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Hard Choices

The EU's Options in a Changing Middle East

Timo Behr (ed.)

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Introduction

Timo Behr

The Middle East is in the throes of a profound transformation. After decades of seeming stagnation, the region's political, economic, ideological and even territorial balance is being re-drawn at a dizzying speed. The revolutionary tide that gathered momentum in Tunisia in early 2011 has swept through the region within a matter of months, engulfing most Middle Eastern countries in its path. Wherever it hit land, it has swept away the old order and empowered a new set of political actors that are now trying to find their feet on an unknown terrain. It brought with it great promise and the hope of a better future; but also new uncertainties and risks. Whatever the outcome of this extraordinary transformation, it will be decisive in determining the future of the Middle East. It will also be hugely important in shaping Europe's own political and economic future.

But the transformation of the Middle East did not start with the desperate act of a Tunisian street-vendor alone – as important and symbolic as this act might have been for subsequent developments. Nor has it been limited to the domestic political turmoil experienced by many Middle Eastern countries in the aftermath of the Tunisian and Egyptian uprisings. In fact, over the last few years, the Middle East's regional order has experienced a more gradual, but no less dramatic, transformation of its own. New regional actors, including Turkey and Iran, have sought to reshape the Middle Eastern balance in their favour and have served as role models and catalysts for change in the region. Non-state actors, such as Hamas and Hezbollah, have challenged established power structures and have turned into players in their own right. And as the world is settling into a post-American global order, Western countries are no longer the only actors that seek to influence developments in a now more multipolar Middle East.

These developments represent a major challenge to the European Union and its understanding of the region. For decades, the EU's policies towards the Middle East have been highly ambiguous. Despite its geographic proximity and the immense importance that the Middle East holds for Europe on a number of accounts – including energy, immigration, security, and trade – the EU has generally failed to develop a political strategy and role of its own in the region. Instead,

the EU has largely relied on the United States as a regional security provider and has closely trailed US policies in the region, with few exceptions. And its own policy initiatives, like the Barcelona Process and the European Neighbourhood Policy, have been more notable for their development impact – although even that remains doubtful – than for their ability to shape regional affairs. Only from time to time did the EU play a more active political role, as witnessed during the nuclear negotiations with Iran in the mid-2000s, spearheaded by Javier Solana. Notwithstanding its considerable economic power and clear national interests, the EU has consequently, and for the most part, been a political minion when it comes to the Middle East.

The EU's past failures in the Middle East should come as no surprise. The importance of the transatlantic alliance and the global dominance of the United States have meant that it was only natural for the EU to take a backseat in this geopolitically important region. Moreover, the EU's institutional weaknesses and limited capabilities have made it difficult for the Union to develop a more coherent foreign policy strategy and oversee its implementation. But the world has changed in recent years; and so has the EU. The coming into force of the Lisbon Treaty eradicated some of the previous institutional obstacles that have encumbered European foreign policy. With the European External Action Service (EEAS), the EU now has a tool at its disposal which, at least in principle, should allow it to develop and implement a more coherent foreign policy strategy. But of course, the development of a greater institutional capacity alone will not solve the EU's problems in the Middle East. What is required now is a combination of strategic foresight and political determination to help the EU find its footing in this rapidly changing region.

The conjuncture of a changing Middle East and a changed European Union therefore calls for a careful analysis of the EU's emerging options in the region. This report aspires to make a contribution to this process by reviewing some of these options. It is the product of a series of focused round-table discussions between Middle East experts and Finnish scholars of the region that took place throughout autumn 2010. As such, this report is a reflection of the long-term structural changes that the Middle East has been experiencing in recent years. Having been largely conceived and written before the "Arab Spring" of 2011 that has shaken the Middle Eastern order to its core, it offers a partial reflection on these developments. But this

makes its findings no less valuable. While recent events may have obscured some of the previous developments in the region, many of them have only become more relevant and deserving of the EU's urgent attention.

The different chapters in this report deal with some of the most urgent issues and problems that the EU is currently facing in the region. Most concentrate on the changing constellation of regional actors and the Middle East's evolving power balance. One chapter focuses on the as yet uncertain challenges and benefits that Arab democracy offers to the EU. Each chapter opens with a short introduction that aims to situate the issue at hand in its broader framework and establish its relevance to the EU. This is followed by two contributions, each outlining a different course of action for the EU. The last chapter discusses the relevance and emerging role of some of the external powers in the region.

The first chapter considers Turkey's burgeoning influence in the Middle East and the implications this has for the EU's foreign policy strategy in the region. In her introduction, **Johanna Nykänen** outlines Turkey's growing role and raises the question of whether the EU needs Turkey in order to become a serious player in the Middle East. In his contribution, **Gareth Jenkins** argues that there are worrying signs of Turkey's neo-Ottoman foreign policy and that Turkish nationalism is likely to prove a disruptive force should Turkey ever join the European Union. But Jenkins maintains that even though the EU and Turkey might in the future find themselves on opposite sides, in the meantime the EU stands to gain from closer cooperation with Turkey. **Kemal Kirişci**, for his part, attests to Turkey's rise as a trading power by documenting the rapid rise of trade ties and people-to-people exchanges between Turkey and its Middle Eastern neighbours in recent years. According to Kirişci, this development was as much driven by Turkey's dynamic "Anatolian Tigers" as the progressive "zero-problems" foreign policy of its governments and offers unprecedented opportunities to the EU's neighbourhood policy.

The second chapter focuses on the rise of Iran as a regional power and the challenge this poses to the EU. **Barbara Zanchetta** introduces the topic by recalling Iran's centrality to a number of international crisis spots, from Afghanistan to Lebanon and Iraq. In his contribution, **Ali Rahigh-Aghsan** adopts a neorealist approach to the Iranian question, pointing out the weakness of the EU's strategy

of effective multilateralism. According to Rahigh-Aghsan, the EU has failed to influence Iranian behaviour – whether through its policy of engagement or through the sanctions regime it recently adopted. He concludes by saying that the time is ripe for the EU to opt for a strategy based on containment and balancing. In his contribution to the topic, **Rouzbeh Parsi** offers a very different interpretation of the current situation by arguing that the international community essentially has three options concerning Iran: confrontation, containment and engagement. Dismissing both confrontation and containment, Parsi pleads for a bold and comprehensive policy of engagement that centres on a broad range of issues, not only the nuclear issue, and which, among other things, would necessitate the opening of an EC Delegation in Teheran.

The third chapter looks at the central role that Hamas is playing in the region and for the peace process and at the EU's difficult relationship with that organization. In her introduction, **Minna Saarnivaara** provides an overview of Hamas's ideological developments and points out that the current situation seems to play into the hands of the organization. In his article, **Jonathan Schanzer** dismisses the notion that Hamas has moderated in recent years, pointing towards evidence gleaned from interviews and the news media. According to Schanzer, the idea that the EU should try to engage Hamas and punish Israel is misguided and dangerous. Rather than reaching out to a rejectionist group, Schanzer concludes that the EU should support some of the emerging Palestinian forces that are independent of both Fatah and Hamas. In her contribution, **Carolin Goerzig** takes a different approach, pointing out that neither the Gaza blockage nor the "West Bank first" approach have managed to undermine the influence of Hamas. While she considers it unlikely that either a "moderation first" or an "engagement first" strategy could be effective, she recommends a combination of both by offering some softening of the Quartet criteria in return for a visible sign of moderation from Hamas.

The fourth chapter considers the impact of the Arab uprisings of 2011 by focusing on the role of democracy and human rights in the Middle East. **Hannu Juusola**, in his introduction, considers the challenge of democracy in the Arab world and points out that in the past the EU and the US have both been reluctant to tolerate democracy in the region. In his contribution, **Moataz El Fegiery**

considers the case of Egypt. He provides an overview of the recent political developments in Egypt and concludes that the European Commission should carefully monitor the transitional period in close consultation with civil society. Reviewing the EU's past policies in the region, **Timo Behr** argues that when faced with an assumed trade-off between stability and democracy in the Middle East in the past, the EU has regularly opted for the former. According to Behr, the Arab revolutions have resolved the EU's democratization-stabilization dilemma, thereby allowing for greater EU support for Arab democracy. However, Behr argues that the EU's support for Arab democracies continues to be half-hearted and is likely to face a real test in the future, which may give rise to a new trade-off in EU policies between democracy and Western values.

The final chapter considers the role of various new external actors and their relationship with the EU in an increasingly multipolar Middle East. In his introduction, **Juha Jokela** describes how multipolarity has reshaped global politics in recent years and how it has impacted the Middle East. In a first contribution to the chapter, **Pedro Seabra** considers the case of Brazil as an emerging player in the Middle East. Seabra points out that Brazil's initiatives in the region, such as attempting to broker a nuclear deal with Iran and Turkey and recognizing Palestinian statehood, should be read in conjunction with Brazil's overall rise as a foreign policy actor. Seabra argues that although Brazil remains a secondary player in the Middle East, its continuing engagement will by default diminish the EU's regional role. **Peter Gruskin's** contribution considers China's slow surge as a Middle Eastern power. Gruskin points out that China and the Arab world are going through a slow process of rediscovering each other that is largely driven by China's energy needs. Gruskin argues that China will present a continuing challenge to EU policies, especially in such key countries as Afghanistan, Pakistan and Iran. To face this challenge, Gruskin recommends that the EU should capitalize on its ideas-based leadership in the region and bring to bear its unique set of policies that set it apart from China. Lastly, **Mika Aaltola** reviews how US Middle East policy has been influenced by a mixture of American pragmatism and religion in recent decades. Aaltola concludes that as a result, American foreign policy culture has been biased and has tended to frame regional events in a religious context. This has constrained the United States' ability to conduct a more pragmatic

foreign policy and has led to frequent differences and confrontations with the EU over the region, which does not share these traditions.

What the various contributions to this report demonstrate is that the EU faces a number of clear choices and challenges in the Middle East. This implies that, contrary to the common perception, the EU is not condemned to being a passive and powerless player in the Middle Eastern drama unfolding before its eyes, nor that it is bound to a certain course of action. Moreover, it also serves to demonstrate that, in the near future, muddling through is no longer going to be an option. Confronted with a number of new competitors and a changing domestic climate in the Middle East, the EU's influence in the region will inevitably decline. If the EU wants to continue to play a role in a changing and more multipolar Middle East, it will, now more than ever, require a clear vision and a comprehensive strategy. This means that it will have to make some hard choices and begin to develop a more coherent and ambitious foreign policy strategy that is based on a careful analysis of the emerging regional realities. The EU's future position in the region and its long-standing ambition of becoming a global actor will depend on this.

Chapter I

Turkey's Middle East Ambitions

Turkey's Middle East policy

Johanna Nykänen

In recent years, Turkey has become an increasingly proactive and influential player in the Middle East. It has gone from being a passive, inward-looking regional actor to a power that actively seeks to assume a leading role in, and good neighbourly relations with, the Middle East. This has altered the dynamics between the EU and Turkey.

On the one hand, Turkey's value to the EU has increased. The country's organic links with the Middle East – including religious, cultural and historical ties – make Turkey a natural bridge between the EU and the Middle East. Furthermore, Turkey's strengthening economic ties with its Middle Eastern neighbours are interconnecting it more strongly with the region, making political cooperation more likely. Turkey's emerging role as a regional mediator and a crucial energy transit route to Europe is also making it a more valuable country to the EU.

On the other hand, Turkey's independent foreign policy and power ambitions mean that the country can no longer be treated as a dependent ally that can be trusted to follow the EU's lead. While this might have made relations more balanced and equal, it has also underlined potential differences. The situation is exacerbated by fears that Turkey's moderate Islamist government – the first religiously motivated government in the history of the republic – is choosing its radical Muslim neighbours over Europe. Turkey siding against its Western allies in the United Nations Security Council in June 2010 on further sanctioning Iran was seen as one example of this. Prime Minister Recep Tayyip Erdoğan's uncompromising rhetoric towards Israel, especially in the aftermath of the Gaza flotilla incident in 2010, has led many to conclude that Turkey is lost as a Western ally.

Turkey's strategic importance is often used as a reason for admitting the country into the EU. It is argued that it would increase the EU's global standing. However, if the EU and Turkey have diverging Middle East policies, this is highly unlikely. It may lead to further internal bickering within the EU, making Turkey a liability rather than an asset in EU policies in the Middle East. Alternatively, it could lead to a situation where the EU's Middle East policies were decided in Ankara rather than in Brussels.

As such, Turkey's value to the EU in the Middle East requires converging policies and interests. To what extent are the EU's and Turkey's Middle East policies in line, then? Some argue that it is precisely Western policies that Turkey is carrying out independently in the Middle East. Turkey is supporting a peaceful and prosperous Middle East by, for example, insisting on a negotiated solution to Iran's nuclear question. Turkey argues that sanctions create instability, harm relations with Iran, and target the civilian population. As an immediate neighbour, Turkey bears the brunt of any instability in Iran, and is therefore in a more vulnerable position than Europe. The humanitarian and domestic impacts of the UN sanctions in the 1990s against Iraq are still fresh in people's minds.

Others argue that with its increasingly ideological outlook on foreign affairs, Turkey is drifting further away from the EU. Its policies are both in conflict with EU interests and lacking in strategic thinking. Furthermore, its regional role in the Middle East is exaggerated, as it is unlikely that the countries in the Middle East would like to come under Turkish influence once again. The Ottoman legacy evokes nostalgia only in Turkey, not in other parts of the old Empire.

Does Europe need Turkey to become a serious Middle East player? This is something that cannot be taken for granted in the EU, and needs to be carefully analysed. At the same time, the EU needs to decide what it wants to achieve in the Middle East. Otherwise the whole question of Turkey's role in the making of EU foreign policy in the Middle East is irrelevant.

Turkey and the EU in the Middle East

Gareth Jenkins

On 8 November 2010, in a speech at the Royal Institute of International Affairs in London, UK, Turkish President Abdullah Gül declared that Turkish membership of the EU would strengthen the Union both politically and economically. Indeed, he said, Turkish accession was a "strategic imperative" if the EU was ever to become "a global actor capable of assuming greater responsibilities on political and security issues".

Since it first came to power in November 2002, and particularly since the appointment of Ahmet Davutoğlu as foreign minister in May 2009, Turkey's ruling Justice and Development Party (AKP) has focused increasingly on strengthening ties with other Muslim countries in the Middle East; and frequently touted what it terms its unique role in the region as Turkey's main contribution to EU foreign policy if and when it ever becomes a member. On 2 May 2010, speaking at an academic conference in Oxford, UK, Davutoğlu went so far as to tell an audience of European academics and diplomats: "You don't know how to do diplomacy in the region. We do."

There is no doubt that its geographical location and predominantly Muslim population of 75 million mean that Turkey can offer EU foreign policy something that no other existing member can deliver in the Middle East. But, in order for this potential to be realized, there is a need for convergence and cooperation. Yet, in recent years, far from moving closer together, Turkey's and the EU's policies, practices and goals in the region seem to be moving farther apart. Indeed, rather than harmonization with the EU, Turkey's priority appears to be establishing itself as a dominant, neo-Ottoman regional power; and, in the process, pursuing policies which position it in explicit apposition – and sometimes even opposition – to the EU.

The ineluctable potential

Turkey's geographical location on the edge of one of the most politically turbulent regions of the world would alone make it of vital importance to the EU. Today it also lies on one of the main routes by which both illegal immigrants and narcotics are trafficked into Europe. It also has enormous potential as a conduit for the transportation of oil and natural gas from the Caspian Sea and Central Asia; thus reducing the EU's current overdependence on Russia.

In theory at least, in a world increasingly driven by what the late Samuel Huntington described as "civilizational" divides, Turkey's cultural ambidexterity – its strong sense of Muslim identity and its long history of close political, economic and societal ties with the West – means that it does genuinely offer the EU something that no other member or candidate can provide.

There is no doubt that the Muslim countries of the Middle East would regard an EU in which Turkey was a member as a very different – less "alien" – entity than one from which it continues to be excluded. On a practical level, cultural similarities also mean that Turkish officials have a much better feel than Europeans for the social niceties and delicacies of phrasing that can facilitate productive exchanges with their Middle Eastern counterparts.

But Turkey's advantages are based on maintaining good relations with both the EU and the Middle East, an ability to have a foot in both camps. Yet in recent years, there has been an unmistakable shift in the AKP's foreign policy priorities. Despite its professed commitment to accelerating Turkey's EU accession process, the AKP has devoted considerably more time and energy to forging closer ties with other Muslim countries; including adopting positions which are opposed to the policies and values espoused by the EU.

The AKP's neo-Ottoman aspirations

Many in the West have attributed the recent shift in Turkey's foreign policy to its frustration with the slow pace of its EU accession process and the growing conviction in Turkey that the EU's criticism of the slow pace of domestic reform in the country is a pretext to mask its own religious and racial prejudices; which many Turks believe will

prevent the EU from ever accepting Turkey as a member even if it eventually meets all of the accession criteria. However, although disillusion with the slow pace of Turkey's accession process has probably exacerbated the shift in the AKP's foreign policy, its roots are much older and deeper.

Although it regularly refutes the description, the AKP is an Islamist party; not because it seeks to introduce Islamic Sharia law but because it is actively seeking the creation of a more explicitly Islamic society in Turkey. The AKP regards Sunni Islam as both lying at the heart of the individual and collective identity of the country's population and defining its place in the world.

The Turkish Islamist movement has always been informed by a strong sense of Ottoman nostalgia; albeit for a highly idealized vision of the Ottoman Empire in which peoples of different religions and races lived together in peace and mutual tolerance before the paradigm of harmony was destroyed by Western interventionism and the fissiparous forces of ethnic nationalism. As a result, the AKP's nostalgia for the Ottoman past is based not only on self-aggrandizement but also on a sincere – if arguably misplaced – conviction that non-Turks would welcome, and benefit from, the reassertion of Turkish pre-eminence.

In his writings and speeches, Davutoğlu has made it clear that he regards the world as being divided according to value systems, and that Turkey's place lies with what he has described as "morally superior" Muslim countries. Since becoming foreign minister, Davutoğlu has sought to implement a plan first detailed in his 1994 book *Civilizational Transformation and the Muslim World*, in which he argued that the worldwide community of believers, known as the ummah, should unite; initially through "regional integrations" as a "preliminary stage for an economic integration" of all Muslim countries. On 10 June 2010, speaking at a meeting of the Turkish Arab Cooperation Forum in Istanbul, Davutoğlu announced plans for a free trade zone encompassing Turkey, Jordan, Syria and Lebanon. In almost an exact replica of what he had written in 1994, Davutoğlu declared that the free trade zone would form the foundations of what would eventually become a single economic and political bloc comprising the Muslim countries of the Middle East and North Africa. Nor has Davutoğlu ever made any secret of the fact that he believes that this bloc of Muslim nations will be led by Turkey.

Divergent priorities, limited capabilities

The AKP's neo-Ottoman ambitions and strong sense of Muslim solidarity have already resulted in it pursuing policies and adopting positions which diverge from those of the EU. For example, it has actively cultivated closer relations with Sudanese President Omar al-Bashir, even though he has been accused by the International Criminal Court of complicity in genocide as a result of the Sudanese government's involvement in the mass killings in Darfur. Turkish Prime Minister Recep Tayyip Erdoğan has repeatedly dismissed the charges, arguing that Muslims are incapable of genocide because murder is forbidden by the *Qur'an*. Erdoğan's defence of al-Bashir has been in marked contrast to his condemnation of human rights abuses by non-Muslim countries, most notably his outspoken criticism of Israel over its treatment of the Palestinians of Gaza.

In addition, rather than cooperating with – or even acting as a facilitator for – the EU in negotiations over Iran's nuclear programme, the AKP has consistently supported Tehran against the West; including famously trying to block additional sanctions against Iran at the UN Security Council on 9 June 2010.

The adoption of such policies by the AKP has tended to focus attention on its intentions rather than its capabilities. But, for the moment at least, Turkey appears to lack the depth of expertise necessary either to realize its ambitions of regional pre-eminence or to underpin the advantages that it could bring to the EU in the Middle East.

Before the AKP came to power, Turkey was ruled by a succession of pro-secular governments who regarded any academic or diplomat who sought to specialize in the Middle East as being ideologically suspect. As a result, even after more than eight years of AKP rule, there is still a dearth of Middle East specialists and Arabic speakers in Turkish universities and the Ministry of Foreign Affairs (MFA). The problem has been compounded by the "deinstitutionalization" of foreign policy that has taken place under Davutoğlu. Since his appointment, Davutoğlu has tended to ignore even the limited expertise available in the MFA, preferring to rely on a handpicked group of young and very inexperienced advisors. The result has been a series of foreign policy miscalculations, ranging from the failure to understand that his attempted rapprochement with Armenia in 2009

would infuriate Azerbaijan to overriding advice from senior members of the MFA to exercise caution rather than encourage the dispatch of the ill-fated aid flotilla to Gaza in 2010; an initiative which ended with the deaths of nine Turks after the ships were stormed by Israeli commandos on 31 May 2010.

There are also doubts about whether, even if it was to develop a greater level of expertise, the AKP would ever be able to realize its dreams of regional dominance. The AKP still does not understand that, while many welcome its relentless hostility to Israel, few Arabs share its nostalgia for the Ottoman Empire. Perhaps more critically, even though it currently suits Tehran's purposes to cooperate with Ankara, Iran also has its own dreams of regional hegemony. However it may sometimes appear in the West, in the long term Iran and Turkey are rivals for power in the Middle East, not partners. Nor should it be forgotten that, although it is likely to be some time before it resolves its internal turmoil, Egypt still regards itself – and, culturally at least, is still viewed by the majority of the people in the region – as the centre of the Arab world.

The need for increased engagement

Despite the AKP's ambitions and increasingly aggressive anti-European rhetoric, and regardless of whether or not it eventually accedes, Turkey still needs the EU; not least economically. Even though Europe is struggling to emerge from recession, the EU still accounts for around half of Turkey's foreign trade and the majority of its foreign direct investment, and thus also the inflow of technology and knowhow. Economically, increased ties with the Middle East could prove an important supplement to, but never replace, Turkey's relationship with the EU.

Politically, there is also no doubt that both the EU and Turkey would stand to benefit more from cooperation in the Middle East than pursuing separate policy agendas. The main problem at the moment is that the AKP is so self-confident that it fails to understand its limitations; that, as James Jeffrey, the US Ambassador to Turkey, famously put it in a January 2010 cable published on the Wikileaks website, it has "Rolls Royce ambitions but Rover resources".

Given the AKP's record to date, it is questionable whether – even if Turkey eventually accedes to the EU – it will be prepared to pursue a shared foreign policy. Indeed, it currently appears more likely to be a disruptive influence, making it even more difficult than it is at present for member states to agree on and implement a common foreign policy. But there is undoubtedly scope for greater engagement between the EU and Turkey; particularly in terms of the EU expending greater efforts to consult with Turkey and seek its support for EU policies and positions. Although it would be naïve to expect increased consultation to result in complete convergence – and even if Turkey has less to contribute than Davutoğlu claims – the process offers more benefits than drawbacks for the EU; not least because it might also sometimes ameliorate policies pursued by Turkey which run counter to those of the EU.

Turkey's Middle Eastern assets[1]

Kemal Kirişci

Recently, an increasingly conspicuous aspect of Turkish foreign policy is the extent to which relations with the Middle East have expanded economically, socially and politically. During the Cold War, Turkey's relations with its neighbourhood were limited and problematic. The 1990s saw economic relations and the movement of people between Turkey and the ex-Soviet world expand. Yet, Turkish foreign policy during this period remained locked in intense conflict with a string of neighbours ranging from Armenia, Cyprus, and Greece to Iran, Iraq and Syria. This had earned Turkey the reputation of a "post-Cold War warrior". This situation began to change by the late 1990s, paving the way for a rapprochement first with Greece and then with Syria. However, the real breakthrough did not come until the Justice and Development Party (AKP) came to power and the "zero problems policy" associated with the current Minister of Foreign Affairs, Ahmet Davutoğlu. This policy saw Turkey's relations with its neighbourhood improve and expand, accompanied by a growing interest to seek solutions to the problems of Turkey's neighbourhood from the Balkans to the Middle East.

In this essay I argue that economic considerations constitute one of the primary drivers of Turkey's foreign policy. This is increasingly the case for its relations with the Middle East and is manifested in efforts to expand trade and the movement of people. This approach may, in the long run, help to better integrate the Middle East into the global economy and increase interdependence in the region which, in turn, may well help the region to solve some of its persistent conflicts and problems. On a number of occasions, Davutoğlu has stated that Turkey regards the European integration project as an exercise in encouraging greater economic, political and social integration, and as a vehicle for achieving greater stability and prosperity in Turkey's neighbourhood. However, Turkey's emergence as an asset for the EU in the Middle East will be dependent on the country overcoming a number of challenges, including the growing belief that it is

[1] I would like to acknowledge the assistance of Efe Tokdemir from Boğaziçi University who helped to collect and process the statistical data employed in this study.

turning its back on the West. In this respect the EU's reinvigorated engagement with Turkey will be critical. It is only in this way that Turkey's engagement with the Middle East could become a "win-win" game for Turkey itself, for the EU and for the Middle East.

Trade in Turkey's Middle East policy

Traditionally, Turkey's involvement in the Middle East has been limited, if not problematic. During the Cold War, Turkey generally preferred to remain aloof or to distance itself from the Middle East. The exception came in the 1970s when Turkish construction companies made their debut in Libya and subsequently in Iraq, Kuwait and Saudi Arabia. Under Turgut Özal's leadership as prime minister in the 1980s, the Turkish economy abandoned import substitution policies and transformed itself into an export-oriented liberal economy that actively sought markets in the Middle East. Özal also had aspirations of contributing to the peace efforts in the Middle East. However, to his deep dismay, Turkey was relegated to the sidelines of the Madrid peace conference and could only obtain a junior role in the subsequent process of reshaping the Middle East. Instead, the 1990s were marked by deteriorating relations between Turkey and leading Arab states such as Egypt, Iraq and Syria, while Israeli-Turkish relations deepened. All this is changing. In the last few years, Turkey's relations with the Middle East have been significantly transformed. Political relations with the Arab world have been improving while the ones with Israel have taken a serious downturn. Yet, the common denominator that prevails in Turkey's relations with the Middle Eastern countries, including Israel, is a predominant increase in trade and the movement of people.

Turkey is becoming a "trading state" and this is having an increasingly important impact on the country's domestic politics as well as its foreign policy. In 1975 foreign trade constituted 16% of Turkish GDP. In 2008 this figure had increased to 52%.[2] In real terms Turkish foreign trade increased from around 11 billion USD in 1980 to 333 billion in 2008, in spite of the global recession. Furthermore, the value of Turkish exports and their diversity have increased too. In

[2] Based on the World Bank's World Development Indicators (WDI) database.

1980 while the exports of manufactured goods constituted only 27% of merchandise exports, this figure had increased to 79% by 2008.[3] Lastly, the relative significance of the EU in Turkey's foreign trade, though still very high, has been falling from a peak of around 56% of overall trade in 1999 to around 41% in 2008. Neighbouring countries have been increasing in importance, especially Russia. In 2008, Russia became Turkey's largest bilateral trading partner, surpassing Germany for the first time with a trade volume of 38 million USD.[4] Furthermore, in recent years Turkey has been trying to aggressively liberalize its visa policy and expand its trade with the Middle East.

However, the growth in trade with the Middle East has not matched the growth with other regions. While trade with ex-Soviet bloc neighbours increased from 1995 to 2008 by more than 940%, the rate of increase with the Arab Middle East was little more than half this figure (see Table 1), with most of the increase being accounted for by the growth of trade with Iraq. However, during the course of 2009 and 2010, the government has sought to expand Turkey's commercial relations with the Arab Middle East. The lifting of visa requirements for the nationals of a string of Arab countries, as discussed below, is primarily driven by economic considerations. In terms of the broader Middle East to date, it is actually trade with Israel and Iran that has grown significantly. However, the trade with Iran has been dominated by natural gas and petroleum imports, while Turkey's exports have been limited. Iran is the only major economy in the region that still remains relatively closed to Turkish exports and businesses. This in turn very much explains the Turkish government's efforts to maintain good relations with Iran with the clear expectation of gaining better access to the Iranian market. The situation with Israel is very different. The economies of both countries are much more compatible and since the free trade agreement was put into place in 1996, trade and business relations have been expanding. The recent deterioration in bilateral relations does not appear to have undermined this trend significantly.

[3] Undersecretariat of the Prime Ministry for Foreign Trade (DTM), "Dış Ticaretin Görünümü: 2008," p. 26. 1980 data for % of manufacture exports as % of merchandise exports are available from the World Development Indicators (WDI) database.

[4] Undersecretariat of the Prime Ministry for Foreign Trade (DTM), "Dış Ticaretin Görünümü: 2008," p. 15.

Table 1. Foreign Trade between Turkey and the Middle East

Turkey	1995				2002				2008				% of Inc. 1995–2008
	Import	Export	Total	% of G.Total	Import	Export	Total	% of G.Total	Import	Export	Total	% of G.Total	
Syria	258	272	530	0.92%	506	267	773	0.88%	639	1115	1754	0.53%	221%
Iraq		124	124	0.22%			0	0.00%	1321	3917	5238	1.57%	4124%
Lebanon	20	159	179	0.31%	42	187	229	0.26%	179	665	844	0.25%	372%
Egypt	211	246	457	0.80%	118	326	444	0.51%	943	1426	2369	0.71%	418%
GCC + Yemen*	1533	900	2433	4.24%	951	1334	2285	2.61%	4360	12622	16982	5.08%	598%
N. Africa	932	654	1586	2.77%	2020	939	2959	3.38%	4324	4424	8748	2.62%	452%
Arab Middle East TOTAL	2954	2355	5309	9.26%	3637	3053	6690	7.64%	11766	24169	35935	10.76%	577%
Iran	689	268	957	1.67%	921	334	1255	1.43%	8200	2030	10230	3.06%	969%
Israel	167	240	407	0.71%	544	861	1405	1.60%	1448	1935	3383	1.01%	731%
Middle East TOTAL	3810	2863	6673	11.64%	5102	4248	9350	10.67%	21414	28134	49548	14.84%	643%
Former Soviet Block Neighbors**	3813	2161	5974	10.42%	6281	2827	9108	10.40%	44502	17819	62321	18.66%	943%
US	3724	1514	5238	9.14%	3099	3356	6455	7.37%	11976	4300	16276	4.87%	211%
EU***	16861	11078	27939	48.75%	23321	18459	41780	47.69%	74802	63390	138192	41.38%	395%
TOTAL	35709	21607	57316	100%	51554	36059	87613	100%	201964	132027	333991	100%	483%

in Million USD

* Bahrain, Quwait, Qatar, Saudi-Arabia, Oman, U.A.E, Yemen

** Bulgaria, Romania, Russia, Belarus, Moldova, Ukraine, Azerbaijan, Georgia. Trade with Armenia is not available.

*** EU-15 in 1995 and 2002; EU-27 in 2008

Source: TUIK

Turkish relations with Israel have been problematic since Erdoğan's brush with Shimon Peres in January 2009 at the Davos World Economic Forum. Relations then took a turn for the worse with the *Mavi Marmara* incident in May 2010. Despite Erdoğan's anti-Israeli rhetoric and his government's threat to break diplomatic relations with Israel unless Israel apologizes for the killing of nine Turkish nationals on board the *Mavi Marmara,* not one word has been uttered about abrogating the free trade agreement with Israel. This is particularly significant considering that Necmettin Erbakan, the leader of the Refah party, from which AKP emerged, had virulently objected to this agreement. Similarly, even if there has been a significant fall in the number of Israelis travelling to Turkey, the government has not attempted to introduce visas for Israeli nationals entering the country. The decline in foreign trade between Israel and Turkey from USD 3.4 billion in 2008 to USD 2.6 billion in 2009 was more a by-product of the global financial crisis than of the crisis in Israeli-Turkish relations. The fall in percentage terms is less than the fall that occurred in overall terms or in trade with the EU. Between these two years, Turkey's overall trade and trade with the EU declined by 27% and 25% respectively, compared to a 23% decline in trade with Israel. In the meantime, during the course of 2010, business and trade with Israel picked up again.[5] In the first six months of 2010 trade with Israel increased by 43% compared to 2009. The increase in trade with the EU during the same period was only 25%.[6]

Movement of people in Turkey's Middle East policy

A more liberal visa policy has been an especially striking characteristic of Turkey's neighbourhood policy. However, this is a policy that has been extended to parts of the Arab Middle East only recently. The number of entries by nationals of Arab countries increased from about 300,000 to just over one million in 2008 (see Table 2). This constitutes only 4.12% of entries into Turkey compared to entries from the EU and the former Soviet bloc countries respectively, constituting 56%

[5] Kraft, Dina (2010) "Despite Raid, Mostly Business as Usual for Israel and Turkey", *New York Times*, 2 July 2010.

[6] Based on data obtained from www.tuik.gov.tr.

Table 2. Movement of People into Turkey

Turkey	1995		2002		2008	
	Total	% of Total	Total	% of Total	Total	% of Total
Syria	111613	1.65%	126428	0.95%	406935	1.55%
Iraq	15363	0.23%	15758	0.12%	250130	0.95%
Lebanon	26831	0.40%	31298	0.24%	53948	0.20%
Egypt	18237	0.27%	21583	0.16&	57994	0.22%
GCC + Yemen*	42862	0.63%	45828	0.35%	121214	0.46%
N. Africa	89914	1.33%	135296	1.02%	195546	0.74%
TOTAL	304820	4.51%	376191	2.84%	1085767	4.12%
Iran	349655	5.17%	432281	3.26%	1134965	4.31%
Israel	261012	3.86%	270262	2.04%	55883	2.12%
Former Soviet Block**	1487162	21.99%	2542160	19.19%	6807875	25.85%
EU***	3182641	47.06%	7708214	58.18%	14871907	56.47%
Others	1177666	17.41%	1919068	14.49%	1877980	7.13%
Grand Total	6762956	100%	13248176	100%	26336677	100%

* Bahrain, Kuwait, Qatar, Saudi Arabia, Oman, U.A.E, Yemen

** Bulgaria, Romania, Russia, Moldova, Ukraine, Azerbaijan, Armenia, Georgia.

*** EU-15 in 1995 and 2002; EU-27 in 2008. Data is not Available for Malta and Cyprus

Source: T.C. Emniyet Genel Müdürlügü

and almost 26% of all entries. The number of Iranians that entered Turkey in 2008 was actually higher than those from the whole of the Arab world. Similarly, more than half a million Israeli nationals entered Turkey in 2008. The difference is primarily a function of the fact that former Soviet bloc country nationals, Europeans, Iranians and Israelis enter Turkey visa-free or with sticker visas easily obtained at entry points.

This situation is changing rapidly. In a major and dramatic break from past practice, the AKP government began to liberalize visa requirements for most Arab countries. The requirements for Moroccan and Tunisian nationals were lifted in 2007 and for Jordanian, Lebanese and Syrian nationals late in 2009. The net impact of visa liberalization is difficult to substantiate as yet. The increase from 2007 to 2009 for Morocco and Tunisia was 74% and 35% respectively.[7] Most of these

[7] All figures were obtained from www.tuik.gov.tr

entries comprised suitcase traders involved in economic activity similar to that which occurred in the early 1990s when Turkey opened its borders to nationals of the ex-Soviet world. In the case of the former Soviet space, following an initial period of suitcase trade, both the numbers of entries from, and trade with, the ex-Soviet world exploded. The increase in the number of people entering Turkey from the ex-Soviet world between 1995 and 2008 was around 450%, while trade for the same period increased by more than 940%. Just as a more liberal visa policy played a central role in the expansion of trade with Turkey's northern neighbourhood, it would be reasonable to expect a similar expansion in trade with Arab Middle Eastern countries following the liberalization of visas.

Such an expectation may materialize sooner rather than later because of the energetic way in which Turkey has been pushing for economic integration, especially with Lebanon, Jordan and Syria. In July 2010 Turkey led the effort for the establishment of a "Close Neighbours Economic and Trade Association Council" with these three countries. The Council aims to establish a free trade area within five years based on the recognition that "free trade agreements contribute to the expansion of world trade, to greater international stability, and in particular, to the development of closer relations among our peoples".[8] Actually, such an objective is not that far removed from the stated objectives of the European Mediterranean Policy (EMP) and the European Neighbourhood Policy (ENP). Whether the Council will achieve its objectives, only time will tell. However, Turkey already has free trade agreements with Jordan and Syria, while the one with Lebanon is nearing ratification. These steps are clearly in line with Davutoğlu's ambitious vision of an integration project leading to the free movement of goods and people from the city of Kars to the Atlantic, and from Sinop to the Gulf of Aden.[9]

However, it is very important to recognize that this vision is not simply a product of a "zero problems policy" but also a response to demands coming especially from the "Anatolian Tigers". This term, mainly used to represent entrepreneurs and industrialists coming from the heartland of Turkey, not the biggest industrial

[8] Joint Declaration on Establishing "Close Neighbors Economic and Trade Association Council" for a Free Trade Area between Jordan, Lebanon, Syria and Turkey, 31 July 2010.

[9] "Yeni Bir Ortadoğu Doğuyor", *Milliyet*, 10 June 2010.

cities, is a product of the liberalization of the Turkish market and transformation of the economy into an export-oriented one. They have cultivated a growing interest in foreign trade, especially with neighbouring countries around Turkey. In the previous two national elections they have tended to vote in favour of the AKP. Increased trade and international economic activity have brought higher levels of employment as well as wealth to these cities and provinces. Furthermore, the "Anatolian Tigers" are extensively represented in leading Turkish business organizations. These organizations have become influential voices shaping foreign policy. The "Anatolian Tigers" have also seen themselves as victims of the EU's Schengen visa policies, which require Turkish nationals to be equipped with a visa to be able to enter the EU. This practice has long been a source of major complaints and objections in Turkey.[10] In the last couple of years a number of business organizations and interest groups have taken up the issue. They have complained that while the goods that their companies produce travel to the EU freely, businesspeople are unable to do the same in person. They have argued that this not only puts them at a disadvantage in relation to their European counterparts who enjoy visa-free travel to Turkey, but that it also makes it much more difficult for them to promote their goods and expand their markets within the EU. The government has been compelled to raise this issue with the EU regularly. However, the unwillingness or inability of the EU to make actual changes to its visa policy became, in the meantime, an important factor in the government's decision to liberalize Turkey's own visa policies towards the Middle East.

Challenges

Turkish relations with the Middle East have entered a new era. This article has argued that the expansion of these relations is driven by Turkey's "trading state" interests. Yet, Turkey's foreign policy under the AKP is not without its problems. The "zero problems policy" has engendered considerable Turkish involvement in regional issues, ranging from efforts to mediate between Arabs/

[10] Doğan, Erhan (2009) *Impact of Visa Regimes over Travel Decisions and Patterns of Turkish Citizens*. MireKoç Report, Istanbul, Koç University, 2009.

Palestinians and Israelis, between Sunnis and Shias in Iraq, between Afghanistan and Pakistan, between Bosnia and Serbia, between Iran and the West, to resolving bilateral conflicts such as Cyprus and relations with Armenia. The AKP government has had to confront the harsh realities of international politics especially in respect of the Arab–Israeli conflict, and the controversy over the Iranian nuclear programme, not to mention the complexities surrounding the improvement of Turkey's relations with Armenia and Cyprus. "Getting to zero" problems have required more than just good intentions.[11] Furthermore, conspicuous closer relations with Hamas and the broader Muslim world, the rhetoric employed by the Turkish prime minister and his befriending of such leaders as Mahmoud Ahmadinejad and Omar al-Bashir, coupled with Turkey's improved relations with Iran and Syria, have ruffled feathers in the West, giving rise to a whole literature on whether Turkey is turning its back on the West. This situation has been further exacerbated by Turkey's deteriorating relations with Israel.

Indeed, some of the rhetoric employed and certain aspects of the current Turkish foreign policy do seem to run counter to the interests of a "trading state". This risks undermining Turkey's credibility as well as militating against the country's efforts to seek a stable and peaceful neighbourhood. Yet, it is precisely this latter objective of Turkish foreign policy that should be recognized as an objective that runs parallel with that of the EU and the broader West. Just as the "zero problems policy" needs some nuance and fine-tuning to strengthen Turkey's credibility and serve Turkey's "trading state" interests, the EU needs to adjust its policies to a "new", more democratic and economically robust Turkey. *The Economist* is right in answering the question "Is Turkey turning its back on the West?" with a resounding "no".[12] Yet, *The Economist* is also right in noting that a risk does exist of Turkey "turning its back" if the US and the EU fail to come to terms with a changed Turkey. In turn, the AKP government and its foreign policy decision-makers need to make allowance for the fact that "getting to zero" is not as straightforward as one might wish it to be and that the complexities of international

[11] For the notion of "getting to zero" see Evin, Ahmet et al (2010), *Getting to Zero: Turkey, Its Neighborhood and the West*, Transatlantic Academy, Washington DC.

[12] "Is Turkey turning its back on the West?", *The Economist*, 21 October 2010.

as well as domestic politics need to be woven into Turkish foreign policy. Criticizing Israel may sell well domestically but it is doubtful whether it serves Turkey's broader interests in the Middle East, especially its interest in a stable and peaceful Middle East.

Furthermore, as a number of public opinion surveys and statements by leaders of Turkey's neighbourhood have underlined, Turkey's added value to the region's stability as well as its economic and political development is intimately tied to the health of Turkey's EU relations. Maintaining or nurturing stronger relations with the EU is also important, particularly in terms of Davutoğlu's vision for Turkey's neighbourhood. Davutoğlu and other ministers in the AKP cabinet have pointed out, on numerous occasions, that they do not see a conflict between Turkey's EU membership aspirations and its desire to expand relations with its neighbourhood and beyond. They have also argued that Turkey is, in a way, trying to do what the European integration project has achieved in Europe by encouraging greater economic integration and interdependence in Turkey's neighbourhood.[13] However, Davutoğlu's ideas are likely to carry much more weight if Turkey is able and willing to develop stronger relations with the EU. The fact that 64 per cent of the Arab public opinion surveyed supported the view that it is Turkey's EU membership prospects that make Turkey an attractive partner for the Arab world speaks for itself.[14] The centrality of the EU to Turkey's relations with the Middle East is also corroborated by how "Middle Eastern elites worry about any sign of Ankara turning its back on its EU accession process."[15] In turn, the EU ought to give Turkey the benefit of the doubt and recognize Turkey's interest in addressing regional problems by emulating EU experience in integrating the region. If Turkey's increased trade and movement of people does indeed contribute to greater integration, and hence greater stability and peace in the Middle East, Turkey would indeed have to be seen as an asset for the EU, not least in terms of the EMP and the ENP.

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[13] The desire to emulate the experience of the EU in regional integration has been noted by Ibrahim Kalin, chief advisor to the prime minister as well as by some EU officials. See International Crisis Group, *Turkey and the Middle East: Ambitions and Constraints*, Europe Report No. 203, (7 April 2010): 11.

[14] Akgün, Mensur et al (2009) *Orta Doğu'da Türkiye Algısı*. Istanbul: TESEV Yayınları.

[15] International Crisis Group, *Turkey and the Middle East: Ambitions and Constraints*, Europe Report No. 203, (7 April 2010): ii.

Chapter II

The Rise of Iran

Engagement or containment?

Barbara Zanchetta

Thirty years after the Islamic revolution, Iran is still perceived by many in the West as a turbulent and problematic country. However, while the relationship with the United States continues to be defined by hostility, resentment and the absence of formal diplomatic relations, many European countries have long-standing positive relations with Tehran, characterized by cultural ties and mutually beneficial economic relations. Therefore, the EU could, potentially, act as the broker and bridge-builder in dealing with Iran. The ambiguous nature of Iran's nuclear programme is, in fact, perceived as a threat to the stability of the Middle East and as a challenge to Western security as viewed from both sides of the Atlantic. Yet, the EU has thus far failed in both defining its own distinctive role and in achieving any tangible results.

Iran's regional power is hardly disputable. Its size and population, its natural resources – Iran retains one of the world's largest reserves of oil and natural gas – and its political system which, at least rhetorically, still proclaims revolutionary aims, make Iran a unique player. Moreover, Iran's geographic location adds to its strategic importance: it lies on the shores of the Persian Gulf, through which some seventeen million barrels of oil transit each day, and borders Afghanistan, where NATO maintains a significant and (for the time being problematic) presence.

These reasons alone convey the intrinsic necessity of somehow breaking the impasse. In addition, the developments of the last decade have conveyed a sense of urgency to the definition of policies. As the International Atomic Energy Agency (IAEA) uncovered the existence of a more advanced and disputed nuclear programme than previously thought, the unsought consequence of American (but to a large degree Western) policies in the region was to enhance Iran's rise as a regional power. The overthrow of the Taliban regime in Afghanistan and, later, of Saddam Hussein's rule in Iraq eliminated Iran's two greatest enemies, thereby providing Tehran with the opportunity to expand its influence throughout the region. Concurrently, Iran strengthened its ties with Hezbollah in Lebanon and with Hamas in Palestine. The election of Mahmoud Ahmadinejad in 2005 completed

the picture of a country emerging as the leader of a revisionist coalition poised to transform the dynamics of the Middle East in ways clearly unfavourable to the United States and its European Allies. The problems in defining policies towards Iran were further compounded in the aftermath of the disputed presidential election of 2009. On the one hand, the indisputable human rights of the Iranian people had to be supported (along with the never abandoned, albeit pursued behind doors, objective of bringing about regime change in Tehran). But on the other hand, it was important to avoid completely shutting the door on the possibility of negotiating – with whichever regime governs Iran – on the nuclear programme. This dilemma continues to hinder effective policy-making towards Iran.

As the brief political parenthesis caused by the Obama administration's initial calls for engagement gave way to frustration after the Geneva talks, the EU joined the United States in a new round of sanctions against Iran. The recent failure of the Istanbul mini-summit has also renewed American and European determination to put pressure on Tehran. Will the sanctions be effective this time in tempering Iran's nuclear ambitions? Or is a broader context necessary for any tangible progress to be made on the nuclear issue? Should the EU pursue more comprehensive engagement? Or is it simply wasting time in the face of Iran's growing capacity to enrich uranium? Should the focus be on defining policies to contain a potentially nuclear Iran instead?

The papers presented here assess two of the many options on the table for EU policy-makers, namely containment and engagement. The debate on which path to pursue is still open. And considering the wave of unrest currently sweeping throughout the Middle East, it is all the more timely and necessary. Whether the wind of reform has an impact on Iran or not, it would be crucially important for the EU to finally define its own posture *vis-à-vis* the Islamic Republic of Iran.

What should the EU do? Engage it can't.

Ali Rahigh-Aghsan

Ever since the collapse of the Soviet Union put an end to the direct military threat it had posed to Europe's security, other security issues such as nuclear proliferation, terrorism, state failure and organized crime have increasingly challenged European and international security. For Europe, it appears that security is becoming a multidimensional concept, and long-term security strategies must therefore be comprehensive. Particularly pressing is the need to solve Iranian nuclearization, which raises the question: What is the optimal strategy to prevent Iran's nuclear activities?

Neorealism, the pre-eminent – and most debated – theory of international relations, has traditionally argued that states tend to opt for two different security strategies: either balancing a strong or a threatening power through an alliance with others; or "bandwagoning" by allying with the most powerful or threatening states. The EU, however, has pursued a distinctive European strategy toward Iran's nuclear programme that has been characterized by a two-step approach comprising both comprehensive and multidimensional security strategies.

In this context, the EU's big three (the UK, France, and Germany – known as the EU-E3) took the lead on behalf of the Union in a "comprehensive engagement" dialogue on the nuclear problem. The EU-E3 supported several economic, political, technological, nuclear energy, and security incentives (the first step), and endorsed a multilateral approach based on UN and multilateral agreements (the second step) to make a "binding commitment" to preventing fuel-cycle nuclear activities other than nuclear reactors moderated by light water. Since then, the key question has been to what extent the multilateral comprehensive strategy is adequate to deal with Tehran's nuclear activities.

This article appraises the EU's multilateral comprehensive security approaches, arguing that the EU does not have a strategic, sustainable security framework to deal with Iran's nuclear programs. Its default security approaches are strategically weak and potentially

dysfunctional. The article's core argument is that a successful resolution of Iran's nuclearization requires effective balancing and a containment strategy.

Why is the comprehensive security strategy towards Iran's nuclear programme inadequate?

After two decades of comprehensive engagement and creative new sanctions against Iran, the EU-E3 has not fully attained its goals; indeed, it has further strained EU-Iran relations. It seems that the concerns about the effectiveness of the comprehensive security approach in dealing with Tehran's nuclear activities are valid. To begin with, a two-step approach combining short-term prevention using benevolent measures, and long-term non-military coercive measures based on multilateral sanctions, cancel each other out. Combining engagement with pressure is not a viable long-term strategy.

In practical terms, the EU's security strategy towards Iran's nuclear activities can be divided into two distinct periods. From early 1990 until 2006, the EU-E3 advocated so-called demand-side strategies, based on attempts to find a diplomatic solution to the Iranian nuclear programme by addressing unanswered questions about Tehran's nuclear activities and its lack of cooperation with the International Atomic Energy Agency (IAEA). The main goal of this approach was to create an area of shared prosperity and values, with a view to fostering in-depth economic integration, close political and diplomatic relations, and joint responsibility for conflict prevention. Accordingly, the EU-E3 used very concrete economic inducements in the form of trade cooperation and European investments, in the hope that Iran would agree to permanent cessation without American support. These measures were aimed at obliging Iran to change its "nuclear posture as well as to progress on human rights, terrorism and Iran's approach towards the Middle East peace process".[16]

The results of the EU's negotiations with Iran during this period were mixed. On the one hand, the E3's engagement strategy led to

[16] Fitzpatrick, Mark (2008) *Framing the Problem: Iran's Pursuit of Fissile Material.* International Institute for Strategic Studies (IISS), Adelphi Papers 12 December 2008, p. 31.

some progress between 2002 and 2005, when the trio reached two important agreements (the "Sa'databad and Paris Agreements"), and succeeded in slowing Iran's nuclear activities and maintaining an open diplomatic channel. On the other hand, the E3–Iran negotiations broke down, partly as a result of Iran's rejection of Russia's 2005 proposal for a joint uranium enrichment venture on Russian soil. However, comprehensive engagement on the part of the E3 never led to in-depth joint responsibility for security between the EU and Iran. Conversely, when Mahmoud Ahmadinejad explicitly vowed that Iran would not put its own nuclear facilities under multinational control or back away from uranium enrichment, the EU–E3 gave up on its policy of engagement and, with U.S. support, reported Iran to the UNSC in 2006.

Since early 2006 the EU has pursued a combined strategy of engagement and, increasingly, economic sanctions, both bilaterally and through the UNSC. Negotiations between the EU–E3 and Iran have been scaled down to occasional exploratory talks, and punitive sanctions have featured strongly in EU–E3 policy towards Iran, with the Obama administration playing an increasing role. The economic sanctions have been used as a means to get Iran back to the negotiating table, while the EU on behalf of the P5+1 has also offered an incentives negotiating package (which is formally outlined in Annex II to UN Resolution 1747) on the condition that Iran would be willing to suspend the enrichment of uranium in exchange for support for Iranian civil nuclear programmes, membership of the World Trade Organization, relaxation of U.S. sanctions and permission to sell U.S. civilian aircraft parts to Iran, among others.[17]

However, despite these strongly benevolent signals, Iran refused to yield, expanding its enrichment and reprocessing activities by developing a new generation of centrifuges (IR3 and IR4) and failing to abandon construction of new nuclear sites (e.g. the second nuclear facility found near Qom–Fordow). In early 2010, Barack Obama even offered an "extended hand" to the Iran–P5+1 talks, with direct trade concessions, but Ahmadinejad not only rejected the P5+1's new "legally binding fuel supply guarantee" offer, under which the bulk of its low-enriched uranium would be sent to Russia and France and converted into fuel rods for a medical research reactor in Tehran, but

[17] For detailed information see UNSC Resolution 1747 (24 March 2007), Annex II.

also asked its nuclear chief to begin enriching uranium to 20 per cent, arguing that Iran had the right to process uranium for fuel and that Iran "will not retreat one iota in the face of oppressing powers".[18]

Thus, the EU-E3's effective multilateral strategy based on international security regimes and deployed since early 2006 seems equally unlikely to work, as Iran seems even less willing to negotiate since it has demonstrated an enrichment capability. The limitations of the EU-E3 multilateral strategy can be summarized in five features:

- *Weak multilateral support in the multipolar world.* The prospect of multilateral actions within the multipolar international structure is modest. It is highly unlikely that the move by the EU-E3 and the US away from diplomacy and towards economic and political coercion through multilateral sanctions (i.e. UNSC) will prevent Iran's nuclearization. Multilateral economic sanctions are insufficient because of weak multilateral support due to opposition by the 118 member states of the Non-Aligned Movement (NAM), the BRIC alliance (Brazil, Russia, India and China) and, perhaps most importantly, European reluctance. Some European states believe that a strong sanctions policy is the first step on the road to war.[19]
- *Enforcement capability gap.* There is equally poor empirical evidence to justify the notions that international security regimes such as the IAEA and/or the UNSC could act sustainably as "the final arbiter on the consequences of non-compliance" regarding Iran's nuclear proliferation. Although the UNSC has the power to impose harsh penalties that are necessary for the sanctions policy to succeed, these can be ignored by non-state actors such as illegal and criminal dealers, and by governments' "nod and wink" decisions.[20]
- *Technological threshold factor.* The stage of Iran's uranium enrichment capability is a significant element in the country's willingness to compromise or even negotiate. As Iran's enrichment

[18] "Iran vows no nuclear concessions", BBC News, 23 July 2008. Retrieved 20 September 2009.

[19] Posen, Barry R. (2006) *A Nuclear-Armed Iran: A Difficult but Not Impossible Policy Problem*, The Century Foundation Report.

[20] Jentleson, Bruce W. (2007) *Sanctions Against Iran: Key Issues*, The Century Foundation Report, p. 7.

capability improves, it will decrease its ante for any real deal accordingly, even as external pressure increases.

- *Time factor*. The timescale is equally crucial in preventing Iran's uranium enrichment activities before the "point of no return" arrives. The UN is still unable to reach a consensus about how to respond to an acute nuclear threat and simultaneously work within a realistic timeframe for addressing the Iranian nuclear issue.
- *Talk and build factor*. Multilateral engagement, with its "talk and build" strategy, has merely served to buy time for Iranian interests.

Is a balancing and containment strategy towards Iran the EU-E3's last resort?

Treating Iran's nuclearization as the most dangerous of all possible outcomes could lead to dangerous miscalculations. Although nuclear weapons could enable Iran to escalate its use of non-conventional weapons without fearing military retaliation, it is not self-evident that nuclear weapons would automatically translate into other purposes than self-defence. As Waltz put it "[Iran] certainly does not gain much ability to act in a conventional way because it has nuclear weapons. Again nuclear weapons have one purpose and only one purpose, and that's deterrence".[21] Thus, Iran has little incentive to use nuclear weapons for offensive purposes simply because Tehran is not likely to run major risks (its own destruction) for minor gains (challenging Israel's power position in the region by supporting Shia struggles for rights and representation).

The failure so far of the EU-E3 comprehensive strategy to stop Iranian nuclear activities does not mean that Iran cannot be balanced and contained. It is almost impossible to predict whether Iran can be persuaded not to go nuclear, but even if it did, its nuclear threat could still be contained within the framework of balance of power diplomacy in the Middle East. Balancing and containment is understood here in

[21] Waltz, Kenneth (2007) "A Nuclear Iran: Promoting Stability or Courting Disaster?", *Journal of International Affairs*, 60:2, 2007, p. 145.

the usual sense in terms of strategies aimed at preventing a potentially hostile state from threatening its environment. Balancing makes use of military means and can take the form of military build-up (internal balancing) and the formation of defence alliances to counter aggression (external balancing).[22] Containment as a balance of power strategy consists of broader alliances and other forms of cooperation with the aim of isolating an aggressive state economically, politically and culturally. Thus effective balancing and containment requires "a concerted Western effort to marshal sufficient military, economic and political resources to deny Iran the ability to use conventional and asymmetric military power to intimidate or subvert others".[23]

In fact, by 2011 the prospects of an effective containment and balancing strategy had already improved, in at least three ways. First, since the election of President Obama it has been easier for the EU-E3 and US to cooperate with both Arab and non-Arab countries without triggering domestic discontent, because Obama was a vocal opponent of the war in Iraq and is overseeing the withdrawal of US forces from that country. Today the GCC countries are containing and balancing Iran more actively than they are given credit for because of their cautious rhetoric and vocal opposition to a preventive attack on Iran.[24] The GCC decision in 2006 to launch a joint GCC study of "peaceful nuclear technology" which was clearly intended to send a signal to Iran not to go nuclear is a clear indication of this.[25]

The GCC has engaged massively in internal balancing in the last decade. Its defence spending has increased even further in recent years and the priority given to acquiring anti-ballistic missile capabilities demonstrates growing concern over the threat from Iran, as well as growing determination to counter it. The most recent initiative is the Pentagon plan to sell Kuwait the latest production version of Raytheon Co's Patriot interceptor missile to bolster an integrated network aimed at thwarting a perceived missile threat

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[22] Waltz, Kenneth N. (1979) *Theory of International Politics*, Addison-Wesley Publishing Company.

[23] Rahigh-Aghsan, Ali and Jakobsen, Peter Viggo (2010) "The Rise of Iran: How Durable, How Dangerous", *The Middle East Journal*, Autumn 2010, 64:4, pp. 559–573.

[24] Rahigh-Aghsan and Jakobsen 2010.

[25] Katzman, Kenneth (2010) *Iran: U.S. Concerns and Policy Responses*, CRS Report 11 June 2010, p. 31.

from Iran.[26] GCC internal balancing is accompanied by efforts to establish closer military cooperation with the EU–E3 (in particular the UK and France), the US and NATO. Accordingly, France established its first permanent military base in the Persian Gulf in Abu Dhabi in the UAE in 2008, and later that year NATO held joint naval exercises with four GCC members (Bahrain, Kuwait, Qatar, and UAAE) for the first time.[27] It is no coincidence that the Saudis have moved from a nuclear-free Middle East policy with clear reference to the Israelis, to what has been called a nuclear-free Persian Gulf focusing on their immediate neighbour to the east.

Second, the EU–E3 and US rapprochement on direct engagement policy will lay the foundations for increased diplomatic pressure and sanctions if Iran proves unwilling to enter into serious negotiations and continues to play for time as it did in its negotiations with the EU. It helps that the Obama administration is perceived as less likely to authorize a preventive strike against Iran than the Bush administration. Yet security consensus among the EU–E3, the US and the Arab countries regarding balancing and containment has also made it easier for Russia to play a more active role in containing and balancing Iran than it is usually given credit for because of its reluctant and serious concern to prevent attacks on Iran. It is no coincidence that the Russian Foreign Minister, Sergey Lavrov, in an uncharacteristically harsh response, condemned Iran's move to produce higher-grade uranium to a level of 20 per cent and described it as "very alarming and unacceptable" that Iran is refusing to cooperate with the IAEA.[28]

Third, the US and even some Arab countries have so far acted in accordance with a balance of power/threat strategy. Meanwhile, the EU–E3's political willingness to do this has also increased over time as Iran has approached the nuclear threshold and the threat it poses has become clearer. It follows that many Arab countries, the EU–E3

[26] "Pentagon Plans advanced Patriot missile sale to Kuwait", Arab News, 11 August 2010, http://arabnews.com/middleeast/article100176.ece.

[27] Bennhold, Katrin (2008) "France gains military presence in Persian Gulf," *International Herald Tribune*, January 16, 2008.

[28] Sergey Lavrov interviewed by the radio station Ekho Moskvy, 19 February 2010. See also Reuters, 19 February 2010, where Russia was described as "very alarmed" by Iran's nuclear stance.

and even Russia can be expected to back tougher economic sanctions and political isolation to punish Tehran if it decides to go nuclear. The GCC and the EU-E3's allies can also be expected to align themselves with the US, just as they did in response to Iraq's attack on Kuwait in 1990[29] and in Afghanistan in 2001.

In addition, the recent growing internal political instability centring around the "green movement", combined with economic difficulties resulting from the financial crisis, will reduce Iran's ability to shape and determine future outcomes in the Persian Gulf and the Middle East. This will also make it increasingly difficult for Tehran to pursue a coherent and proactive foreign and security policy. Its room for manoeuvre will be further restricted by the balancing efforts that Iran's nuclear programme has triggered to date, efforts that are bound to intensify significantly if Iran does decide to go nuclear.

Thus, there are reasonable grounds for believing that there are many more options available for dealing with the Iranian issue than just engagement and sanctions. The EU-E3 is not the only player involved in Iranian nuclear issues – others, notably the US, Russia, China, GCC and UN, also play a role. Indeed, a balancing and containment policy combined with a regime change strategy as a contingency or complementary plan appears to be the EU-E3, the US and the GCC countries' last resort towards Iran. These countries seem to constitute a solid enough block to balance and contain Iran, and the threat of a nuclear Iran seems to be providing the glue required to hold such a coalition together.[30]

[29] Heikal, Mohamed (1993) *Illusions of Triumph*, Harper Collins Publishers.

[30] Rahigh-Aghsan & Viggo Jakobsen 2010.

Towards a new relationship with Iran

Rouzbeh Parsi

This is an attempt to both highlight the problems with the present policy towards Iran and argue for a specific alternative that goes beyond the usual variations of a sanctions-driven policy. Anyone following the interaction between the US, the EU and Iran for more than a fleeting moment will experience an overwhelming sense of despair and *déjà vu* in equal measure. Often the signals sent between them and their domestic concerns when dealing with each other makes it all look like kabuki theatre. Add to that the regularity with which they miss or misinterpret each other's signals, seemingly returning to square one, and this very dysfunctional relationship starts resembling a ritualistic pantomime with no end in sight.

The Islamic Republic of Iran in its inception and through its words and actions is very much a being that spans both the ideological landscape of the late 20th century as well as the supposedly post-ideological and globalised world of the 21st century. It is politically and ideologically rooted in the activism and internationalism of the radical movements of the 1970s with its demand for justice, local as well as global, and animosity towards the established hierarchical world order and those countries who are the major beneficiaries of that system. While these were elements very much present among both secular leftist as well as Islamist opposition groups battling the Shah, the basic gist of that appraisal of world politics is still present in the political discourse of Iran and actively employed to varying degrees by different groups within the political elite.

This ideological element plays out differently in the contemporary, increasingly multipolar, world. Nonetheless the need to project a sense of self and maintain clear distinctions *vis-à-vis* perceived enemies remains the same. This cuts both ways. Parts of the political elite in Tehran cannot imagine their own revolutionary identity without a menacing American threat and also tend to perceive the US as the foremost obstacle to the rise of Iran's fortune, regionally as well as globally. Similarly, on both a popular as well as a political level, in the West the ideological enmity towards communism has

increasingly been replaced with an ideological and existential battle against Islamism in different shades. Here Iran has, all too well, served as an easy target. This threat perception has taken on a very concrete shape in the aftermath of the 9/11 terrorist attacks in the US.

Thus there is deeply embedded mistrust between the Western actors and Iran, for ideological, historic and purely functional reasons. In short, all parties have their reasons to adapt to the status quo and let the inertia of the dysfunctional relationship set the boundaries for what is doable and thinkable. Furthermore, the picture is made even bleaker by the fact that they seem to be perpetually out of sync with one another – put in simple terms their internal political cycles of alternating between being tough or willing to talk and give each other the benefit of the doubt never coincide in a productive way.

The veritable chasm that seems to divide the US and EU on the one hand and Iran on the other is evident in the circus surrounding the TRR (Tehran Research Reactor) deal. It was originally devised as a way of building confidence by furnishing Iran with fuel for the Tehran Research Reactor while in turn extending the time frame available for further negotiations by removing low-enriched uranium from Iran. In this manner Iran could see that the West stands by its word in practice, and those Western countries would in turn not have to worry that the low-enriched uranium available in Iran would suffice, after further enriching, for the production of an atomic bomb.

This would seem like a fairly straightforward agreement, were it not for the existence of domestic constraints on both sides and the red tape and deadlines all sides believe that they have to abide by. The notion of a "nuclear clock" (the enrichment process that will first yield the amount of low-enriched uranium that, when enriched further, will be sufficient for an atomic bomb) is a stress factor for negotiated solutions. It is, however, a misnomer for there is nothing inevitable per se about the nuclear programme, nor is it progressing at a constant speed void of political context.

The notion of inevitability is also bolstered by the Iranian side in order to convince the P5+1 that Iran will continue to enrich uranium regardless of sanctions and threats of military action. The enrichment programme is Iran's leitmotif, so tightly interwoven into the national(ist) narrative that its undoing will be nigh on impossible, even though the possibility that it will be exploited at some point is remote. Thus even the very act of building confidence incrementally,

the sequencing of the negotiation and the transaction, both as an act of symbolic agreement and, literally, as how to enact the agreement, constitute a seemingly insurmountable obstacle.

We are now at a point where the only thing agreed upon is to continue talking. Depending on who one listens to, Iran is only so many months or years away from "a bomb", which in turn obviously makes the utility of "talking" viable to varying degrees. It should have escaped no one's attention that Tehran has yet to be given a convincing argument why curbing its enrichment programme is going to leave it better off. They continue to enrich while the discussions in Western capitals have belatedly come to accept that enrichment on Iranian soil is an inevitability, and that the issue is at the level of seeing how verifiably it can be capped through an excruciating negotiation process that has yet to really get off the ground.

One choice, three alternatives

In the flashes of clarity that follow on from having to reconcile oneself with reality rather than continue to pursue fanciful demands whose relevance have long expired, three possible policy avenues present themselves; engagement, containment, and confrontation. While I am going to concern myself primarily with engagement, it is necessary to say something about the other two alternatives.

Confrontation here implies that there is a viable military solution to the problem of how to stop the Iranian enrichment of uranium. While the US has the military means for a sustained air bombing campaign against Iran, the question that is very seldom acknowledged, let alone answered, by advocates of a military solution is what the overall strategic goal is. For while the campaign might begin with specific nuclear programme- related targets, it will most likely then slide (mission creep) into a general industrial downgrading of the country in order to both shut down a programme whose extent is unknown and stop Iranian military counter-strikes and measures. In short, the outstanding question that remains is what Iran and the Middle East will look like the day after the massive bombing campaign has been concluded.

As the military solution has faded into the background somewhat, the idea of a containment policy has garnered attention. The notion of containing Iran is premised on several acknowledgements that are indisputably welcome. Among these insights, two stand out. Firstly, to accept that there are no effective means by which Iran's nuclear programme can be stopped, but that the subsequent Iranian ambitions and assertiveness can be reined in and the regional instability a nuclear Iran might cause can be mitigated. Secondly, that the ruling elite in Tehran is rational enough not to immediately deploy a nuclear weapon against, say, Israel, but that its primary purpose is defensive and that there is a shared rationality between the actors involved that allows for mutual deterrence.

Yet, a containment policy also entails several problems. First of all we live in a much more interconnected world than in the 1990s when a dual containment policy was employed in order to keep Iran and Iraq boxed in. We inhabit an increasingly multipolar world where most of these poles are not situated in Europe. A containment policy requires strict adherence from major global and regional players as well as all the neighbouring countries. They must all see the benefits of upholding a containment policy and be assured that the domestic volatility in Iran that will probably result from this prolonged external pressure is not going to unduly affect them. Global players like China and Russia need to be convinced that their interests (political, economic, and energy security) can be reliably compensated for elsewhere. A tall order under any circumstances, and in the case of Iran, which has long experience of circumventing restrictions of this kind, even more so.

Nor does a containment policy really answer the overarching question: Where do we want to proceed with Iran? Containment cannot be upheld in perpetuity; it is in essence a holding operation and thus begs the question of what we hope to achieve by slowing down and freezing the situation.

Moving ahead

Thus while containment can be useful as a temporary quick fix (e.g. reacting to an Iranian nuclear breakout) it should not distract us from

tackling the long-term issues at hand. These include how Tehran views its role in the region, its motivations for pursuing a nuclear programme, and to what extent convergence can emerge on these matters between the EU and Iran. The EU now has an opportunity to try something innovative as the US has lost momentum and is back to default mode when it comes to Iran. The Obama administration simply does not have the domestic political support from either party to seriously engage Iran, while, if able to chart a course of its own, the EU can lay the groundwork for changing the dynamics of this dysfunctional relationship.

Many seem to think of engagement simply in terms of a less belligerent tone in order to "solve" the nuclear issue. It is, however, important to understand that the outstanding issues with Iran are the symptom of a lack of systemic exchange and engagement, not temporary aberrations that can be resolved through an instrumental dialogue. This requires not only a different approach to Iran but also a different take on the region; borrowing from the playbook of the European neighbourhood policy and extending it: engaging our neighbour's neighbours.

In a sense, the lack of a discussion on strategy and an end goal is mutual; the Iranian leadership has not shown itself particularly innovative when thinking of its own future in the region and its relationship with global actors present in the Middle East. This is partly because of the ideological heritage mentioned earlier but also due to the slow decision-making process in Tehran, now made even more difficult as a result of the controversial 2009 presidential election and its aftermath. Yet, despite their general weakness, they can to some degree afford to indulge in this kind of intellectual and political laziness as Iran is a permanent fixture in the region (insofar as states and countries can be said to be long-lived). This is an insight shared, albeit not necessarily with any enthusiasm, by Iran's neighbours. Hence the mixed signals from the Arab neighbours on the southern shore of the Persian Gulf. On the one hand, they want Tehran boxed in, while on the other hand they do not want to deal with the consequences of an escalation that might result in a military conflict, for they will have to literally live with the aftermath while their "guests", Americans and others, have the option of moving on.

The EU, then, needs to devise a strategy of its own, before engaging in multi-level talks with Tehran. The strategy should not be

based on bringing up a sequential order of topics (usually the nuclear issue or human rights are mentioned). These are sensitive topics that definitely need to be discussed, but without a working relationship in place admonishments on such issues are of little avail. The Iranians are simply not going to turn up or take seriously a series of meetings primarily aimed at lecturing them – and they are in a position to treat such meetings as optional. In addition, a simultaneous multilevel approach would also avoid the kind of dramatic expectations that come with the occasional high-level meeting and tend to give spoilers on both sides ample opportunities to wreck a fragile process.

In order to achieve a working relationship the EU needs to establish links to all kinds of institutions and groups inside and outside the Iranian state bureaucracy. The EU should mobilize the kind of effort and broad range of instruments that it has traditionally deployed in its relations with its neighbourhood. This grand strategy, as it were, must be presented to Iran as a country, to its rulers as well as its population. This will clarify who the inevitable rejectionists are, and place the onus of being the spoilers of better things to come unequivocally on their shoulders.

The policy must also include facilitating greater exchange on the societal level, not by sponsoring but by enabling non-governmental entities to reach out across the divide, for example by visa facilitation for specific groups (in both directions), the presence of European cultural institutions, and the facilitation of greater academic and artistic exchanges.

By avoiding pinning everything on a few top-echelon meetings one can concentrate on mundane but vital issues of common interest and build relationships. There are a number of areas of mutual interest and concern; Afghanistan, Iraq, a common security framework in the Persian Gulf, counter-terrorism, the drug trade, and last but certainly not least: energy security. There is ample potential for growth in trade and investment which, in turn, will be part of the allure for a further deepening of the relationship. One of the benchmarks for such a development is the revival of, and progress with, human rights

The first order of business should be establishing an EU delegation in Tehran to represent the European Union. This is only logical as the EEAS is now taking shape and the Union should have its own people on the ground rather than having to rely on the embassies of individual member states. This way, relationships and experience

can be accrued over time to the benefit of both parties. Obviously there is resistance both within the Union as well as in Tehran against such a project, but this is a question of diplomatic representation and everyday exchange. It is not a misdirected reward for the nuclear programme, nor an attempt at a soft war against the Islamic Republic.

The Iranian question is not going to be resolved without addressing the dysfunctions that plague the region as a whole. As evident from the major upheavals in the Arab world from late 2010 onwards the region is not immune to change nor is this current under anyone's control. The new path embarked on, no matter how crooked, presents everyone with an opportunity to reform the basic structures and dynamics of the Middle East.

Thus the success of an engagement policy will also hinge on the EU drawing on its own experience and being able to give guidance and support to a new regional framework that includes Iran. Here the aim must be to create conditions that are of mutual benefit for all parties involved, while increasing interdependence through trade and other means. Involving the whole region will lower the temperature and help overcome the stifling atmosphere of political mistrust in the region and establish many way stations between peace, cordial or cold, and potential military conflict.

Chapter III

Hamas and the Peace Process

The EU and Hamas: No easy options

Minna Saarnivaara

The question of negotiating with Hamas rose to the top of the EU's agenda in the Middle East following Hamas's victory in the Palestinian parliamentary elections in 2006. When Hamas formed the Palestinian Authority's government, the Quartet involved in mediating the peace process, composed of the UN, the US, Russia and the EU, presented three conditions for recognition of the government as the representative of the Palestinian people: the renunciation of violence, the recognition of Israel's right to exist, and a commitment to all agreements signed by the PLO and Israel. Hamas did not accept the conditions and the international community opted for isolation. However, with the policy of non-engagement seemingly strengthening Hamas's popularity and with intra-Palestinian divisions remaining a major stumbling block to a peace settlement, some have revisited the question of engagement.

Those in favour of engaging Hamas in the peace process often note that Hamas has shown political pragmatism: it just might become more moderate in the future if drawn into a dialogue. This argument is discussed by Carolin Goerzig in her article. On the other hand, those who wish to exclude Hamas from the peace process often stress that it is a terrorist organisation and engagement would be seen as a victory for terrorists. Followers of this line of argumentation sometimes emphasize that Hamas is a peace rejectionist by nature. This is the argument that is reflected in Jonathan Schanzer's article.

Hamas certainly would not be an easy partner for negotiations. It is a socio-political organisation that uses violence and terror as its tactics. It is an Islamist organisation that has its roots in the Muslim Brotherhood movement. Ever since peace negotiations between Israel and the Palestinians began in 1990, Hamas has rejected this process.

Hamas has provided different explanations for its rejection of the peace process at different times. At the end of the 1980s and the very beginning of the 1990s, Hamas emphasized a religious principle articulated in its charter: the Palestinian land is an Islamic endowment entrusted to Muslim generations. The goal of Hamas was to win back "all of Palestine", in other words, the area within its historic borders from the Mediterranean Sea to the River Jordan. On

the eve of the Madrid conference in 1991, Hamas introduced a new explanation for the rejection. It brought up strategic and political calculations in the name of national interests: Hamas declared its rejection of any political agreements whose results would threaten the rights of Palestinians. As a result of the Oslo Agreement in 1994, the Hamas Political Bureau issued a statement on the possibility of a short-term solution: a Palestinian community in the West Bank and the Gaza Strip, and an armistice with Israel. Hamas emphasized that it does not resist the principle of peace, but nor does it believe that the interests of Palestinians would be served through the peace process. In 1995, Hamas's rhetoric changed once again. It stressed that the peace process does not have a popular mandate: the PLO was never elected as a representative of the Palestinians. Today, Hamas says that it is not against peace but the peace process has not "restored any of the Palestinians' rights". The popular mandate argument is rarely referred to. Since 2005, Hamas has hinted that it is ready to accept a two-state solution based on the 1967 borders.

Hamas is not only significant because of its power position in Palestinian internal politics. The organisation has regional importance as well. Most Arab regimes have supported Fatah in its rivalry with Hamas. But Hamas finds support on the "Arab street". A majority of the citizens of the Arab states see Hamas as a legitimate resistance organisation, as Carolin Goerzig writes in her article, as well as a winner of legitimate Palestinian Legislative Council elections. Hamas is also an ideological and political partner of the Muslim Brotherhood movements. These are considered the most powerful opposition groups within many of the Middle Eastern countries facing political turmoil at the present time. The recent developments might change Hamas's political position in the region.

In Palestinian internal politics, Fatah's leadership is in dire straits right now due to the publication of the Palestinian Papers. The Papers, apparently authentic documents from the peace process, were published by Al Jazeera and *The Guardian* newspaper. Hamas has sought to exploit these revelations by arguing that the documents show that Fatah has betrayed Palestinian rights in negotiations with Israel – and the message just might find an audience in the Palestinian public. With Fatah apparently weakened, Hamas is likely to profit from the situation.

Regardless of whether one believes that Hamas can be moderated, it currently seems that it would not be in Hamas's strategic interests to enter into peace negotiations. The EU countries, however, need to decide on their stance quickly as the future of the region might allow Hamas to play an even more important role. With the Muslim Brothers likely to form part of any future Egyptian government, pressure will grow on the EU to revisit its policy of non-engagement with Islamists. In light of this, the arguments put forward in the following papers deserve to be given careful consideration.

Misguided engagement

Jonathan Schanzer

On June 20, 2007, Hamas leader Ahmed Yousuf published an opinion piece entitled "Engage with Hamas" in the American capital's premier newspaper, the *Washington Post*. After a brief but bloody struggle with the nominally secular Fatah faction, Yousuf's faction had only days earlier seized control of the Gaza Strip. Now in command of its own mini-state, the terrorist organization felt sufficiently emboldened to make a call for international recognition. "Hamas is stronger than ever," Yousuf gloated.[31]

In making its call to Washington elites, Hamas sought to encourage the growing number of voices calling for engagement with the terrorist group. Their narrative held that Hamas is pragmatic, even if it is violent, and can therefore be persuaded to make peace.

Ironically, the notion that Hamas could play the role of peacemaker first gained popularity during a period when the group was engaged in one of its most brutally violent campaigns. During the al-Aqsa Intifada, launched jointly by Hamas and Fatah in the wake of failed U.S.-led peace talks in late 2000 and early 2001, Western officials began reaching out to the group. In June 2002, former MI-6 officer and special European Union envoy to the Middle East Alistair Crooke, former CIA operative Milton Bearden, and other Western officials met with representatives from Hamas at the private, London-based Conflicts Forum.

"We need to engage those groups who have legitimacy, and listen to them…not listening and not talking to them prevents us from having the right analysis and the right tools," Crooke said. [32]

In an atmosphere of heightened terrorism awareness, it had somehow become insufficient to state that the West should not engage Hamas simply because it is a terrorist group. Nor was it sufficient to state that the group's 1988 charter (*mithaq*), which was never amended, openly calls for *jihad*, and further notes that "initiatives,

[31] Yousuf, Ahmed (2007) "Engage With Hamas," *Washington Post*, www.washingtonpost.com/wp-dyn/content/article/2007/06/19/AR2007061901736.html

[32] Perelman, Marc (2005) "Ex-officials Push Engagement with Hamas, Hezbollah," *Forward*, 21 October 2005, www.forward.com/articles/2091/

and so-called peaceful solutions and international conferences, are in contradiction to the principles of the Islamic Resistance Movement."[33]

Even as Hamas's campaign of violence against Israeli civilians intensified, it was somehow banal to state that the organization was responsible for thousands of acts of political violence, ranging from suicide bombings and rocket fire to shootings and stabbings of Israeli civilians.

Proponents of engagement with Hamas suggested then, as they do now, that one must differentiate between the military arm of the organization, the Izz ad-Din al-Qassam Brigades, and the political bureau or the significant social welfare infrastructure the group has built over the years. Proponents of engagement cede that the Qassam Brigades may be terrorists, but insist that terrorist activities are not the bulk of Hamas's work. In fact, in 2002, even amidst a heightened Hamas campaign against Israel, the EU added the Qassam Brigades to its list of terrorist groups, but not Hamas itself. [34]

The U.S. Treasury Department, however, soon breached this purported firewall between the wings of Hamas. In 2003, one Treasury designation, drawing from declassified intelligence, noted explicitly that "While Hamas may provide money for legitimate charitable work, this work is a primary recruiting tool for the organization's militant causes... Charitable donations to non-governmental organizations are commingled, moved between charities in ways that hide the money trail, and then often diverted or siphoned to support terrorism."[35] Soon after a 2003 bus bombing which killed 23 in Jerusalem,[36] the EU added both Hamas's military and political wings to its terrorist list.[37]

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[33] "The Charter of Hamas," www.fas.org/irp/world/para/docs/880818.htm

[34] Schiff, Zeev (2005) "Foreign Ministry protests EU contacts with Hamas officials," *Haaretz*, 16 June 2005, www.haaretz.com/news/foreign-ministry-protests-eu-contacts-with-hamas-officials-1.161315

[35] "U.S. Designates Five Charities Funding Hamas and Six Senior Hamas Leaders as Terrorist Entities," 22 August 2003. www.ots.treas.gov/_files/48937.html

[36] McGreal, Chris (2003) "Palestinian suicide bomber kills 20 and shatters peace process," *The Guardian*, 20 August 2003, www.guardian.co.uk/world/2003/aug/20/israel1

[37] "European Union blacklists Hamas as terror group," *Al-Bawaba*, 11 September 2003, www1.albawaba.com/news/european-union-blacklists-hamas-terror-group

Nevertheless, the arguments that Hamas was a pragmatic political entity continued. Calls for engagement intensified when the organization officially entered politics in 2005, and announced that it would participate in the January 2006 elections. In November 2005, the EU announced that it would send an observer mission to monitor legislative Palestinian elections, and that it would have contact with all parties, including Hamas.[38]

Calls for engagement intensified after Hamas won those elections, which were deemed both free and fair. However, Western countries maintained a united front against normalizing relations with the group, given its refusal to renounce violence and unwillingness to engage in dialogue with Israel. However, these capitols ceded that if Hamas renounced violence, they would begin a process of normalization. Hamas refused.

The coup of June 2007, in which Hamas took full control of the Gaza Strip from Fatah by force – committing gruesome acts of violence against fellow Palestinians in the process[39] – was yet another indication that the organization was not interested in dialogue. However, the internecine war also made Hamas a government overnight. In many ways, the organization's new responsibilities as a government forced it to become more pragmatic. Realizing that violence would elicit painful Israeli responses like Operation Cast Lead of December 2008 and January 2009, Hamas has reined in (but did not halt completely) the rocket fire that had terrorized Israelis for nearly a decade. It has, since Operation Cast Lead ended, also ensured that the border between the two territories has remained relatively (but not completely) calm.

While the group began firing projectiles into Israel again in March 2011, Hamas has generally exceeded the low expectations placed on it by the international community. Rather than leading the Gaza Strip into the abyss of violence and all-out war with Israel, as many predicted, Hamas has (until now) stopped just short. It continues to arm itself and occasionally tests the limits of Israeli patience with rocket attacks that don't create quite enough damage to unleash a full

[38] "Israel's concern over EU-Hamas relations," *European Jewish Press*, 22 November 2005, www.ejpress.org/article/4318

[39] Urquhart, Conal & Black Ian (2007) "Hamas Declares Victory," *The Guardian*, 15 June 2007, www.guardian.co.uk/world/2007/jun/15/israel3

Israeli retaliation. Indeed, Hamas for two years has chosen to avoid war. Perhaps this is why European policymakers seek to reward the group with dialogue.[40]

But to assess whether Hamas has truly moderated, or whether it has only pragmatically chosen to scale back on violence for reasons of self-preservation, one must take a closer look at the views and opinions of Hamas members today. Only this can provide a sense of the organization's future. To this end, the Foundation for Defense of Democracies employed military-grade software last year to gain a better understanding of what the organization's partisans do and say.[41]

The study found little to support the notion that Hamas has moderated. The study found, *inter alia*, that Hamas was actively working to reconcile its ideology with Salafists and other radical interpretations of Islam. Hamas and al-Qaeda sympathizers debated religion and politics on many levels, but regarding violence toward Israel, there was no disagreement between the Salafists and Hamas. Similarly, Hamas supporters were unwavering in their support for the aforementioned Izz ad-Din al-Qassam Brigades.

More importantly, the Palestinian social media environment gives no indication that Hamas is willing to seek peace with Israel. There were no scored posts on this topic on any of the pro-Hamas forums. Nor were there any posts attributed to pro-Hamas users on this topic on other web forums. Indeed, the dominant position among Hamas users was rejectionist.

Of course, online data cannot, in and of itself, make the case against engagement with Hamas. However, it does mirror the unwavering rejectionist, violent, and anti-peace stance of the organization in the public space that has endured since Hamas's founding in late 1987. In short, there is little that might lead one to believe that Hamas is prepared for dialogue with Israel that might lead to peace.

For those who seek to engage with Hamas, however, there is usually another prong to the strategy: tougher policies against Israel. This approach, in recent years, has included a pressure campaign aimed at Israel's policies of expansion in the West Bank, coupled with

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[40] "Hamas wants dialogue with Europe," *Gulf News*, 29 July 2010, www.zawya.com/story.cfm/sidGN_28072010_290705/Hamas%20wants%20dialogue%20with%20Europe/

[41] www.defenddemocracy.org/images/palestinian_pulse.pdf

an initiative at the United Nations that would force Israel to recognize a Palestinian state in the 1967 borders.

This strategy is as misguided as it is dangerous. It not only rewards terrorism and rejectionism by giving Hamas a free pass, it ignores the fact that Israel's democracy reacts to the threats around it. Right-of-centre parties have governed Israel since the outbreak of the intifada in 2000 as a reaction to the rise in Palestinian radicalism. Left-of-centre parties governed Israel during the 1990s when peace appeared possible. If the threat of Hamas recedes, it will not be long before the embattled Israeli peace camp finds its footing again.

Thus, rather than reach out to rejectionist groups, the European Union must find ways to invest in Palestinian reformers. With new elections slated for later this year, the West has an opportunity to support parties other than Hamas, which will not retreat from its violent platform, and Fatah, which is now under fire for being both ossified and corrupt.

These groups include but are certainly not limited to: the Palestinian National Initiative (*Mubadara al-Wataniyya al-Filistiniyya*) headed by Mustafa Barghouti,[42] *Wasatia* (translated as "balance" or "moderation") under Dr. Mohammed Dajani,[43] and Palestine Forum (*Muntada Filastin*) under Munib al-Masri.[44] All three of these parties officially advocate for nonviolence and political reform. To be sure, they only enjoy minimal popular support. However, amidst the "Arab Spring" sparked by the revolutions of January and February 2011 in Tunisia and Egypt, the Palestinians are looking for alternatives to the corruption and malaise that plague their societies.

If the goal of the EU is to help achieve peace in the Middle East, it makes little sense to engage with an organization that has vowed to prevent it. Instead, European policymakers must find ways to counter Hamas and other violent groups. Palestinian reform factions may offer an opportunity.

[42] www.almubadara.org/new_web/index_eng.htm

[43] www.wasatia.info

[44] www.palestineforum.ps

Engagement or moderation first?

Carolin Goerzig

The stagnation in the peace process between Israelis and Palestinians reveals more than just a lack of political will to seek out compromise. The current stalemate also reveals the Middle East Quartet's own self-imposed impasse that puts the entire peace process on hold. The initial idea of the Quartet was to devise a strategy that would bring key actors in the conflict to a negotiated solution. But just like many other previous attempts at reaching a viable solution to the conflict, the Quartet fell into the same circular trap that doomed previous attempts to failure. In the initial stages, the Quartet – comprising representatives from the United States, the European Union, Russia, and the United Nations – was optimistically perceived as a credible mediator. Yet, following Hamas's victory in the 2006 elections – elections that key international actors demanded and verified as legitimate – the Quartet introduced new principles in order for the Hamas government to be accepted as the official representative of the Palestinian people: the renunciation of violence, the recognition of Israel's right to exist and a commitment to all agreements signed by the PLO and Israel. Hamas, in turn, refused to relinquish violence, arguing that Palestine is occupied by a foreign army and that international law allows military resistance against occupation. The Quartet's anticipated outcome has not materialized, even five years after the principles were first introduced. As a consequence, it can be contended that demanding moderation from Hamas *before* it is engaged in a peace process will ultimately prove self-defeating. In fact, it can be argued that engagement is a prerequisite for inducing Hamas's moderation in the first place. The question of the appropriate sequence, the matter of what should come first – moderation or engagement – is crucial for preventing a repetition of negotiation failures. However, as this contribution will demonstrate, two policies – the West Bank First approach and the Gaza blockade – have led to a dynamic wherein neither sequence will bring about progress. In fact, a moderation first sequence is not likely to commence, while an engagement first strategy is unlikely to last. This is the case because the Gaza blockade has served to make Hamas increasingly negotiation-resistant, thereby rendering a moderation first strategy

ineffective in terms of even starting peace talks inclusive of the Islamic resistance movement. The West Bank First approach, on the other hand, led to intra-Palestinian rivalry and hence a spoiler situation that will undermine peace negotiations void of conditions, namely an engagement first strategy. In the following, the consequences of the Gaza blockade and then the West Bank First approach will be briefly outlined before a way out of the depicted dilemma is demonstrated.

The Gaza blockade

The Quartet sought to weaken Hamas by confining it to Gaza and sealing it off from the rest of the world. Although Israel's Gaza blockade was introduced based on the premise that Hamas may try and smuggle the captured Israeli soldier out of Gaza and into Iran, the blockade has become a tool used to maintain the grip on the Islamist movement. However, policies designed to weaken the movement and diminish its support eventually backfired and only served to strengthen Hamas's resolve to resist. The isolation that Israel inflicted with a relatively passive international community in order to punish Hamas's role in the conflict proved counterproductive. Contrary to expectations, the Gaza blockade benefited those responsible for the crisis, while they targeted ordinary civilians, who suffered the most. The blockade allowed Hamas to solidify its presence, remove political opponents, and establish a tunnel-based economy that allows it to replenish its coffers.

Far from being weakened, the international reputation of the group, at least within the Arab and Islamic world, has been improved. Hamas is now perceived as an underdog, a victim. Although on the list of terrorist organizations, its status on the "Arab street" as well as in Turkey is one of a legitimate resistance movement. The Gaza blockade, of which Fatah is equally supportive, is yet another in a series of examples in modern history where strict economic and political sanctions fail to affect the targeted regime and force it to change its policies. One of the aims of the blockade was to weaken and later overthrow Hamas and thus gain the support of the Palestinian population. Yet, the actual outcome of the blockade is far from the intended objectives Israelis and their supporters had when imposing it. Hamas uses the blockade as a pretext for blaming Israel, Fatah and other complicit Arab regimes for the catastrophic economic and

social situation in the country. Blockades – as with all sanctions – have a devastating effect on the remainder of the middle class, thus erasing foundations for any possible democratic change. The sealing of Gaza also diminished prospects for any real economy to flourish, feeding into Hamas's credibility within the Gaza population. Through its military branch, Hamas is also the biggest employer in the Gaza Strip, providing thousands of Palestinians with a source of income.[45]

The Gaza blockade has not only been ineffective in bringing about change, it has also arguably motivated Hamas to follow through on its path of rejecting moderation. With its support of the Gaza blockade and simultaneous insistence on the three Quartet conditions to be fulfilled by Hamas in order to take part in the peace process, the Middle East Quartet renders its own principles unachievable. Some have therefore argued the case for an engagement first strategy, during the course of which the moderation of Hamas would hopefully come about. Yet, another policy has made such a strategy equally unlikely to succeed: the West Bank First approach.

The West Bank First approach

Hamas's refusal to comply with the Quartet principles implied its isolation from all future negotiations on Palestinian issues. The Quartet thus decided to deal exclusively with the president of the Palestinian Authority, thus bypassing Hamas. Nevertheless, the course of events led to the eventual expulsion of Fatah from Gaza and the curtailment of Hamas's activities in the West Bank. Needless to say, Palestinians remain de facto divided while prospects for a viable solution in the near future are dim. Hamas argues that any deviation from its long-term goal and softening of its own principles – the total liberation of Palestine and the return to the 1948 borders – will be interpreted as weakness and spell the end of Hamas. The animosity between Fatah and Hamas testifies to both sides' unwillingness to seek out a compromise. While internal Palestinian political affairs nearly sparked a civil war, the Quartet principles further complicate and escalate the conflict between Fatah and Hamas. The Quartet's chosen strategy in the aftermath of the Gaza takeover by Hamas

[45] For more information on this, see www.un.org/unrwa/refugees/gaza.html

allows for the status quo to remain in place and prevents the divide within the Palestinian political establishment from being narrowed.

The decision to bypass Hamas for not meeting the Quartet principles prompted the Quartet, as well as the rest of the international community with vested interests in the conflict, to focus on the West Bank First. International pressure exerted on the movement in order to extract compliance yielded no results, and Hamas's leadership often cites the electoral victory in 2006 as evidence of the Palestinian people choosing resistance rather than a settlement based on the Oslo accords to which Fatah adheres: "Hamas started where Fatah ended."[46]

An international diplomatic embargo on all contacts with Hamas formalized the rift within Palestinian society, and allowed for political rivalry to evolve into a near-war between Fatah and Hamas. Hamas perceives itself as unfairly treated, and puts the blame on Western powers that changed the rules after the game got underway. In emphasizing the differences between Hamas and Fatah, one interviewed Hamas official said "…to sit down at the table with Israelis just like Abou Mazen (Abbas), is impossible."[47] Interviewed Hamas officials make no secret of their desired intention to take over the West Bank. Inspired by their victory in Gaza, Hamas's long-term strategy is geared towards forming a pattern in the West Bank identical to the one that allowed them to take over Gaza. Just how realistic and realizable those plans are, and whether they stand any chance of being implemented at all, does not deter Hamas officials.

The Palestinian Authority-controlled security forces in the West Bank have arrested dozens of Hamas activists and any public support for the Islamist movement is quickly silenced. The rivalry partly fuelled by the West Bank First approach encouraged Fatah to utilize its contacts with the international community, as well as with Israel, to actively seek sanctions against Hamas. Saeb Erekat, a senior Fatah official, criticised Israelis and Americans on the grounds that "not enough was being done to maintain the siege on the Gaza Strip."[48]

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[46] Interview with Hamas official in Damascus in 2008.

[47] Interview with Hamas official in Damascus in 2008.

[48] Recently published Palestine Papers by Al Jazeera reveal the extent of cooperation between PA, Israel and the US with the aim of weakening and eventually ousting Hamas from Gaza. For more on this, see "Introducing the Palestine Papers", http://english.aljazeera.net/palestinepapers/2011/01/201112214310263628.html

The West Bank First approach provides Fatah with an idea of being the sole authority responsible for the well-being of the Palestinian people, even though it lost the elections. The Quartet strategy allowed the political rivalry and competition for votes to escalate into outright animosity and violence where no side sees the need to compromise, and the division that ensued sheds light on the manoeuvring all sides employ to discredit, weaken and even destroy their rivals.

The West Bank First approach has not only been ineffective in bringing about the moderation of Hamas, it also serves to complicate a potential engagement first strategy. The competition between the two Palestinian rivals has turned the conflict dynamics into a spoiler dilemma. In addition to implying the lack of a coherent, unified Palestinian dialogue partner, intra-Palestinian rivalry means that Fatah will act so as to spoil engagement attempts with Hamas just as Hamas has acted as a spoiler during hitherto peace attempts. For Fatah, the moderation of Hamas will be a prerequisite for any engagement with the Islamist movement.

Exiting the dilemma: beyond all or nothing

While the Gaza blockade has strengthened Hamas's commitment to the armed struggle, the West Bank First approach has contributed to a spoiler situation. Consequentially, while a moderation first approach is unlikely to commence but likely to last, an engagement first strategy[49] is likely to commence but unlikely to last. Even if an engagement first strategy were seriously considered, the interaction of the West Bank First approach and the Gaza blockade has contributed to the intricacy of the conflict such that neither moderation first nor engagement first promise success. In order to exit this dilemma, careful consideration of how to balance between negotiation willingness and negotiation sustainability is necessary. Instead of constraining itself by demanding strict adherence to the Quartet principles, the Middle East Quartet could use the diplomatic tool box of the three conditions far more effectively if it exhibited some flexibility and came to manoeuvre an admittedly challenging trade-off. Thus, offering concessions in exchange for Hamas's

[49] Before conditions by Hamas are fulfilled.

renunciation of violence and disarmament would be more promising than the current approach, which has given way to an impasse characterized by all-out demands on all sides. Negotiating does not become a rational option as long as joining the negotiation table implies giving in without receiving anything in return. Since this rationale applies to all potential negotiation partners and spoilers, only a trade-off between factors inducing or hindering negotiation willingness and sustainability can point to a way out of the dilemma between a moderation or engagement first strategy.

Chapter IV

The Arab Spring

The challenge of democracy

Hannu Juusola

The autocratic Arab world

Despite the dramatic but as yet inconclusive popular uprisings of early 2011 in Tunisia, Egypt and elsewhere in the Arab world, most Arabs live under authoritarian or semi-authoritarian regimes. Even though elections have become a common feature in the area, they are neither free, pluralistic nor competitive. The only recent instance of a reigning party losing in elections was the defeat of Fatah by Hamas in the 2006 Palestinian elections. It is ironic that the USA and the EU, which in theory champion democracy, took a very negative position in this case, since the "wrong" party won the elections. In most cases, elections in the Arab world are held in order to enhance the domestic and international legitimacy of the regime, with no real possibility of a major political change. Further, the legislatures in the area are weak *vis-à-vis* the executive and, in most countries, the independence of the judiciary is highly limited. As a norm, protracted emergency laws render excessive power to the security apparatuses. The regimes have nevertheless been forced to make some, albeit limited, reforms to ease Western pressures and internal anxiety. With the possible exception of Lebanon, no Arab regime has accepted democratization as a primary political goal.

With their lack of democracy, Arab countries also stand out negatively by international standards. The global democratic wave unfurling since the 1970s, with the democratization of Southern and Eastern European as well as Latin American states, has not yet reached the Arab world. The MENA (Middle East and North Africa) region has, as noted in a recent report, "long been the region with the lowest level of democracy in the world." The decline of democracy in the area also continued in 2010.[50] A number of different explanations have been given as to why democracy has developed so poorly in

[50] See a summary of the most recent Freedom House survey *Freedom in the World 2011: The Authoritarian Challenge to Democracy*, http://freedomhouse.org/template.cfm?page=70&release=1310. Accessed on 18 February 2011.

the Arab world, ranging from cultural and historical explanations to more structural ones. At one end of the continuum are more or less determinist explanations, according to which Islam is incompatible with democracy. Such overtly cultural explanations, even though they are relatively rarely attested to in serious studies, have a much more pronounced presence in the Western media and, evidently, in public opinion. Less determinist cultural explanations typically emphasize such tenets as the weakness of civil society as major stumbling blocks to democratization.

Particularly since the 9/11 terrorist attacks, the debate about the democracy deficit in the Arab states has become much more prominent and intense. Increasingly, too, the issue has been raised by intellectual elites in the Arab countries. One should, for instance, note the UNDP Arab Human Development Reports since 2002 that were penned by a group of Arab intellectuals. These reports, focusing on the three deficits, viz. lack of freedom, gender inequality, and educational deficiency, have received a lot of attention in the Arab media.

The struggle for democracy in "Mubarakian" Egypt

As outlined in this chapter by Moataz el Fegiery, political and social activism demanding democracy and electoral reforms has intensified in Egypt during the past decade. As a consequence, the Egyptian regime has responded to both internal and external pressures by introducing a series of controlled reforms. Although the slow pace of the democratization process aroused much frustration, it seemed that the political activism that peaked around the 2005 elections was unlikely to be repeated with any great show of force. As a result, no significant political reforms were expected to emerge in the near future and it was assumed that the Mubarak regime would prevail after the 2011 presidential elections as well. The continuation was assumed to materialize either with Mubarak himself, his son Gamal, or someone else from the innermost clique being elected as president. Therefore, the *intifada* in January, with the ousting of President Mubarak, astonished almost everyone following Egyptian politics.

In the scholarly literature, the Egypt of the Mubarak era is often labelled as a semi-authoritarian or hybrid regime. As opposed to stable authoritarianism, a hybrid regime presents a mix of authoritarian

and democratic features.[51] Even though the political scene has been closely monitored by the regime, Egypt has had forces which, at least to some extent, have been able to constrain and delegitimize the authoritarian policies. These include a relatively active and powerful judiciary, a growing array of various informal opposition groups, such as the April 6 Youth Movement and Kefaya, as well as an extensive Islamic opposition movement, the Muslim Brotherhood.

Many specialists have dismissed these actors as marginal, while emphasizing the endurance of the regime. In the light of the events in January and February, it is evident that this analysis was too defeatist. Surprisingly, the broad but non-organized anti-Mubarak opposition was able to politicize its socioeconomic grievances, compared to previous occasions when protesters have been careful to avoid overtly political demands.[52]

It is much too early to provide a comprehensive analysis of the recent uprising in Egypt, especially since the final outcome of the events there, or in other Arab countries, is far from certain yet. There are apparently a number of reasons why the current Intifada began in Tunisia and then spread to Egypt instead of some other Middle Eastern state. Notwithstanding the other reasons, I think it is safe to say that we have underestimated the strength of the civil society that has developed in Egypt during the past decade or so. Interestingly, the Muslim Brotherhood's moderate wing appears to have converged with the new liberal opposition taking part in the unseating of Mubarak.[53] This historical convergence may indicate that there is a larger base for a liberal political platform than previously anticipated.

In any case, Egyptian internal development together with the Tunisian example and, perhaps, with the fact that the late 2010 parliamentary elections were the most flawed in recent Egyptian history, greatly contributed to the unexpected uprising. Only time will tell to what extent the results of this democratic movement can last in Egypt and elsewhere or whether we are going to see a

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[51] See Rutherford, Bruce K. (2008) *Egypt after Mubarak: Liberalism, Islam, and Democracy in the Arab World.* Princeton: Princeton University Press, 2008, pp. 1–29.

[52] For the protest movements and their demands in Egypt, see Ottaway, Marina & Amr Hamzawy (2011) *Protest Movements and Political Change in the Arab World*, Carnegie Endowment for International Peace, Policy Outlook, 28 January 2011.

[53] See "Brothers in Egypt Present Two Faces", *The Wall Street Journal*, 15 February 2011.

counter-revolution. In any case, the Arab world in general, and Egypt in particular, are in a definite state of change. It should be kept in mind that we are talking about a region in which, until recently, all the democratic development was assumed to be marginal.

As also pointed out by Timo Behr in his paper, the EU has been ineffective in sustaining democracy, human rights and good governance in the Arab world. The same certainly applies to all the Western actors, notably the USA, in the Middle East in general and in Egypt in particular. This inefficiency is partly due to a lack of will on the part of Arab partner(s). Yet, the Western policy has also been hesitant. It is already clear that recent developments in the Arab world are forcing the EU and the USA to re-evaluate their Middle East policies. In practice, such policies have been based on three core interests: maintaining the flow of oil at a stable price, the security of Israel, and the overall stability of the region.[54] One can only hope that in the future other points of view will also be taken into account when defining these policies. Otherwise, there is a distinct possibility that the emerging democratic forces in Egypt and elsewhere will adopt strongly anti-Western attitudes.

[54] For the Western democratizing projects in the area, see Brown, Nathan J. & Amy Hawthorne (2010) "New Wine in Old Bottles? American Efforts to Promote Democracy in the Arab World", In: Brown, Nathan J. & Emad el-Din Shahin (ed.), *The Struggle over Democracy in the Middle East*, Routledge: NY, 2010, pp. 14–28 and Rutherford, *Egypt after Mubarak*, pp. 3–11.

Egypt: Towards a new constitutional and political order

Moataz El Fegiery

The downfall of Hosni Mubarak as a result of the unprecedented and massive popular uprising instigated in Egypt on 25 January 2011 has sown the seeds of a new era in Egyptian politics. For the first time in modern Egyptian history, and through popular collective action and non-violent resistance, Egyptians were able to reshuffle the political rules of a long-standing authoritarian regime. The successful popular movement in Tunisia encouraged Egyptians, particularly young people and cyber activists, to take to the streets under the banners of freedom, dignity and social justice. The political moment of 25 January was the culmination of a long civil, social and political activism which has been shaping the Egyptian public sphere since 2003. Given the escalation of the state's resistance to political reform and the fragmentation of political society, analysts were understandably pessimistic about the political future of Egypt after Mubarak. The old assumption was that although Egypt had been experiencing a vibrant political and civil activism during the previous two years due to the demands for political and constitutional reform, the ruling political elite had not come under sufficient internal or external pressure to lead to a paradigm shift away from the traditional Egyptian authoritarian politics towards a more open and democratic political system. However, the political turmoil in Tunisia and the popular movement of 25 January in Egypt shattered this assumption.

The disappearance of Mubarak from the Egyptian political scene and the revival of the popular struggle for democracy have opened up excellent opportunities to reconstruct the constitutional, political and legal landscape in Egypt. Significant steps have already been taken in this direction by the transitional power in the country. However, there is still considerable cause for concern. This short paper first delineates the political landscape in Egypt before the revolution of 25 January. It goes on to briefly analyze the prospects for democratic transition in the aftermath of the revolution, before proposing some policy recommendations for the European Union in order to constructively engage with the reconstruction of the new Egyptian political system.

The roots of the popular unrest

It is commonly held among commentators that between 2003 and 2005 domestic politics in Egypt experienced a new kind of dynamism unseen since the military coup of 1952. Private satellite and printed media adopted a critical stance towards the governmental policies. Human rights organizations became more influential in the provision of their legal and advocacy services. Popular and political coalitions were at the forefront of the civil and political activism, with internet activism representing a brave new domain for political and social debate. International pressure, whether from the US or the EU, stimulated domestic actors to up the ante.

The Egyptian ruling elite responded to this internal and external pressure by introducing a constitutional amendment whereby the first ever multi-candidate presidential election was held in 2005. The competition was seriously restricted, however, due to the constitutional limitations, which undermined the opportunity of having independent candidates from outside the licensed political parties. In addition, the electoral process itself was rife with manipulation. Nevertheless, some partisan candidates such as Ayman Nour ran in the race and made use of this competition to build a popular constituency towards political change, particularly among young voters. During the parliamentary elections and after the victory of the Muslim Brotherhood in a considerable number of districts in the first electoral phase, the government flagrantly intervened in the other electoral phases to control the outcomes.

The end of the parliamentary elections marked the beginning of the counter-attack campaign against political and civil activists, including independent judges who bravely disclosed the irregularities which had marred the electoral process. Ayman Nour, the opposition leader who challenged Mubarak during the first presidential round, was sentenced to five years in prison in a politically motivated case. The government applied tough measures against political activists through a widespread state of emergency and exceptional courts. An increasing number of journalists faced criminal prosecution on account of their critical commentaries, while NGOs were subjected to increased legal and security restrictions. As a result of the rise of Islamic influence coupled with the regional conflicts, international

actors became less interested in promoting democratic change in Egypt and in the Arab region as a whole.

However, the dynamism of 2003–2005 left its mark on Egyptian domestic politics in several respects. Firstly, a new wave of social protest movements spread across Egypt, making use of strikes, informal trade or professional unions and demonstrations as a means of changing the governmental, social and economic policies. Secondly, private media and internet activism integrated more social actors into the debate on political and social reform in Egypt. In this sense, from 2006 to 2008, political protests waned and were supplanted by protests of a more socio-economic nature.

However, 2009 saw the resurgence of political activism. The intense debate on political succession in Egypt and the scheduled parliamentary and presidential elections in 2010–2011 tempted the political opposition to renew their demands for democracy, electoral reform and the distribution of power. These demands coincided with the appearance in the Egyptian political arena of Mohamed ElBaradei, the former general director of the International Atomic Energy Agency. He expressed his readiness to run in the presidential elections, providing certain safeguards were put in place, including the presence of international observers and the modification of the constitution to lift the existing arbitrary restrictions on presidential candidates, as well as the abolishment of the state of emergency applied continuously in Egypt since 1981. The National Association for Change was subsequently established as a broad umbrella group embracing the main political and social movements in Egypt. The Association initiated a major popular campaign to pressure the government into bringing about political reforms and safeguarding public liberties.

A wide range of informal political groups resolved to boycott the parliamentary elections as a result of the government's failure to make any serious commitments to ensuring the fairness of the electoral process. However, the Muslim Brotherhood and other formal parties such as Al Wafd decided to field candidates. Nevertheless, the dire manipulation of the parliamentary elections confirmed the suspicions of the boycotters, and those who supported participation in the electoral process duly decided to boycott the second phase in protest against the flagrant governmental intervention in the electoral results.

The elections of 2010 and the rift between boycotters and participants resulted in a confidence deficit among political groups in Egypt, which served to undermine the establishment of a wide political platform for the purpose of political reform. Accordingly, the gap widened between the traditional formal and licensed political parties and the informal political groups or social movements. The formal political parties believed that political activism should be expressed through them and within the legitimate channels of the political regime, whereas the informal political groups were in favour of operating outside the formal political institutions, regarding the formal political parties as non-independent entities brought to heel by the government. Moreover, a divide also existed between the secular and Islamist opposition. Although the new National Coalition for Change attempted to sidestep any discussion on the future relationship between state and religion in order to maintain unity among its members, this issue has long been a source of disunity in Egyptian politics, and will doubtless prevail even after the revolution of 25 January.

In light of these events, the Egyptian authorities became less tolerant of political and civil activism, freedom of association and freedom of expression. The government attempted to deflect any potential challenges to the parliamentary elections of 2010, as well as the planned presidential elections of 2011. Local and international reports illustrated the increasing human rights violations against political and civil actors in Egypt. The legal, constitutional and politically stifling climate during Mubarak's era was inconducive to fair and competitive elections. It also impeded the development of a vibrant political society.

A state of emergency has been continuously in force in Egypt since 1981, to the extent that it has become a permanent state of affairs in which many fundamental human rights are suspended, particularly the right to a fair trial and the right of personal freedom and safety. The State Security Courts and the Military Courts, which lack the basic guarantees of a fair trial, have been employed in Egypt against suspected terrorist and other political groups, and prolonged detention has been systematically applied in an arbitrary way. The government failed to provide reasonable grounds for the protracted state of emergency, which could not merely be viewed in the context of the state struggle against terrorism. Indeed, it became a government

strategy to suppress political competitors and ensure the stability of the ruling elite. Moreover, in 2007, the government amended the constitution to pave the way for a new anti-terrorism law without being restricted by constitutional human rights guarantees. The state of emergency was likely to be normalized under the anti-terrorism law which was scheduled for adoption by Mubarak's government. This law would have been the second of its kind since the government enacted legislation in 1992 adopting a very vague and broad definition of the crime of terrorism, and prescribed severe penalties for terrorist-related acts, most of which amounted to the death penalty.

The scope for freedom of expression and freedom of association was narrowed, with private media and independent journalists coming under serious attack. Journalists were plagued by limitations which threatened their independence, while their referral to criminal courts on defamation cases continued. Reports spoke of repeated governmental pressures on media owners to change the editorial policies of their outlets or to exclude some writers or refrain from publishing certain critical articles. This represented a serious setback as private media were the most significant outcome of the political opening of 2003. State Security and the Ministry of Social Solidarity routinely intervened in the work of NGOs and human rights groups. New modifications to the association law were expected to be implemented with the objective of tightening the rules on the receipt of funding, and the registration and management of NGOs. As for political parties, it was not possible to establish a party within the old legal framework in Egypt. Moreover, on many occasions this framework enabled the government to create internal divisions within these parties, such as the recent case of the Al Ghad Party, which was headed by Ayman Nour. Overall, the legal framework for NGOs and political parties merely served to draw the members of these associations into internal disputes and divisions.

Political exclusion would be an apt way of describing the state of political participation in Egypt before 25 January. The ruling elite had monopolized political power for decades without any real form of accountability. Egyptians faced severe violations of their right to participate in public life through elections and those who sought to exercise this right had to contend with any number of restrictions and abuses imposed by both the executive and State Security. Moreover, the constitutional provision on presidential elections denied serious

and independent candidates access to the presidential elections. In effect, this provision only allowed candidates who were approved by the ruling party. The government applied several policies and tactics to exclude and suppress any potential political rivals by propagating the notion that the political opposition was being hijacked by the Muslim Brotherhood, which was a bogus claim. Other liberal political contenders in Egypt were also excluded or suppressed. For instance, following the first multi-candidate presidential elections, Ayman Nour, the ex-rival of President Mubarak in the elections, was tried and convicted in a politically motivated case. Although Nour was released in 2009 on health grounds, he was deprived of his right of political participation and even his right to practise as a lawyer. He and his supporters were systematically pressured by the government and State Security. At the beginning of 2010, Mohamed ElBaradei declared his readiness to run in the forthcoming presidential elections but the existing constitutional restrictions excluded him from the race. ElBaredei and his supporters established a national coalition which struggled for political reform and a fair and competitive election. Many cases were documented by human rights groups which shed light on the pressure that was being exerted on ElBaradei's supporters. Moreover, the continuous repression of the Muslim Brotherhood thwarted any opportunities to engage in dialogue with the group to ensure its adherence to democratic principles and fundamental human rights principles.

Egypt after the revolution: The transitional period

People power and non-violent resistance succeeded in putting an end to Mubarak's 30-year authoritarian rule in Egypt. Such a massive popular revolution is unprecedented in Egypt's history. Egyptians are now poised to build a new society based on democracy, freedom and social justice, which is being heralded as the second independence of the country. Yet, despite all the positive steps which have been taken so far by the Military Council, the political atmosphere is still shrouded in suspicion and hampered by a lack of confidence. Two conflicting views surfaced concerning the transitional arrangements. The Military Council was of the opinion that limited constitutional amendments should be made at this stage in order to transfer

the power to a new elected parliament and president as soon as possible, in which case the new constitution would subsequently be drafted through the elected parliament. The Islamic movements were supportive of this plan. The other alternative, advocated by the revolution's youth coalition, liberal leftist opposition and the majority of Egyptian human rights organizations, was to prolong the transitional period in order to effectively ponder the new constitution, and allow sufficient time for the oppositional forces to build their constituencies and organize themselves, while ensuring that the new parliament would be representative of Egyptian society. Moreover, the proponents of this view demanded joint power-sharing between the military and civil forces.

In the end, the Military Council's vision prevailed and a constitutional committee appointed by the Council drafted a package of constitutional amendments which was approved in a popular referendum on 19 March. The objectives of the package were to ensure free and competitive parliamentary and presidential elections, restrict the executive power over declaring the state of emergency, secure the abolition of the counter-terrorism clause, limit the presidential term and ensure that the new parliament would be able to elect a constituent assembly in order to develop a new constitution. These amendments were incorporated into a provisional constitutional declaration adopted by the Military Council to regulate the transitional period, a major part of the declaration being transferred from the constitution of 1971. The Military Council will act as the executive and legislative authority in this transitional period until such time as a new parliament and president are elected. The parliamentary elections are scheduled for September 2011, but the date of the presidential election has not yet been decided.

There has been repeated criticism of the Military Council and its management of the transitional period. The Council has been accused of acting very slowly in dismantling the pillars of the security and political apparatus of the outgoing regime. Under insistent pressure from popular movements, the Council had to dismiss the cabinet which was appointed by Mubarak during his last days and appoint a new prime minister, Essam Sharaf, who was proposed by the revolutionary powers. The State Security was dismantled and a new Agency for National Security was established, which is only mandated to combat terrorism. In addition, a group of public figures were included in the interim government.

The EU and the transitional period

The European Neighbourhood Policy (ENP) and the Euro-Mediterranean Association Agreements continue to function as the principal institutional framework through which Europe addresses issues of human rights and democracy in many Arab countries and Israel. European states and institutions employ the instruments available within this framework, primarily periodic bilateral talks between the EU and each partner state conducted in meetings of the partner councils, which include high-level political representation, and the special subsidiary committees focused on diverse topics such as human rights, which comprise experts from both the European and Mediterranean partner states. The EU also urges the implementation of ENP action plans, seeing these as a political declaration reached voluntarily with partner countries to guide the process of political, economic, and social reform and human development. Indeed, the level of relations between the EU and partner states is determined on the basis of these plans. Despite the ambitious objectives pursued by the ENP since 2003 – the achievement of development and stability in the Euro-Mediterranean region within a framework governed by human rights values, democracy, and civil society – the results thus far have been very modest relative to the total financial and human resources invested by the EU with its Mediterranean partners. This was not solely due to the lack of political will on the part of most Arab partner states to implement the promised reforms. The tools available in the ENP framework are too weak to effectively pressure or encourage Arab partner states, and politically influential European states within the EU have often disregarded issues of human rights and democracy in the southern rim of the Mediterranean. This has allowed many authoritarian Arab partner states to successfully reconstitute their relations with Europe on foundations diametrically opposed to their peoples' aspirations for democracy, human rights, and human development.

The revival of the ENP calls for a combination of attractive incentives and conditionality based on a time-bound system of

benchmarking and accountability. Attractive incentives are needed to change the political calculations of the ruling elites in the Mediterranean region. In this direction, the EU should draw on its long experience in pushing reforms in other states which have set their sights on being members of the EU. The current negotiations between the EU and its partners, notably Egypt, concerning the enhancement of the bilateral relations should be clearly conditional on certain human rights and good governance priorities that are necessary to develop a new democracy in Egypt. In this regard, it is highly recommendable to pay heed to the aspirations of Egyptian civil society. On 12 February 2011 a detailed road map was proposed by a coalition of reputable local Egyptian NGOs in addition to the youth Coalition of the Egyptian Revolution in order to ensure that the transitional period will lead to a sustainable and stable democratic system.[55] The document proposes measures to uproot the police state and reinstate the rule of law. It also develops a set of benchmarks to guide the legal and constitutional reform. The European Union is recommended to encourage the Military Council and the interim government to conduct an open dialogue with civil society as a partner of the reform's process. Moreover, the European Commission should carefully monitor the transitional period in close consultation with civil society, including the coalitions of young people who played such a pivotal role in the revolution. A system of positive incentives can be offered to the government if it applies the commitments of the transitional period in good faith.

[55] The road map is available at www.cihrs.org/English/NewsSystem/Articles/2756.aspx

The EU and Arab democracy[56]

Timo Behr

Trading freedom for stability

For decades, EU policies in the Middle East and North Africa have been predicated on upholding the political status quo in the name of "regional stability". Given Europe's close geographic proximity and multiple linkages with the region, a stable regional environment was considered to be of vital importance in order to build energy and trade links, control immigration, and prevent the spread of terrorist networks. Alarmed by the experience of the Algerian civil war and humbled by a history of colonial meddling, EU leaders accepted that only the region's autocratic rulers could deliver on these issues. Change, it was widely believed, would have to come gradually and needed to be carefully nurtured and supervised in order to prevent the region from slipping into chaos.

As a result, EU policies steered well clear of any attempt to promote democracy in the Middle East. Instead, they sought to encourage top-down reforms that had the potential of fostering a gradual political and economic opening without threatening the region's short-term stability. To this end, the EU's Neighbourhood Policy (ENP) offered a number of financial and political rewards. To those willing to push further, the EU offered so-called "Advanced Status Agreements" that included more incentives and an upgrading of political ties. In both cases, the EU relied on interdependence and positive rewards rather than conditionality to effect a change in regime behaviour. However, the positive incentives the EU was willing to offer as a part of these initiatives were only rarely allocated in accordance with democratic criteria and more often served the economic and strategic interests of those member states that hold a particular interest in the region.

The creation of the French-led Union for the Mediterranean (UfM) further undermined the EU's ability to foster political reforms by turning Euro-Mediterranean policies into a "shared responsibility"

[56] An earlier version of this article was published in C.A.P. Perspectives at www.cap-lmu.de/publikationen/2011/caperspectives-2011-02.php

with autocratic governments and by prioritizing economic and business ties over political reforms. This initiative made sense from the point of view that Mediterranean countries were in desperate need of economic development and reforms and deserved to have their say over how to manage these issues, rather than following the EU's economic and political dictates. However, by fraternizing with repressive Arab governments and granting them an explicit veto over part of its policy agenda, the EU further undermined its potential leverage and public credibility in the Middle East.

The EU, in other words, traded regional stability for democracy and freedom in the Middle East. While the EU continued to emphasize these issues as part of its public diplomacy and made a well-intentioned effort to contribute to their long-term development, it never turned them into an explicit policy priority. Instead, it tacitly accepted that its interests and values would be best served if authoritarian, yet westernized, Arab governments continued to be in charge. At least, until the day that a viable, secular alternative emerged that could be trusted to play a "responsible" role in regional affairs.

The Arab democratic wave

The recent wave of pro-democracy protests sweeping the region and the toppling of the Tunisian and Egyptian regimes has demonstrated the deep flaws in this half-hearted approach. The protests showed that rather than fostering a stable regional order while working for a gradual and orderly political transition, repressive Arab regimes had sowed the seeds of domestic instability and regional crisis. The demonstrations also appeared to show that contrary to widely-held beliefs there was indeed a viable democratic alternative to the incumbent Arab regimes and that political change did not need to lead to chaos and instability. Inevitably, this realization had an impact on the EU's strategic calculations.

The EU's initial reaction to the Arab uprising was still a mixture of confusion and bewilderment. The deep and long-standing ties between several European member states and some of the countries affected by the crisis predictably undermined European cohesion. As a result, European reactions to the Tunisian revolution were much

delayed and showed little vision, with Italy and France actively trying to tone down EU criticism of the Tunisian regime during the early stages of the crisis. The EU fared little better when it came to Egypt, where it proved unable and unwilling to adopt any coordinated position and restricted itself to trailing the cautious lead provided by the United States.

While the EU has recovered its composure following the ousting of Ben Ali and Mubarak and has adopted a more aggressive position on Libya, it continues to suffer from a lack of coordination as different countries jockey to reassert their national interests in the region. Nevertheless, as the full extent of the revolution became apparent, a broad consensus emerged amongst EU member states that a fundamental repositioning of EU policies had become both possible and unavoidable. No longer restrained by an assumed trade-off between democracy and stability, the EU was now able to throw in its lot with the pro-democracy forces. For the first time in a long time, EU principles and interests no longer seemed opposed in the Middle East, opening the way for a change in EU policy.

A partnership for democracy

In early 2011, a non-paper by six Mediterranean countries appealed for a shift of EU aid towards the South, more differentiation in EU policies and a greater emphasis on democratic reforms. In a landmark speech Commission President José Manuel Barroso endorsed these goals and advocated launching a "Pact for Democracy and Shared Prosperity". Plans for what such a pact would entail were quickly sketched out in a Commission communication on a "Partnership for Democracy and Shared Prosperity" with the Mediterranean. These plans were subsequently endorsed by the European Council Meeting of 11 March 2011 that promised to "support all steps towards democratic transformation, political systems that allow for peaceful change, growth and prosperity, and a more proportionate distribution of the benefits of economic performance."

To make good on these promises, the Commission proposes a shift towards greater differentiation and conditionality by reallocating financial support according to the principle of "more-for-more":

more EU assistance for more political and economic reforms. To this end, the Commission proposed a reallocation of its neighbourhood funding and to make new lending available to the region. Other political incentives raised by the Commission include mobility partnerships, greater access to EU markets in agriculture and services, a new civil society facility and enhanced political dialogue.

The idea is that this new incentive-based approach is going to be centred on a number of clear benchmarks against which all partner countries will be assessed with participation open to all Mediterranean countries that are committed to "adequately monitored, free and fair elections". Their willingness to cooperate with the EU when it comes to immigration and foreign policy will also be assessed. The concrete role of the UfM in these plans remains unclear, except for the rather vague aspirations that it should allow for a greater use of variable geometry and provide a bigger role for the EU Commission.

These measures are promising. But they are hardly new. The idea of encouraging reforms through incentives has been an *idée fixe* of the ENP. Nor is the idea of encouraging greater differentiation in Euro-Mediterranean affairs a novelty. More innovative is the re-introduction of positive conditionality through the "more-for-more" principle. But here much will depend on implementation. In the past, the EU's financial allocations have more often been driven by national expediency than an objective assessment of reform achievements. Whether this will change under the new partnership, and whether funding might be diverted from Algeria to Egypt or from Palestine to Tunisia, remains to be seen.

However, even if the EU manages to impose a more stringent conditionality, it is not clear whether the new incentives will be juicy enough to tempt reluctant reformers. As Martin Schulz, the leader of the EP's S&D group rightly pointed out, to be comparable to the US's post-war effort, a European "Marshall Plan for the Mediterranean" would require 1% of European GDP; far more than is being offered. Moreover, many of the political incentives raised by the Commission, such as mobility pacts or access to agricultural markets, are not particularly new. What is worse, they require the approval of the always reluctant member states. Whether they will be more forthcoming on these issues, given the current political and economic climate in Europe, seems far from assured.

Learning from past mistakes

Instead of a real paradigm shift, the Commission's proposals represent a re-branding of previous policies. This is not necessarily a problem. Many of these policies were sensible. Offering a few more resources and incentives in accordance with the principle of "more-for-more" is laudable and long overdue. But this is not enough. To open a new chapter in its relations with the Arab world, the EU will have to learn from its past mistakes.

To start with, the EU will have to become much more coherent in its approach. At the moment, the EU mixes bureaucratic criteria and political goals when determining the level of its support to Middle Eastern countries. This makes its policies appear incoherent. If it is serious about supporting a political transition, it will have to allocate a sizeable chunk of its neighbourhood funding in accordance with clear democracy criteria. With no extra funding available, this will inevitably mean a reallocation of funding away from reform laggards. To appear credible, it will also have to abstain from the temptation to curry favour with these by using the UfM as an alternative channel of assistance. While this might worsen relations with some of the democracy laggards, the EU needs to accept that a more principled policy comes with a price tag attached.

The EU will also have to stop trying to pick winners in its neighbourhood. Nothing has been more damaging to the EU's reputation than sidelining Hamas after the 2006 Palestinian elections. While there might have been good reasons for this at the time, any repeat would spell a swift end to its budding "partnership for democracy". This might imply working with governments that do not share the EU's social and economic agenda, as long as they support free and fair elections. The EU will also have to scrap its policy of non-engagement with Islamist parties and other civil society actors that want to be part of this process. Given the EU's reduced influence, anything else is likely to be futile.

Of similar importance is the need to avoid creating false expectations amongst the EU's neighbours. Time and again, the EU has dispensed promises that it has been unable to fulfil. By hastily throwing out a new set of promises and setting artificial deadlines – such as that for a community of democracies by 2020 – the EU will do little to restore its reputation in the region. This is especially

true when the EU is not willing to make the required investments to ensure such an outcome. Assurances for an increase in resources, visa facilitation, or easier trade access should not be given unless the Commission has the explicit approval of the member states. The EU's increasingly difficult relationship with Turkey bears testimony to the fact that broken promises can be costly.

Finally, the EU should use the opportunity to break with its outdated focus on a Euro-Mediterranean community. The Mediterranean never provided an ideal frame for EU policies. This has once again been demonstrated by the course of current events. The recent upheavals have been pan-Arab in nature and will reshape the policies of the region accordingly. The EU should acknowledge this fact and refocus its policies in line with these developments. This means opening its new partnership to the wider Arab world and supporting pan-Arab cooperation more whole-heartedly in the future.

Think again democracy

While more coherence and consistency will not solve all of the EU's problems in the Arab world, they are essential if the EU is serious about Arab democracy. For the time being, however, this remains very much uncertain. Despite all the rhetoric, the EU's resolve has yet to be tested. Things will inevitably become messy if Arab democracies start behaving in a way that does not cohere with the EU's own rule-book about how liberal democracies should be run. What would the EU do if free and fair elections lead to a chauvinistic Egypt, an Islamist Libya or a Peronist Algeria? Soon enough, the EU might be faced with a new trade-off in the region. Only this time, it might be between promoting Western values and interests, and promoting democracy. Afghanistan and Iraq have demonstrated the logistical and moral complexities this involves. There is little to suggest that the EU will find it easier to strike the right balance this time.

Chapter V

The Multipolar Middle East

The multipolar world and the Middle East

Juha Jokela

As a result of the increasing interdependence forged by globalization, any disturbances in the Middle East now have significant global ramifications. These may include rising oil prices, terrorism and immigration, and tend to have a particular impact on Europe due to its geographic proximity. Many of the recent efforts by the international community have centred on the Israeli–Palestine peace process, Iraq and its reconstruction, as well as Iranian nuclear ambitions. The focus has now broadened to the mass protests and unrest in many Arab countries. These have already resulted in regime change in Tunisia and Egypt, and pushed Libya to the brink of civil war.

While the United States, European powers and, to some extent, Russia have historically had greater interests and responsibilities in the region, the UN Security Council resolution 1970 on Libya suggested a progressively global concern and response *vis-à-vis* the developments in the Middle East. Supported by many Arab states, the resolution was adopted unanimously in the Council. In addition to China and Russia, this year the Council also includes Brazil and India. The resulting consensus on the sanctions and explicit referral to the International Criminal Court, to which China, India and Russia are not signatories (and US ratification is pending), is indeed interesting as it runs counter to the conventional wisdom that the rising importance of these countries in international affairs might precipitate a new authoritarianism.

However, the subsequent adoption of Security Council resolution 1973, imposing a no-fly zone over Libya, despite the abstention of China, Russia, India, Brazil and Germany, also suggested that the international community does not speak with one voice just yet. While it seems that, for now, rising new powers such as China and Brazil are willing to allow the US and European countries to take the lead in Middle Eastern affairs, albeit grudgingly, it is unclear whether this will continue as their influence grows.

Multipolarization has been in the making for quite some time. While much of the attention has been focused on the increasing

economic weight of the so-called BRIC countries (Brazil, Russia, India and China) as well as other rapidly developing economies, the political and military implications of their growth is also progressively debated. One of the key conclusions is that the West can no longer tackle global security challenges on its own.[57] However, the consequences of an asymmetric multipolarity for major security challenges are far from clear.

The ongoing change poses particular challenges for the European Union and its member states. According to many, the focal point of the world's economic and political activity is shifting from the Atlantic to the Pacific. This has raised concerns about the strategic importance of the US-EU relationship. Moreover, the EU is seen to lack efficient tools to secure and enhance its influence in an increasingly multipolar world. Its external action is argued to be lacking in the efficiency and coherence required to deal with challenges and shape the emerging order, and there is no evidence of political will to use hard power if deemed necessary. Importantly, the recent global financial and economic crisis and the ensuing sovereign debt crisis have cast a shadow over its soft power. The EU is also struggling to advance a world order based on effective multilateralism – its key strategic goal being to set the world on a course more favourable to itself.

Against this background, the papers in this section seek to bring clarity to the complicating picture of international responses to the traditionally US- and, to some extent, EU-dominated Middle East affairs. While Pedro Seabra analyses the Brazilian engagements with the global security challenges stemming from the region, Peter Gruskin focuses on Chinese foreign policy *vis-à-vis* the Middle East. Both of these analyses suggest that multipolarity is shaping the external engagements and the international efforts to forge security and stability in the region. While Brazil has been highly proactive in asserting itself on the global map of Middle East politics, China has been largely drawn in due to its energy needs. Brazilian efforts have been greeted with a mixture of surprise, hesitance and suspicion, while further Chinese involvement is seen as an evolving political reality.

[57] de Vasconcelos, Alvaro (2009) "Introduction – Multilateralising multipolarity II: Between self-interest and a 'responsible-power' approach", in *Global security in a multipolar world*, edited by Luis Peral, Chaillot Paper no 109, EUISS: Paris, pp. 5–14.

The entry of new global players into the broader Middle East poses both possibilities and challenges for the US and the EU. The third contribution by Mika Aaltola therefore examines the changing context of the US Middle East policy, which has also shaped the European responses. Taken together, this section provides an important background analysis for the debate on the EU foreign policy options for peace and stability in the Middle East. The era of Western hegemony in the Middle East is indeed coming to an end, and it is essential for the EU to understand the behaviour of the emerging powers more fully.

Brazil and the Middle East

Pedro Seabra

A hyperactive insertion

When Luiz Inácio Lula da Silva became President of Brazil in 2003, it was difficult to imagine how far the country would progress in eight short years. At the time, the surrounding region was understandably the number one priority for the nation's foreign policy. However, the picture has changed significantly today. A fresh vocal approach, new emerging partners and several other areas of interest have captured Brazil's imagination. Among these, Brazil's acute interaction with the Middle East appears to have grabbed the most widespread attention.

Indeed, the expressive interest towards the region throughout Lula's last two years of government effectively puzzled the world, as many observers failed to see any clear rationale for this move amid the items on the country's foreign agenda. Added to its sudden interest in the enhancement of bilateral relations and in the engagement of multiple security issues, Brazil appeared particularly determined to carve a permanent toehold in the Middle East under the watchful and surprised gaze of the international community.

The series of events that led to this perception serve only to substantiate this claim. Starting in November 2009, the spotlight fell on Brazil as it became an indispensable stopover for some of the region's highest profile authorities. Israeli President Shimon Peres would be the first, by paying a week-long visit beginning on November 17th that included everything from cooperation agreements on extradition, tourism and security, to the signing of a US$350 million deal to supply 14 unmanned surveillance aircraft to Brazil's national police and even a timely address to the Brazilian Congress over the dangers of cooperating with Iran. Only two days later, Peres was followed by Palestinian Authority (PA) President Mahmoud Abbas. Lula subsequently seized this opportunity to put forward his proposal for the United Nations (UN) to take over the lead in the Middle East peace process, in light of the ineffectual ongoing U.S. efforts. As if the public and media scrutiny was not intense enough, on November 23rd, amid serious international and internal outcry,

Lula hosted Iranian President Mahmoud Ahmadinejad – fresh from his controversial electoral win the previous June – proving that Brazil was keen to open every possible kind of dialogue with every interested party on that side of the globe.

As expected, the sheer public impact of such back-to-back diplomatic endeavours was skilfully exploited by Brazilian diplomacy to tout the need to include new actors in the resolution of important and far-reaching international crises. In that context, Lula's official visit to Israel, the Palestinian territories and Jordan in March 2010 was announced as the opening act of a more serious Brazilian involvement with the long-lasting strife. The time had thus supposedly come "to bring into the arena players who will be able to put forward new ideas", with "access to all levels of the conflict".[58] However, despite his self-proclaimed "peace virus" and apparent readiness, significant results were nowhere to be seen.

But that did not deter Lula from dipping his presidential diplomacy toes into another local geopolitical quagmire. Indeed, the standoff between Iran and the international community over the former's nuclear programme clearly provided Brazil with another useful stage for its growing assertiveness in this region. While visiting Tehran on May 16th, along with Turkish Prime Minister Recep Tayyip Erdoğan, Lula scaled new heights of worldwide exposure as he presented a fuel-swap deal designed to appease the West's suspicions, declaring it an alleged diplomatic breakthrough. However, the outcome was hardly what Brazil had in mind. Not only was such a move quickly dismissed as another stalling tactic by the Iranian authorities, but it also failed to win over the world's decision-making quorum. Consequently, a new round of sanctions by the UN Security Council soon followed and, for the first time ever, Brazil went up against the US in such voting procedures, exemplifying serious dissent in this matter – albeit with no significant outcome other than to stand by the deal that it had previously helped broker. In retrospect, Brazil's *élan* was dealt a serious blow by these unsuccessful endeavours and in that sense the country's level of interest was promptly reduced.

Nevertheless, Lula's tenure would not be complete without a final move aimed at decisively establishing Brazil's institutional

[58] Primor, Adar (2010) "Brazil leader talks Mideast peace, how to be friends with both Israel and Iran", *Haaretz*, 12 March 2010.

weight in the region. On December 3rd, officially answering a request by President Abbas, Lula formalized Brazil's recognition of the Palestinian state alongside the 1967 borders. Despite repeated and vocal Israeli protests, such a step would go on to trigger a general wave of similar endorsements throughout South America.[59]

A biased agenda

As one would expect, this set of eager undertakings did not exactly go unnoticed. Questions were naturally raised as to Brazil's true motives for suddenly engaging so actively in a region long characterized by its unsettling proliferation of actors. In truth, two specific considerations evidently lay behind these efforts.

The first understandably concerns Brazil's own ambitions and objectives in international affairs. Indeed, as a permanent item on the world's security agenda, the Middle Eastern conundrum represents in itself a timely opportunity for any emerging power to favourably showcase its growing international assertiveness and rightfully display a good measure of diplomatic dynamism. For a country like Brazil, which lobbies incessantly in favour of a deep reform of the international political and economic order, the daunting lack of results *vis-à-vis* the region's multiple issues only adds further substance and urgency to these calls. Furthermore, the possibility that a "newcomer" could ever manage to break the Western deadlock over such matters as the Israeli-Palestinian conflict or the Iranian nuclear programme – either by the sheer strength of its convictions in its negotiation skills or by the absolute rejection of the use of force – also proved too irresistible for Brazilian diplomacy not to take its chances.

Nevertheless, a second factor might have outweighed these political calculations. As it so happens, Brazil's economic interests are more likely to have played a leading role in promoting wider Brazilian engagement with the Middle East, since the country is unrestrictedly seeking greater diversification of trade relations and potential new markets for its growing exports – the vast business entourage which accompanied Lula throughout his travels precisely reflects this

59 See Seabra, Pedro (2010) "Brazil and the recognition of the Palestinian state: more than words?" (*IPRIS Viewpoints*, No. 28, December 2010).

interest. As a result, such a faraway region represents an untapped opportunity for Brazilian high-priced commodities like ethanol, coffee, sugar or meat as well as possible cooperation partners for the Brazilian-led Southern Common Market (Mercosur) trade block. A case in point is Israel, which became the first non-Latin American country to see a Free Trade Agreement with Mercosur enter into force in April 2010. Moreover, such a choice of partner did nothing to prevent the start of negotiations towards similar deals with other local actors, such as Egypt (with which the organization also reached a final agreement in August 2010, pending formal ratification), Jordan, Syria, Turkey, the Palestinian Authority or the Gulf Cooperation Council (GCC). If more evidence was needed, between 2005 and 2010, the two regions witnessed an impressive escalation in trade flows from US$10.5 billion to US$19.54 billion, further enhanced by the regular high-level Summits of South American-Arab Countries.

However, when it comes to the Iranian affair, Brazil's stance is best understood in the light of another pivotal element. Indeed, despite the clear geopolitical gains in contributing to the erosion of U.S. influence in the region and burgeoning economic ties (with an annual bilateral exchange of US$2 billion, Brazil is currently Iran's top trading partner in South America), the nuclear issue in itself should not be underestimated. For while Brazil has been a statutory party to the Non-Proliferation Treaty (NPT) since 1998, it has so far refused to sign the Additional Protocols, fearful of further intrusive inspections of its civilian nuclear programme or unrestricted access to local enrichment technologies. In that sense, Brazil is particularly sensitive to any self-perceived international attempt to enforce such a discriminatory regime in countries with emerging nuclear plans of their own. It thus saw in Iran's stalemate with the international community, and in the subsequent mediation efforts, an opportunity to reaffirm the intrinsic Brazilian discomfort with such a normative status while advocating a negotiated way out of the crisis.

A meddling approach

Despite all of the above-mentioned hyperactivity, when looking back it is not difficult to notice the visible lack of results associated with Brazil's ventures in this particular region. Indeed, even though

Lula's magnifying influence was enthusiastically welcomed by both Palestinian and Iranian authorities – as it supposedly implied a new commitment by an emerging player, disassociated with the US's efforts and keen on a peaceful, fair and negotiated approach – and, to a lesser and more cautious extent, by the Israelis, at the end of the day, developments on the ground proved too elusive and complex for Brazil's own calculations. Not only was the country not included in any subsequent peace talks for which it had made itself so publicly available, its diplomatic achievement regarding Iran's nuclear programme was also quickly discarded by the majority of world powers with no apparent consideration for Brazil's newfound neutral role in this matter. To all intents and purposes, far from providing any actual change on these issues, these multiple efforts served only to enhance Brazil's global projection capabilities, overly eager or poorly sustained as they might have appeared.[60]

Curiously enough, Brazil's rising trajectory is not totally unaffected by other actors' dwindling approaches to the Middle East. While the US remains – and will most probably remain for the time being – an inescapable player with wide geostrategic interests in the region, other parties might find their stances significantly diminished or pushed aside when confronted with rapidly emerging suitors like Brazil or Turkey, which are notably anxious to have their voices heard in the international sphere and see their influence finally match their raw potential. Among these immediate 'victims', the European Union (EU) is clearly at the top of the list. By constantly facing a choice between rising above the US's agenda and its own essentially financier role, or fading into the background instead, Europe clearly finds itself at an important crossroads. As such, it was no surprise to witness EU members carefully pandering to Brazil throughout 2010, by welcoming the latter's efforts with Iran and recognizing the validity of its endeavours towards peace in the Middle East.[61] However, amid these requisite diplomatic courtesies, the EU clearly treads a fine line between accommodating new rising powers in the aging overseeing consensus and increasingly forfeiting its intended

[60] The fragilities of Lula's dealings with Iran were also demonstrated by the rebuff of his offer of asylum in mid-2010 to Sakineh Mohammadi Ashtiani, whose sentence to death by stoning caused international outrage.

[61] See points II.18–21, IV European Union–Brazil Summit Joint Statement, Brasília, 14 July 2010.

influence in such a meaningful region for European interests. Much will therefore depend on how the EU responds to such a choice, but also on how persistent Brazil's insertion initiatives remain in the Middle East.

As it so happens, the question of continuity is precisely the one on the table. With the recent change in leadership, Brazil has now entered a new cycle under Lula's protégé, Dilma Rousseff, who appears keen on lowering the volume of her predecessor's vocal agenda. In this context, it is unlikely that Brazil will attempt to push again for a greater role in Middle Eastern geopolitics. However, it goes without saying that Brazil continues to retain its fair share of interests in the region. Growing trade and economic ties with a number of countries are proof positive that Brazil will remain increasingly crucial to several local partners. Hence, given the striking combination of international exposure ambitions and fruitful economic prospects, it is reasonable to assume that we have not seen or heard the last of Brazil in the Middle East.

China's slow surge in the Middle East

Peter Gruskin

An ancient Silk Road crosses the modern Middle East. China, the old Far East station on this long journey, now rears its might again, emerging as a global leader with enormous capacity to change the landscape of the Muslim world and beyond. Two conflict zones, however, stand in the way of a Chinese-dominated trade or security regime, or anything resembling one, stretching across Eurasia: Iran and Afghanistan–Pakistan. Both hotspots face tension or war with the United States, the current "guarantor of stability" in the Greater Middle East. Both also fit prominently into China's energy and security plans. This essay serves to highlight some of the policy areas in which important consequences are likely to arise for the European Union *vis-à-vis* China's slow surge in the Middle East.

The *Wall Street Journal* reports that "China has passed the U.S. to become the world's biggest energy consumer…a milestone that reflects both China's decades-long burst of economic growth and its rapidly expanding clout as an industrial giant."[62] Indeed, when China became a net importer of oil in 1993, the country began to think more carefully about the Middle East as strategic ground. Today, China gets over half its oil imports from the region, with about 20% coming from Saudi Arabia and 11% from Iran. On the whole, the Middle East sells China more oil than the United States, around two million barrels per day.[63] China's national oil companies are also developing energy projects in Iraq, Kuwait, Oman, Qatar, Syria, UAE and Yemen worth billions of dollars.

If the relationship with Saudi Arabia is at the core of the energy side of the equation, perhaps the long-standing alliance with neighbouring

[62] Swartz, Spencer and Oster, Shai (2010) "China Tops U.S. in Energy Use", *Wall Street Journal*, 18 July 2010, http://online.wsj.com/article/SB10001424052748703720504575376712353150310.html.

[63] Topol, Sarah A. (2010) "Q&A: Why China has become the Middle East's favorite customer", *Christian Science Monitor*, 13 July 2010, www.csmonitor.com/World/Asia-Pacific/2010/0713/Q-A-Why-China-has-become-the-Middle-East-s-favorite-customer.

Pakistan forms the heart of a burgeoning security alliance with the Muslim world. What happens in South Asia, undoubtedly part of the Greater Middle East, is tied not only to the rest of Asia but the security interests of the EU more generally. Although Beijing prefers to remain fairly pragmatic – relatively restrained by international norms and a desire to be seen as a responsible emerging actor – the leadership of Iran, Afghanistan, and Pakistan does not always follow similar logic. The prospect of escalation of conflict remains real, yet China's exact positioning and plans for the future are unclear.

According to Benjamin Simpfendorfer, an expert on Sino-Arab relations, the Arab world is in the process of "rediscovering" China.[64] Beijing has recognized the political significance of sending humanitarian assistance to distant but not unimportant lands such as Lebanon and Yemen. Yemen is located on the edge of some of the most important transportation waters in the world. China's influence in the Bab-el-Mandeb strait is largely tied to the shipping of oil and consumer exports, but the effects of Somali pirates on the other side of this gulf raises the stakes for all regional players. Dan Blumenthal of the Middle East Forum writes that "Because the Chinese government views the United States as a strategic rival, it remains concerned about becoming reliant for its oil imports upon sea lanes secured by the U.S. Navy."[65] The above example of relations with Yemen, like many alliances China has in the region, highlights the important fact that the policy calculus is preparation for a future where China may have to, or simply choose to, play a bigger role as guarantor of regional stability.

Nonetheless, China prefers a level-headed approach of dealing with interests in the Middle East on a more or less blind basis in terms of religion, sect, and so on. Because of this outlook, relations are fairly warm with Jewish Israel and non-Arab Turkey, among other Sunni and Shia Arab states. The days of an ideologically-driven foreign policy – supporting revolutionary regimes and movements with "proletarian" sympathies, such as the Palestinian Liberation Organization, with gusto – are long-gone. According to Barry Rubin's

[64] This term is in the subtitle of Simpfendorfer's book: *The New Silk Road: How A Rising Arab World Is Turning Away From The West And Rediscovering China*, Palgrave Macmillan, 2009.

[65] Blumenthal, Dan (2005) "Providing Arms: China and the Middle East," *Middle East Quarterly*, Spring 2005, pp. 11–19, www.meforum.org/695/providing-arms.

1999 treatment of China's rise: "China replaced Mao's slogan of 'politics in command' with 'economic development in command'... At a time when Third World regimes openly aspire to imitate the West and Japan, China is increasingly becoming a normal great power. That status is legitimized by China's presence as a permanent member of the UN Security Council. Normalization lets China openly express the same motives as those held by other states."[66] China is fast becoming a status quo power indeed.

Causes for concern: Afghanistan–Pakistan and Iran

Still, there is room for concern from the West. Arguably the most delicate alliance, in terms of potential repercussions for global security, is between Beijing and Islamabad. Pakistan and China share a short border but a long and deep friendship that crosses the military, political, economic, and perhaps even ideological landscape. China's first use of its United Nations Security Council veto power was against Bangladesh's attempts to declare independence from its former overseer, West Pakistan (modern-day Pakistan). China chimed in to oppose the break-up, as it saw West Pakistan as a reliable ally and strategic asset, a friend in a similar position to that of China itself, which was also dealing with rebellious provinces.

Al Jazeera reports that, "When a US delegate once confronted a Chinese diplomat about Beijing's uncompromising support for Pakistan, the Chinese reportedly responded with a heavily-loaded sarcastic remark: 'Pakistan is our Israel'."[67] This relationship cannot be underestimated in terms of understanding the war in Afghanistan and the inability of the West to punish Pakistan's military for supporting various Taliban groups. If the European Union and the United States were to leverage their development and military aid as a weapon for imposing change (meaning threatening to take it away if Islamabad does not do more to confront domestic radicals), the result may not only be more instability but more dependence

[66] Rubin, Barry (1999) "China's Middle East Strategy," *Middle East Review of International Affairs*, March 1999, Vol. 3, No. 1, p. 47.

[67] Deen, Thalif (2010) "China: 'Pakistan is our Israel'," *Al Jazeera*, 28 October 2010, http://english.aljazeera.net/indepth/features/2010/10/20101028135728235512.html.

on Beijing. Because of its access to the Gulf of Oman, Pakistan is seen as a gateway to oil-rich Southwest Asia. Support for the port at Gwadar, on Pakistan's coast, is no doubt aligned with this interest. Economics and security considerations converge here, but also in China's attitude toward the Muslim world more broadly.

The alliance with Pakistan probably also helps stave off terrorist and secessionist groups. China is often considered "enemy number two" for jihadists (second only to the United States); but the power of the Inter-Services Intelligence, the Pakistani security service which maintains cordial relations with some jihadist groups, probably helps keep Xinjiang – the Muslim area of western China bordering Central Asia – safer than it would otherwise be. However, Beijing's perceptions of security interests, sometimes at odds with the West's view, may turn out to be helpful to NATO in some respects. Michael D. Swaine, in the *China Leadership Monitor*, reports that: "The greatest consequence for China in the event of a U.S. failure [in South Asia] is the radicalization of the region to the point that extremism becomes contagious among ethnic minorities in China. Thus, some Chinese observers argue that Obama's troop surge in Afghanistan might actually benefit Chinese efforts to suppress terrorist and separatist activity within Xinjiang, as well as drug smuggling into China."[68]

The same may hold true for neighbouring Afghanistan. Chinese investments in Afghanistan's economy, the biggest being a $3.5 billion dollar project to develop the Aynak copper mine, may bode well for the NATO stabilization project. China is the largest foreign investor in the country and is willing to take risks that Western nations are not up to. Two hundred million dollars in foreign assistance and training for police and mine-clearing teams also highlight the serious intent to develop not only warm, but stable relations with Kabul. The downside for the West is that China wants stability in Afghanistan no matter who is in power in Kabul. They may prefer a more relaxed political system, but cooperation with Taliban rule is not to be ruled out, as it is for the United States and the European Union in its dealings with Afghanistan.

Sino-Persian relations also bring into focus China's rise as a global power and the possible spillover effects that any conflict in

[68] Swaine, Michael D. (2010) "China and the 'Af-Pak' Issue," *China Leadership Monitor*, No. 31, 2010, p. 4.

the Middle East would have on Europe. Perhaps after the hot war in Afghanistan and Pakistan, the second most pressing global security issue for Europe is the Iranian regime and its alleged nuclear weapons program. China seems keen to assist Iran develop economically (viz. the oil and gas fields at Yadavaran and Pars), but not necessarily in terms of nuclear power. And there is one important caveat still: ever cognizant of the more important Sino-American alliance, China is willing to work with this rogue state only as much as is politically feasible. For example, China sells military equipment to Tehran but has deferred to the wishes of the U.S. on matters of military aid to Iran. As well, a recent Wikileaks cable reveals American-inspired Saudi guarantees of increased oil supplies to China as an incentive for China to support sanctions on Iran.[69]

China's goal in such instances is not so much to play a double-game but to play a balancing game. It balances between its interests bilaterally and with the international community as the latter attempts to isolate Iran. But this does not translate to Beijing wishing to manipulate the global balance of power *per se*, although it may seize any low-risk opportunities to do so. In fact, China has been willing to work with the West in its effort to prohibit nuclear proliferation, as China can be sure that a nuclear Persian-dominated Gulf would not serve China's long-term interests. To this end, China has agreed to the fourth round of UN Security Council sanctions against Iran's nuclear program, which primarily targeted the Islamic Revolutionary Guards Corps and military purchases, on the rather vague precondition that sanctions should not hinder the world economic recovery or burden Iran's "day-to-day economy".[70] How far China would go in cornering Iran in the event of a further crisis is still to be determined.

[69] "A Selection from the Cache of Diplomatic Dispatches," *New York Times*, 8 February 2011, www.nytimes.com/interactive/2010/11/28/world/20101128-cables-viewer.html#report/iran-10RIYADH123.

[70] MacFarquhar, Neil (2010) "U.N. Approves New Sanctions to Deter Iran," *New York Times*, 9 June 2010, www.nytimes.com/2010/06/10/world/middleeast/10sanctions.html.

Implications for the EU

Indeed, at the macro level, the impact of the rise of China is unclear. Whether China would at some point in the future agree to a loose "G-2" pact with the United States is anyone's guess. So is the long-term future of the U.S. as on- and off-shore balancer in Eurasia. The global balance of power could reach a tipping point at which time China ups the ante and becomes more aggressive in trade, diplomatic, and possibly even military matters. The economic implications for Europe are far from easy to predict, in any of these instances. China could displace the EU as a diplomatic heavyweight in the Middle East as human rights matter less and less in bilateral relations with the largest oil purchaser in the region. Or China could recognize its stakes in the global chess game in terms of reinforcing international norms and thus it may seek partnership with Europe to solidify normative dominance on issues such as Israel-Palestine and Afghanistan-Pakistan. Likewise, European firms may benefit from a long-term security regime sponsored by the G-2 which facilitates a liberalized Eurasian trade regime that lifts all boats. Or Europe may continue to lose contracts with Iran (as it complies with multilateral sanctions)[71] and money and surety in South Asia as it assists with the war effort there. Either way, the Middle East will continue to hold considerable significance for the EU as Europe is predicted to import 70% of its energy consumption from the region by 2030.[72]

How the EU would deal with a further escalation of war in "Pashtunistan" (the border region of Afghanistan and Pakistan), the takeover of the Pakistani government by radical forces, or the proliferation of a nuclear weapon by Tehran, is not as hard to predict. Europe remains woefully incapable of keeping the lid on the bubbling jihad in South Asia and the likely nuclear aspirations of an Iran unacceptably close to European borders. Development assistance to Pakistan, a small fraction of what the United States provides, would not afford Europe much of a say in the mess, especially in the heat of

[71] Phillips, Leigh (2010) "EU Iran Sanctions 'Most Far-reaching Ever Agreed'", *EU Observer*, 23 July 2010, http://euobserver.com/9/30534.

[72] Dagci, Kenan (2007) "The EU's Middle East Policy and Its Implications to the Region," *Alternatives: Turkish Journal of International Relations*, Spring & Summer 2007, Vol. 6, No. 1&2, p. 3.

war. A diplomatic-heavy approach may push Europe off the radar for angry governments but not necessarily for radical actors. Domestic and inter-state conflicts such as organized crime, drug trafficking and abuse of the environment are smaller yet highly relevant issues also coming out of the Middle East that the EU will have to deal with.

Perhaps the best course of action for EU policymakers then is continuing development aid to Pakistan and Afghanistan, a diplomacy-heavy approach towards Iran and Israel-Palestine, and support for human rights more broadly in the Arab world (whether China signs on or not), where rule by European-backed autocrats is too often the status quo. As Timo Behr points out, the EU "has unique incentives to offer that China does not necessarily possess, including trade, regulatory frameworks, education and immigration."[73] High-technology support for developing energy resources, which China lacks, is another. However, easy advice may be easy to come by. Perhaps the Chinese model of democracy-blind development will win the day as European-style diplomacy, arguably a tool of the weak, wanes with Western dominance in the region.

Nonetheless, Europe should capitalize on its ideas-based leadership as support for universal values such as human rights and self-determination is not likely to lose appeal in the Arab world, especially after the Tunisian and Egyptian uprisings of 2011. Indeed, the European community should use all the tools at its disposal and proceed cautiously but creatively in its attempts to keep pace with a changing Eurasian landscape. This may be the best outcome for all parties involved.

[73] Behr, Timo (2011) "The Substantial Union: Recasting the EU's Middle East Policies," in *What the EU Did Next: Short Essays for a Longer Life*, Brussels and Berlin, 10 January 2011, p. 37.

The intellectual context of the U.S. Middle East policy

Mika Aaltola

In their controversial work *The Israel Lobby and U.S. Foreign Policy*, professors John Mearsheimer and Stephen Walt claim that a powerful network of pro-Israeli individuals and organizations cause the U.S. foreign policy to deviate from U.S. national interest considerations. The authors further suggest that the "bulk of the lobby is comprised of Jewish Americans".[74] In this essay, I will argue that many of the perceived American biases and deviations from the rational choice theories are, in fact, better understood against the broad undercurrent of the U.S. foreign policy culture. These tendencies, contrary to the prevailing FP cultures in many Western European states, are less secular, more based on the quasi-religious role of the state and its policy-makers, and dependent on a pragmatist intellectual template. These American characteristics help to shed light on the U.S. Middle East policies and they also set the context for different agenda-setting networks as well as for the lobbying groups.

Instead of there being separate archipelagos in terms of culture, the policymaking and research communities often share the same transnational epistemic community on both sides of the Atlantic. They share central signifiers, such as key terms, and they often participate in the same (in)formal social networks. However, there are some forces that accentuate the cleavages between the pundits and policymakers. On the other hand, it is perceived that international actors, which are generally states, are inherently immersed in the social fabric. In understanding these dispersed clusters and their external dynamics, namely their foreign policies, the concept of state provides only one analytical tool. The dispersed worldwide space of social relations is approached with the question of how cultures, civilizations, ideologies, nationalities and polities are clustered in this locus. More specifically, the attention is focused on the way American and European foreign policy research is formulated

[74] Mearsheimer, J. and Walt, S. (2007) *The Israel Lobby and U.S. Foreign Policy*, New York: Farrar, p. 215.

in this global fabric that is both broader than the geographical borders of both entities and historically deeper than the present era. Another key to a fuller understanding is that the interaction within and between states and communities is defined by cognitive rather than physical distance. In this sense, the contrasting of U.S. and European foreign policy research has to take place with adequate appreciation of the deep transatlantic links.

Generally speaking, American foreign policy draws heavily on instrumentalist and rationalist problem-solving approaches. Furthermore, the underlying approach also borrows from the American pragmatist orientation, which focuses on the open-ended nature of foreign policy problems. However, American foreign policy, especially *vis-à-vis* the Middle East and Israel/Palestine, has had to come to terms with the quasi-religious symbolic role played by the state and its policymakers. This religious sensitivity is often absent in the foreign policies of the more clearly secular state of Western Europe and the European Union itself. Due to these cultural differences, U.S. foreign policy in the Middle East has a distinct character. However, in the unipolar world, American foreign policy orientation has gained increasing prominence and influence also in European research circles. The hegemonic position of the US has led to dominance and the high visibility of its methods and formulations.

On the whole, the U.S. foreign policy has tended towards rationalism. The scenario-building has, for example, drawn on game-theoretic speculation to a large extent. This tendency to shy away from ideological controversies and religious-moral issues was further reinforced during the so-called culture wars in the American intellectual scene in the 1990s. This tendency towards rational policy development has usually drawn on game-theoretic insights and on an economic definition of rationality. This definition of rationality can be seen as emphasizing the instrumentalist understanding of agency: Unitary actors choose what they believe to be the optimal means of achieving given ends. The single actor (i.e. a state) is emphasized over plurality (society), structure over process/change, universalism over contextualism, and causality over social interpretative meaning. However, despite these highly rationalistic models, U.S. foreign policy has usually been relatively eclectic in its policy objectives. Sources and approaches to the Middle East conflict have been numerous and they have varied between administrations and also within the same administration.

The influence of American foreign policy towards the Middle East on European external policies can be seen as characterized by a trickle-down effect. Policy principles and formulations originate from Washington, then feed into the discourses of the transatlantic community and into the European policy-makers' world. This trickle-down model can be critiqued as missing a key element of the transatlantic community: The shared and diffuse nature of the key discourses. The production of foreign policy knowledge and positioning takes place in various sites on both sides of the Atlantic. The transatlantic relationship is not a one-way street but consists of a complex nexus of knowledge production, sources of policy relevance, and associated patronage systems. Yet the aforementioned quasi-religious cultural factor comprises a distinct difference. This difference makes it hard for U.S. policy-makers to strive towards neutral solutions to the Israeli-Palestinian conflict. Although the transatlantic community applies the criteria of impartiality and evenness, it seems that such evaluations are partially ways of masking the underlying cultural biases.

The state monopoly over its foreign policy has declined in the US as various informal networks have gained in importance. The administration has lost its relative monopoly over the foreign policy-related 'knowledge economy' where the competition for attention has tightened significantly. In the US, for example, the field of think tanks and other lobbying groups has expanded rapidly since the 1950s. These new nodal points of the knowledge economy often have explicit political agendas. These advocacy institutions can be interpreted as providing further evidence of the changing and increasingly complex relationship between the networks in Washington and U.S. foreign policy. This influence has complicated the knowledge economy, which has traditionally been based on the assumption of state primacy. The situation has also debased the notion of one unitary national interest. Instead, there is a growing sense that U.S. foreign policy should not only be based on rational 'truths' but on advocating political visions for change.[75] This overall transformation has muddied the distinction between objective

[75] e.g. Nau, H. (2008) "Who Speaks Truth to Whom?" in *The Forum: Risks and Opportunities of Crossing the Academy/Policy Divide*, ed. J. Ann Tickner, and Adrei Tsygankov, *International Studies Review* 10, no. 1 (March 2008): 160.

knowledge and partisan positions. The figure of partisan advocate of a politically, ideologically, or religiously motivated views has started to occupy a central place in U.S. foreign policy debates.[76]

This change can be understood in part through the centrality placed on pragmatism in U.S. intellectual circles. In other words, the positivist ideal of an objective basis for foreign policy has never been very popular. The pragmatic rather than positivistic spirit of American foreign policy can be argued to draw on the distinctively American philosophical background. American thought has placed a strong emphasis on the value of pluralism and pragmatism. An important feature has been the value-pluralist movement. The aim of this movement has been to marry pluralism with liberalism. Political liberalism has been combined with value pluralism.[77] Although taking a clear ideological liberalist stance, value-pluralists in foreign policy have often adopted a more pragmatic orientation. In particular, the emphasis on practical exigencies in the service of the liberal-democratic state gained favour after the end of the Cold War. This unholy alliance between support for liberal democracy and a foreign policy reliant on practical exigencies sheds light on how the Obama administration has approached the political upheavals in the Middle East.

American pragmatism

It should be noted that the U.S. pragmatism, which developed in the first part of the 20th century, argued for a distinctively social definition of rationality. For example, one important proponent of this view, John Dewey, defined rationality in more social and pluralistic terms: "Rationality, once more is not a force to evoke against impulse and habit. It is the attainment of a working harmony among diverse desires".[78] The sense of openness and practical exigencies was also a prominent feature of the hugely influential thought of another

[76] e.g. Newsom, David D. (1995) "Foreign Policy and Academia," *Foreign* Policy, no. 101 (Winter 1995–1996): 52.

[77] Galston, William A. (1999) "Value Pluralism and Liberal Political Theory," *American Political Science Review* 93, no. 4 (December 1999): 769.

[78] Dewey, John (1976) *The Middle Works 1899–1924, Vol. 14 1922*, Carbondale, Chicago: Southern Illinois University Press. 1976, 136.

prominent figure of American pragmatism, William James. He rejected the idea that there would be one single criterion of certain knowledge and a single solution to any problem at hand. His thinking mediated between the empirically verified objectivity and the non-cognitively gained insights, which were immediately obvious and shared. James concluded, influentially, that especially when the situation is open and when firm solutions cannot be intellectually derived, intuitive knowledge and rules of thumb should prevail.[79] This notion of a heuristic and intuitive approach sheds further light on how the U.S. administrations have understood what is meant by practical exigencies in their foreign policies.

In this spirit, influential pragmatist thought has emphasized that intellectual deductions and endless arguments are not what is needed when trying to achieve a necessary consensus on how to solve a practical problem.[80] The notion of "incompletely theorized agreements" coined by Sunstein further emphasizes this pragmatist point.[81] In achieving the required consensus for policy decisions, it is held that intellectual disagreements can be paralyzing. They can even be quite inconsequential to the practical decision, for it is possible for people with very different perspectives to agree on a certain policy: "[...] pragmatism is better seen as a forum or an attitude that redirects the focus of intellectual debate away from the intellectual dead ends of trying to confirm or condemn [different grounds of knowing]".[82] The criticism that academic foreign policy theories are too abstract can be understood from this perspective.

Thus, the term "foreign policy" in the American context can often be understood to refer to an approach without any basis in systemic thought. However, this statement has to be qualified in three senses. On the one hand, foreign policy approaches often tend to locate themselves in larger theoretical schools, as in the case of Obama's foreign policy, which is seen as more realist in the spirit

[79] e.g. James, William (1985) *The Varieties of Religious Experience – A Study in Human Nature*, London: Penguin Classics, 1985, p. 352.

[80] Cull, Ryan E. (2000) "The Betrayal of Pragmatism? Rorty's Quarrel with James", *Philosophy and Literature* 24, no. 1 (April 2000): 89.

[81] Sunstein, Cass R. (1996) *Legal Reasoning and Political Conflict*, Oxford and New York: Oxford University Press, 1996.

[82] Cull, "The Betrayal of Pragmatism?" 92

of great American realist scholars such as Reinhold Niebuhr. Major thinkers are often referred to, yet seldom developed. On the other hand, the absence of theory does not imply the absence of clarity of argumentation. The clear logic of American foreign policy is still distinct since it is based on what can be called the Anglo-Saxon intellectual style. This style entails brief, straightforward statements and the linear progression of an argument.[83] Third, U.S. foreign policy has emphasized pragmatism and value pluralism. In this sense, the absence of theory is compensated by an orientation that emphasizes the convergence of diverse sources and the eclectic use of different materials in the service of an overall problem-solving type of activity. Approached from the European critical perspective, this pragmatic and pragmatist orientation seems a bit odd; however, it has its own intellectual and philosophical justifications that derive from the American tradition.

Overall, American foreign policy research has adopted a pragmatic problem-solving approach. Various think tanks and advocacy or lobbying networks can be seen as important sources of pluralistic foreign policy.[84] However, the rise of advocacy think tanks has introduced another element into the U.S. context. The ideas have to be marketable in terms of gaining visibility and influence.[85] Oftentimes these efforts have not been critical and theoretical but explanatory and problem-specific. Foreign policy think tanks have supplied materials for the state to facilitate its ability to meet the key foreign policy challenges. War efforts in particular have further entrenched this tendency.[86]

[83] Waever, Ole (1998) "The Sociology of a Not So International Discipline: American and European Developments in International Relations", *International Organization* 52, no. 4 (1998): 694–695.

[84] Haas, Richard N. (2002) "Think Tanks and U.S. Foreign Policy: A Policy Maker's Perspective" *U.S. Foreign Policy Agenda* 7, no. 3 (2002): 5–9.

[85] Abelson, Donald E. (2002) "Think Tanks and U.S. Foreign Policy: An Historical Perspective," *U.S. Foreign Policy Agenda* 7, no. 3 (November 2002): 9.

[86] Waever, "The Sociology of a Not So International Discipline," 715.

Religious influences

Whereas in Europe the Cold War struggle was framed in less Manichean terms, the U.S. positions were distinctly statist and ideological. The good versus evil rhetoric also prevailed after 9/11. Much of the U.S foreign policy community has had to adopt corresponding stances. These have embraced either a conservative emphasis on the struggle against the forces of evil, or a progressive emphasis on democracy and liberalism. In addition to the distinct pragmatic tendency in American foreign policy research, there is another important societal element that distinguishes it from European FP research, especially in relation to the Middle East. This has to do with the societal role of secularism. When looking for the most obvious differences between the European and American approaches to foreign policy research, it is natural to turn to the symbolic roles played and demanded by the respective states. In this connection, it is difficult to bypass Sidney Verba's still relevant conclusion that the state and its symbolism in the US has had a pseudo-religious role: "Religion and politics in the United States are closely related to each other, and many of the functions religion and religious symbolism perform elsewhere in holding society together are performed in the United States by the central political symbols."[87]

This line of argumentation about the position of expert knowledge and about foreign policy research in the US leads to a questioning of the secularity of the American state and society. Secularity can be regarded as one of the most important substances of Western modernity.[88] Not surprisingly, one of the manifestations of secularity has been the spread of rational scientific values and enlightenment.[89] The general spirit of American thought coincides with secular values. However, the state-centric foreign policy thought has had to come to terms with the non-secular values of the American state.

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[87] Verba, Sydney (1965) "The Kennedy Assassination and the Nature of Public Commitment," in *The Kennedy Assassination and the American Public – Social Communication in Crisis*, ed. Bradley S. Greenberg and Edwin B. Parker, Stanford: Stanford University Press, 1965, p. 348.
[88] Stark, Rodney and Bainbridge, William Sims (1985) *The Future of Religion: Secularization, Revival, and Cult Formation*, Berkeley and Los Angeles: University of California Press, 1985, p. 1.
[89] Lenski, Gerhard (1961) *The Religious Factor – A Sociologist's Inquiry*, New York: Anchor, 1961, p. 10.

Contrary to the secularization hypothesis, it can be argued that secularization failed to produce a definite separation between religion and politics.[90] This failure has been qualitatively different in the US and Western Europe. Western Europe is still perhaps the only place where the secularization hypothesis holds water. This is reflected in the functionalist, neo-functionalist, and institutionalist stances underlying the construction of the European Union. One way of understanding the place of religion in the US is to appreciate the changes in the degree to which American society is still religious as opposed to secular. It can be argued that the roots of the recent developments can be detected in the changes in American Christianity, and especially in the rise of charismatic evangelicalism in mainstream American society in the form of the religious right.

The late 1970s can be seen as an important turning point, although the civil rights movement had already provided fresh impetus for the revival of stronger civic religion. The moral power of religion was employed to legitimize opposition to the Vietnam War and to support civil and women's rights movements. The later events in Iran and Afghanistan challenged the fundamental belief in the notion of a linear process of secularization. The rise of Islamic fundamentalism and the demise of the secularization hypothesis were paralleled in the US by the growing influence of the religious right in politics. Religious reform movements, such as the Moral Majority led by Jerry Falwell, became an organized force to be reckoned with by successful politicians.[91]

The qualitative differences in secularization are important for foreign policy thought because the central symbolic and quasi-religious roles played by the state feed into particular American ideals of the policy-maker's role and identity. On the one hand, the policy-maker can express him- or herself as a *pragmatic arbiter* who works in a progressive spirit for the common good. For the policy-relevant researcher, this figure offers a more natural partner because pragmatic arbiters work on the basis that political issues

[90] Gentile, Emilio (1990) "Fascism as Political Religion," *Journal of Contemporary History* 25, no. 2/3 (May-June 1990): 229; and Juergensmeyer, Mark (1995), "The New Religious State," *Comparative Politics* 27, no. 4 (July 1995): 379.

[91] Hadden, Jeffrey K. (1987) "Towards Desacralizing Secularization Theory," *Social Forces* 65, no. 3 (1987): 606.

can be resolved through careful and committed management.[92] The pragmatic arbiter's main function is to perform the culturally sanctioned political role of turning moral problems into solvable and manageable ones. It is easy to see how this policymaker fits well into the pragmatic orientation of American foreign policy research. This role, which is sanctioned by the cultural resources of secularity, is based on the idea that people with research advice from diverse sources can be brought together to form the basis of what to do and how. One the other hand, a policymaker can become a *custodian of principle* through the capability to convert the content of everyday politics into fundamental moral issues.[93]

In the U.S. context, these policymakers lead political movements with a culturally embedded vision of right and wrong, and the public zone is defined in the sense of a morally sanctioned mission. This vision is frequently based on legitimacy that is often overtly religious in its content and imaginary. The fundament of security against terrorism has provided a powerful framing device for a custodian of principle. The political issues that can be seen as fundamental questions for a secure life can be turned into empowering political tools. The policy advice for this often Manichean figure is very different from that given to the more pragmatic policymaker. It is often in the service of this type of policymaking community that the role of foreign policy research becomes politicized and controversial.[94]

The American foreign policy culture leads to biases in its policies towards the Middle East. From the religious perspective, these tendencies are twofold. On the one hand, the U.S. outlook on the world is focused on events at a religious rather than a secular level. The US is likely to perceive the region as being in the middle of large-scale religious transformations. Such a focus on the religious level can lead to failures to detect and predict more secular political upheavals, as in the case of the contagion that originated from Tunisia

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[92] Williams, Rhys H. and Demerath, N. J. III (1991), "Religion and Political Process in an American City," *American Sociological Review* 65, no. 4 (August 1991): 419.

[93] Demerath, N. J. III and Williams, Rhys H. (1992) *A Bridging of Faiths: Religion and Politics in a New England City*, Princeton: Priceton University Press, 1992, p. 170.

[94] Solovey, Mark (2001) "Project Camelot and the 1960s Epistemological Revolution: Rethinking the Politics-Patronage-Social Science Nexus," *Social Studies of Science* 31, no. 2 (April 2001): 171.

in January 2011. On the other hand, within the broader sensitivity towards the religious aspect, U.S. foreign policymakers have specific religious views that highlight the special role and status of Israel. This deep cultural identification with the fate of Israel cannot be ignored even by the more secular pragmatic politicians. Even the more pragmatically inclined presidency of Barack Obama soon saw the limits of its bargaining power in trying to force the Israeli government to accept the partial freeze on the settlement activity. These biases constrain the wiggle room needed by a pragmatic foreign policy centring on the utilization of practical exigencies.

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Hard Choices

The EU's Options in a Changing Middle East

Timo Behr (ed.)

The Middle East is in the throes of a profound transformation. After decades of seeming stagnation, the region's political, economic, ideological and even territorial balance is being re-drawn at a dizzying speed. But the transformation of the Middle East did not begin with the Arab Spring of 2011. Over recent years, the Middle East's regional order has experienced a more gradual, but no less dramatic, transformation of its own as new regional actors have sought to reshape the Middle Eastern balance in their favour.

These twin developments, the transformation of the Arab world's domestic order and that of its regional balance of power, represent a major challenge to a changing and weakening European Union. This report, which is based on a number of expert round-table meetings convened at the Finnish Institute of International Affairs in Helsinki throughout autumn 2010, seeks to consider the EU's future options as it approaches a changing Middle East. It demonstrates that there are some hard choices lying in wait, and that a policy of "muddling through" is no longer an option if Europe wants to maintain its long-standing ambition of becoming a global actor in its own right.

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