partnerships’ with newer global players and major regional actors or organisations in promoting effective multilateralism.

A few main points that commanded consensus stood out: the vital importance of rebuilding the legitimacy of international action, more dependent than ever on the approval of the United Nations; the necessity of defining clear and concerted strategies; the urgency of backing up political initiatives with compatible means and resources; and guaranteeing ongoing coordination between relevant actors dealing with a given problem.

Speeches were given by Jacques Delors, Marco Aurélio Garcia and Carl Bildt while many well-known experts from around the world took part in the panel discussions in front of an informed audience of officials from ministries and international organisations and experts from think-tanks.

India-EU Forum on Effective Multilateralism

New Delhi, 8-9 October 2009

The inaugural India-European Union Forum on Effective Multilateralism gathered Indian and European thinkers and policymakers in a series of debates on how an EU-India strategic partnership based on effective multilateralism can find solutions to global problems such as climate change, the financial crisis and terrorism.

With respect to the decision-making process in a multipolar system, both parties considered that balancing representativeness and effectiveness, including through proposals for institutional reforms, was the way forward in the pursuit of ‘pragmatic’ democratisation. Joint peacekeeping and peacebuilding initiatives and anti-terrorism cooperation also featured on the agenda as potential areas of EU-India cooperation within the UN security framework.

2009 EU WASHINGTON FORUM

RESPONDING TO THE OBAMA AGENDA

Washington, 19-20 November 2009

The transatlantic alliance is entering a modern era facing increasingly complex global challenges. The second EU Washington Forum demonstrated that these challenges can only be met with an effective global governance agenda. Bringing together leading politicians and thinkers from both sides of the Atlantic, the Forum served to reinforce the conviction that the future of global governance depends on effective multilateralism and increased EU-US cooperation in engaging global players in collective action.

James Steinberg, US Deputy Secretary of State and Alvaro de Vasconcelos, Director of the European Union Institute for Security Studies, urged closer EU-US cooperation in engaging new global players. The Forum made it clear that global problems such as climate change and sustained economic growth require greater political interaction between the West and developing countries outside Europe.

Participants also expressed confidence in stronger EU-US cooperation in the future. There has been a “sea-change in US foreign policy, now radically geared towards ‘effective multilateralism’ with its concomitant emphasis on diplomacy, engagement and long-term policies”, argued Alvaro de Vasconcelos, adding that it is “a welcome ‘Europeanisation’ of American foreign policy”.



James Steinberg, US Deputy Secretary of State

The annual EU Washington Forum is organised by the EUISS with the European Commission and the EU Presidency.

Turkey and the ESDP: Towards Enhanced Cooperation?

Istanbul, 11 December 2009

The EUISS co-hosted the second Seminar on Turkey and the ESDP at Bosphorus University in Istanbul on 11 December 2009. The debate centred on the assumption that an open CSDP is not only a viable idea, but could also constitute a suitable framework for enhanced cooperation in a multipolar world.

Participants were of the view that there is room for a stronger Turkish involvement in ESDP operations, since the strategic interests of the EU and Turkey have already converged.

But for some Turkish participants, stronger cooperation between Turkey and CSDP cannot be considered prior to a resolution of the pending institutional issues between Turkey and the EU.

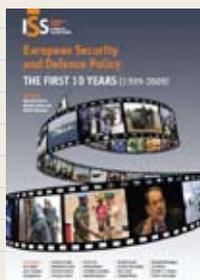
The Obama Moment**Book, November 2009****edited by Álvaro de Vasconcelos and Marcin Zaborowski**

The election of Barack Obama has raised major expectations in Europe and opened up new opportunities for dealing with global challenges. *The Obama Moment* is an authoritative analysis of the most topical global

questions on the transatlantic agenda: multilateralism, the economy, disarmament and climate change. The book concludes that it is imperative that Europeans and Americans seize 'the Obama moment' in order to capitalise on the urgency of acting now.

What Ambitions for European Defence in 2020? (Second Edition)**Book, October 2009****edited by Álvaro de Vasconcelos**

The second, revised edition takes account of changes ushered in by the Lisbon Treaty. What emerges from the revised chapters is a shared sense of urgency that the provisions of the Lisbon Treaty should be implemented as soon as possible.

ESDP: The First Ten Years (1999-2009)**Book, October 2009****edited by Giovanni Grevi, Damien Helly, and Daniel Keohane**

Despite dramatic changes in global security since 1999, in many ways the ESDP has been a success. The EU has helped resolve conflicts and build peace by

deploying personnel to crisis zones in the Balkans, the Caucasus, the Middle East, Africa and Asia. But the ESDP has also been hampered by some key weaknesses. This book examines the evolution of ESDP and concludes with recommendations to drive its future.

Cooperation by Committee**Occasional Paper N°82, February 2010****by Mai'a K. Davis Cross**

This paper examines the Civilian Crisis Management Committee and EU Military Committee to shed light on the transgovernmental dynamic within the field of the Common Security and Defence Policy (CSDP).

Planning for EU Military Operations**Occasional Paper N°81, January 2010****by Luis Simon**

This Occasional Paper seeks to reconcile the need to address existing deficiencies in military planning and command and control with the general resistance to a permanent military operational headquarters.

Back from the Cold? The EU and**Belarus in 2009****Chaillot Paper N°119, November 2009****edited by Sabine Fischer**

The Russian-Georgian war of 2008 induced a thaw in relations between Brussels and Minsk, yet relations with Belarus continue to be a headache for the EU. This paper provides in-depth empirical analysis on Belarus which, due to its long-standing isolation, remains a blank spot on the European map.

Global Security in a Multipolar World**Chaillot Paper N°118, October 2009****edited by Luis Peral**

In the world today, how can the main global players establish a common approach to security? Will this common approach to security be derived from or related to the concept of human security? In answering these questions, contributors analysed how threats to national and international security are defined in the country of concern.

Strength in Numbers? Comparing EU Military Capabilities in 2009 with 1999**Policy Brief N°5, December 2009****by Daniel Keohane and Charlotte Blommestijn**

At the 1999 Helsinki Summit, EU governments committed to a reform of their military capabilities, better equipping their armies for peacekeeping. In this Policy Brief, the authors examine what progress has been made in the past ten years.

Post-2011 Scenarios in Sudan:**What Role for the EU?****Report N°6, November 2009****edited by Damien Helly**

In 2011, will Sudan be united or divided by war? What will be the repercussions of state secession? In this Report, experts enrich the debate about how to stimulate peace, security and development in Africa's largest nation.

10 Papers for Barcelona 2010**Papers 1 to 5**

The EUISS, together with the European Institute of the Mediterranean (IEMed), has now launched the first five papers in the series '10 Papers for Barcelona 2010'.

These papers address ten critical topics for Euro-Mediterranean relations, issues considered central to achieving the aims of the 1995 Barcelona Declaration: building a common Euro-Mediterranean area of peace and stability, shared prosperity and common understanding founded on the rule of law and democratic development.

Paper 1: No Euro-Mediterranean Community without Peace

A look at the prospects for Euro-Mediterranean initiatives against the current troubled backdrop of the Middle East, and in particular the Israeli-Palestinian conflict.

Paper 2: Energy and Global Economic Crisis: The Chances for Progress

An examination of developments based on interdependency and economic integration carried out by the EU in the Mediterranean and how energy efficiency and the development of renewable energies could offer great opportunities for the region.

Paper 3: Human Security: A New Perspective for Euro-Mediterranean Cooperation

This paper shows that EU policies in the Mediterranean need to go beyond conventional understandings of security by focusing on 'human security' in helping to resolve ongoing regional political conflicts.

Paper 4: Education, Research and Gender: The Sources of Progress

An analysis of the social structures of education in the countries of the southern and eastern Mediterranean.

Paper 5: Why Europe must Engage with Political Islam

This paper argues that there is no prospect of a credible democratic transformation of the Arab world without the full integration of one powerful player: political Islam.



THE EU AND NATURAL GAS: THE NEW SECURITY AGENDA

As the European winter draws to a close, there is a metaphorical sigh of relief in Brussels that the events of 2006 and 2009 have not been repeated. In January 2006, a gas dispute between Russia and Ukraine alerted European leaders to concerns that gas supplies to Europe itself might also be affected. Three years later, those fears were confirmed, and for three weeks, the eastern Member States of the European Union shivered until Russia and Ukraine reconciled.

Both events highlighted Europe's dependence on Russian oil and gas, which has grown since the first pipelines were constructed in 1982 despite American objections that Russia could, if it wished, use this as political leverage. In 2006, for example, Russia supplied 43.9 per cent of Europe's pipeline gas, with Norway providing 24.3 per cent and North Africa an additional 12.8 per cent. Natural gas provided almost a quarter (24.6 per cent) of Europe's energy supply in 2006 and since then its importance has grown.

It is hardly surprising, therefore, that the EU continues to be acutely concerned over energy security. There are three paths to energy security: through supplier-consumer contract, through strategic reserves and by diversity of supply. The EU has tried the first two options; now it is turning to the third as well.

The EU's primary weapon has been contractual guarantees with major suppliers through the 1991 European Energy Charter. This sought regulations for trade, transit and investment, bringing the Union together with the old Socialist Bloc in Eastern Europe and the former Soviet Union. The treaty was signed by forty-one states in The Hague in 1994 and entered into force in 1998. However, Russia - the real target of the treaty - has refused to sign it because of its sovereign control over pipelines.

The EU is now negotiating a partnership and cooperation agreement with Moscow. It has an energy security dimension instead because of the increasing difficulties faced by European companies in exploration and production activities in Russia, given the growing power of Gazprom. Europe is also worried about recent Russian attempts to create a price cartel amongst gas producers: this has been dubbed the 'Gas OPEC'.

Some industries would suffer long-term damage and up to 1.4 million people would possibly face unemployment.

These considerations highlight the need for Europe to diversify its energy sources, an issue that both the EU and Russia have been exploring in recent years. Russia has also been anxious to separate its disputes with neighbours such as Ukraine and Eastern Europe from the issue of its ongoing gas supply to Europe.



A gas pressure gauge indicating zero on the main pipeline from Russia near Kiev, January 3, 2009.

Two proposals have been made. The first, made in 2007, provides a new pipeline - known as Nordstream - from Russia to Germany involving Gazprom, Eon and BASF, that would carry up to 55 billion cubic metres a year. The Southstream pipeline, proposed in 2008 by Gazprom and ENI, would run from Southern Russia via the Black Sea, Bulgaria, Greece, Serbia and Croatia to Italy and Austria. This would carry between 30 and 63 billion cubic metres of gas a year.

Alternatively and where possible, EU Member States should create adequate strategic reserves to guard against supply disruptions. As far as oil is concerned, Member States have to maintain reserves of up to ninety days-worth of oil supplies; gas, however, is far more difficult to store and there is no generalised strategic reserve requirement. Italy does have a significant reserve as a result of supplies from Algeria and other states have made similar arrangements but most depend on constant supply agreements.

The implications of interruptions to supply became abundantly clear in January 2009. In addition, a recent study of the possible consequences for the United Kingdom concluded that an unexpected single day interruption would halt most industrial plants, and back-up fuel supplies would only compensate for 10 to 15 per cent of demand. Over six weeks, economic losses would equal up to 0.81 per cent of GDP.

Both pipeline projects - one of which (Nordstream) is now being constructed whilst the other has been agreed - still depend on Russian goodwill although they do avoid the problems of Russia's 'near abroad'. The EU, therefore, has espoused an alternative: the Nabucco pipeline from the Caspian Sea to Bulgaria, Romania and Hungary via Turkey. This, a 30 billion cubic metre a year privately financed project, would avoid direct dependence on Russia, provided that it does not pressure its southern neighbours.

Thus, not even the €7.9 billion Nabucco pipeline - or the subsidiary pipelines proposed from and through Turkey - mean that Europe can avoid the Russian embrace. This has some very significant security implications for Europe and NATO in light of Georgia's experiences in 2008. Energy supply, in short, should dominate the EU's overall security objectives for the immediate future, given its dependence on Russia.



OBAMA'S FIRST YEAR: A TRANSFORMATIONAL PRESIDENCY?

Sworn in just over one year ago against the backdrop of the global economic crisis and two wars, US President Barack Obama's report card is due for an evaluation. Have the decisions and actions taken over the last twelve months lived up to the promise of 'change' that Obama reiterated throughout his election campaign?

Several commentators thought Obama would merely tweak US foreign policy, his efforts falling short of any sort of 'transformation'. They predicted that his campaign promises would hit the 'reality wall' once he entered the Oval Office: any US troop pull-out from Iraq would be protracted, a redoubling of the US military presence in Afghanistan would not be possible, the Middle East peace process would remain stalled and America would continue to support Israel. Despite his best intentions, opposition from Congress would mean that Obama would probably shelve major initiatives in the areas of climate change or nuclear disarmament. Indeed, Obama has certainly not been able to dramatically transform US foreign policy thus far. Yet there are signs of progress, alongside clear challenges.

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Obama at a news conference in the Brady Briefing Room, White House, February 9, 2010.

Despite being dealt some unlucky cards, most notably the global economic crisis, legislative progress was made with the passing of the federal economic stimulus bill. Although the Copenhagen Summit ended without a binding agreement, Obama's commitment to reducing carbon emissions is stronger than that of George W. Bush. Obama helped to stabilise Pakistan with an aid package designed to bolster its economy and fight terrorism. In addition, Obama's personal popularity has boosted America's image abroad. Although the US remains unpopular in some parts of the world, arguably Obama's engagement with the Muslim world has significantly improved America's image in the region.

Even critics from Obama's own camp argue that he has not gone far enough *vis-à-vis* Iran or in relation to finding a settlement with the Taliban. Because he 'has his fingers in too many pies', there is no substantial progress to report on any particular issue.

Some of this criticism may be justified: his administration has committed some foreign policy blunders and diplomatic *faux pas*. For example, by failing to consult Warsaw and Prague about the change of plans on the missile defence shield, the US unnecessarily antagonised two of its staunchest allies. To make matters worse, Obama made the announcement on 17 September, exactly seventy years after Poland

was invaded by the Soviet Union.

With declining approval ratings at home, down from 70 to 45 per cent, the President's room for manoeuvre is slowly diminishing. The sky-high confidence that most Europeans have in Obama will surely begin to follow suit.

Early into his term, Obama made health care reform a key priority and his promises in that area have now been realised. But in terms of foreign policy, the Democrats are growing restless and their support for the war in Afghanistan is declining. In the meantime, it is becoming more evident that the coalition assembled for Obama's campaign is beginning to fragment.

With no other major improvement on the domestic front apart from health-care reform, it is likely that the Congressional elections in November 2010 will reduce the Democratic majority or perhaps even usher in a Republican victory.

But it is hardly surprising that Obama's first year has failed to deliver any foreign policy breakthroughs. The legacy of Obama's predecessor - particularly the wars in Iraq and Afghanistan - cannot be reversed overnight. In turn, the nature of American domestic politics means that there are often long transitional periods before any new administration is ready to tackle difficult challenges. Obama simply has not had enough time to transform US foreign policy.

But the major Middle East policies being pursued at present and those planned for the future, as well as those in relation to disarmament and climate change, suggest that Obama's presidency has the potential to be transformational in the year ahead.

However, if by November Obama's Administration has accomplished little, it is likely to remain an underachiever until the end of the presidential term.

2010 will thus be a crucial year for delivering results and will be decisive in terms of whether Obama keeps his promise of change.

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