TOWARD A STRATEGIC PARTNERSHIP?
THE EU AND THE GCC IN A REVOLUTIONARY MIDDLE EAST

A JOINT REPORT OF THE BROOKINGS DOHA CENTER AND FRIDE
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INTRODUCTION

On September 6, 2012, the Brookings Doha Center and FRIDE, with the support of the European Commission, held a roundtable discussion entitled “Toward a Strategic Partnership? The EU and the GCC in a Revolutionary Middle East.” The event brought together academics, researchers, and diplomats from the Gulf region, the European Union, and the United States at the Brookings Doha Center in Qatar. Participants discussed the evolution of EU-Gulf relations in light of wider regional developments, as well as domestic concerns within the Gulf Cooperation Council (GCC) countries.

Key points that emerged from the discussion included:

• The Arab Spring has not yet altered the fundamental nature of the regional system, but the balance of power within it is shifting. GCC states have benefited, with several – including Saudi Arabia and Qatar – adopting a more muscular foreign policy. Important doubts, however, remain over the sustainability of this role.

• The Arab Spring has pulled EU-GCC relations in contradictory directions. On the one hand, it presents a unique opportunity for increased cooperation, for instance in addressing the Syria crisis and stabilizing the economies of countries like Egypt, Tunisia, Libya, and Yemen. On the other, the heightened challenge of internal reform within the Gulf has stressed ties with the EU.

• The EU recognizes the extent of U.S. influence in the Gulf region. As a result, it is reluctant to advance its own policy prerogatives, often deferring to Washington in times of crisis. European states should work more in concert with the U.S. – possibly through a formal strategic dialogue – in order to amplify their influence.

• Forging a strategic EU-GCC partnership is made difficult by the degree of disagreement among the Gulf states themselves. The EU, however, can start to build a more substantive relationship with the GCC countries by (1) devoting more resources to its GCC policy, including stepping up its diplomatic representation and allotting funds and personnel to shared programs, and (2) drawing on its experience in promoting controlled reform and liberalization.

What follows is a summary of the major themes and findings of the discussion. The debate was held under the Chatham House Rule and the views expressed are those of the participants.

THE REGIONAL PICTURE

End of an axis?

The Arab uprisings, and in particular the crisis in Syria, have led to significant shifts in the regional balance of power. According to one Gulf-based academic, Iran, the firmest international backer of Syrian President Bashar al-Assad, has “suffered immense losses” over the past two years. The soft power accrued by Tehran as the leader of a “resistance bloc” has largely dissipated. If the Assad regime eventually falls, Hizballah’s influence will also be diminished significantly. Hamas’s decision to abandon its longtime base in Damascus was one important sign of this shift.

The narrative of regional rebalancing and a declining “axis of resistance,” however, should not be overemphasized. It was pointed out that Iran’s regional influence has been on the wane for some time, and that its military capabilities are frequent-
ly overstated. Similarly, while Iran’s economy was twice as large as Turkey’s in 1979, it has shrunk to half its size today. Others maintained that it is far too soon to write off Iran as an influential player in the region. The Islamic Republic’s history of pursuing its interests through proxy wars in Afghanistan and Lebanon means that it is better equipped for conflict in the Levant than its rivals in the Gulf. Also worth noting is a degree of disunity – and sometimes mistrust – between those opposed to Iran. Unlike in past campaigns of containment (for example, against the Soviet Union), there is no ideological or political platform that unifies the West, Israel, and the GCC in their opposition to Tehran.

A sectarian paradigm setting in?

Participants agreed that actors in the region were increasingly applying a sectarian paradigm to both regional and internal politics. There are clear signs of this shift: the growing sectarian violence in Syria, for instance, or the Bahraini government’s portrayal of its crisis as an uprising of Shia against Sunni. These trends are only likely to be reinforced, one analyst suggested. As Iran loses regional backing and is deprived of its mantle as a champion of Arab causes, he said, it may choose to concentrate on its immediate neighborhood and “become more sectarian and nationalist.”

Across the Middle East, many Gulf-based participants said, there has been a “rise in anti-Shia, anti-Iran sentiment,” including in countries with little or no Shia presence such as Oman and Egypt. Several participants put this down to the tendency of regional leaders to use sectarian divisions in consolidating their own positions. The manipulation of these divisions by a number of regimes, they said, was having an important impact in broadening acceptance of a “sectarian paradigm.” In Bahrain, one Gulf scholar said, “The regime created a [sectarian] schism in order to stop the Sunni population aligning with the Shia majority.” Another participant noted that these policies are often more pathological than calculated; a common feature of the political systems of GCC states, he argued, is a “channeling of paranoia toward outside influences.” The “Iranian threat,” he added, has been hyped to such a degree (partly by the United States), that “GCC policymakers are now incapable of conceptualizing the region without [it].”

Political polarization, fueled in part by this sectarianism, is also affecting regional media. Pan-Arab satellite carriers have dropped Syrian state channels; Saudi-owned Al Arabiya and Qatari-owned Al Jazeera were described as “partisan outlets” that often promote causes in line with the foreign policy agendas of their backers. Similarly, Iranian-backed Press TV is becoming increasingly antagonistic toward Qatar and other GCC states. This “media war,” participants agreed, is both reflecting and strengthening sectarian division in the region,
“reinforcing pre-existing assumptions rather than informing them.” Its impact is all the greater given high levels of illiteracy in the Arab world.

THE DOMESTIC FRONT

Drivers of GCC foreign policy

As a result of unprecedented uprisings, the foreign policies of newly accountable Arab governments are becoming more reflective of domestic concerns. Despite the apparently limited impact of the Arab Spring within the GCC, the degree to which public opinion drives these states’ foreign policies remains in question.

Participants suggested that while internal dynamics do affect Gulf states’ foreign policies, they do not so through popular pressure as much as through general domestic circumstances. Demographic make-up, economic conditions, and regime idiosyncrasies are often the main determinants of GCC countries’ foreign policies and explain the differences between them. Thus, one Gulf-based academic noted, “The UAE’s vociferously anti-Iranian [foreign policy] is a function not of anti-Shiism, but of the make-up of the population, recent economic failures, and the arrival of a young, security-focused generation of the ruling Al Nahyan.” In political systems that concentrate power in the hands of small ruling cliques, the nature and concerns of these small circles have an outsized impact on foreign policy formulation. In this regard, rulers’ own perceptions of their status or role are often important. For instance, although Riyadh’s current geopolitical concerns are pushing it in an anti-Iranian direction, the Al Saud’s traditional emphasis on Muslim unity often encourages King Abdullah to advocate greater solidarity between Sunni and Shia.

There was agreement, then, that GCC public opinion does not have the obvious causal relationship with foreign policy it does in other regions and countries. Certainly, though, there is a nexus through which actions abroad both reflect and shape domestic perceptions of key regional issues.

One expert on polling in Gulf states used survey results to show that over the last year, while Qatar’s government has been more aligned with U.S. foreign policy, Qatars have become more opposed to Western-oriented social policies such as the sale of alcohol or the introduction of English-language teaching. This likely contributed, he said, to recent moves to scale back some of these policies. Government decisions, then, are made with public inclinations in mind; even where there is limited accountability, rulers are aware of the need to not strain ties with their publics. It is important to note that Gulf monarchs seek public approval not only through the redistribution of their rentier wealth, but also by seeking intangible assets such as stability or prestige.

Furthermore, within each regime there are often rival factions that are exploited by, or seek to exploit, public opinion; individual regimes should not be seen as monolithic entities. In Bahrain, for example, a security-minded branch of the ruling family regularly points to public complaints about a lack of stability – generally from pro-regime Sunni hardliners – to solicit a firmer stance from the king.

Differing levels of internal reform

Gulf states’ own track records on internal reform have been important in determining how they were affected by the Arab Spring, as well as the nature of their response. Bahrain and Kuwait – the countries most directly affected – have both “reached the brink between cosmetic [democracy] and real, representative democracy,” one participant said. There is now little that their leaders can offer, by way of political reform, that will not entail a genuine transfer of power and significantly alter the status quo. This is not yet the case in other states, such as the United Arab Emirates, where there is still room for “non-substantial reforms” (the widening of councils or promising of elections, for instance). These reforms do not always have a real impact on broadening political participation and are even occasionally designed to further consolidate the status quo. In Saudi Arabia, for instance, citizens were given the right to vote in multiple districts in municipal elections in order to stop strong local (often Shi’i)
While the Arab Spring may seem to have had limited impact on GCC states (with the exception of Bahrain and Kuwait), it does present serious challenges to their ruling models. To a great extent, Gulf monarchies rely on rentier systems that allow them to accumulate great wealth from natural resources and redistribute it in ways that solidify their position. In states with growing populations (such as Saudi Arabia), increasingly tight purse strings have now been stretched further by the Arab Spring. Overwhelmingly, Gulf regimes responded to the threat of popular uprisings by significantly increasing public spending. Participants generally agreed that this response had “either been unsuccessful or at least failed to eliminate grievances.” As a result, these monarchies are faced with a “stark choice between either moving toward repressive responses (as Bahrain, the UAE, and Oman have done),” or making “substantive institutional adjustments.”

External actors such as the EU, it was emphasized, have an important role to play in helping Gulf rulers make these choices.

Several participants stressed that the level of internal demand for political reform should not be overstated. While there may be may be significant internal debate about government policy, this rarely amounts to “coherent resistance against the system itself.” Indeed, ruling families in the Gulf have strong constituencies of loyalty and support. Calls for reform are largely concentrated on increasing participation or fighting corruption, rather than on “the fall of the regime” (with the notable exception of Bahrain).

Even beyond Bahrain and Kuwait, however, there are internal dynamics that put significant pressure on Gulf regimes. As Islamist movements prosper across the region in the aftermath of the Arab Spring, there are signs of Islamist groups within the Gulf reorganizing and becoming more assertive, one Gulf analyst said. Domestic policies that restrict political spaces, for example through banning political parties, “by default contribute to the development of these groups.” In this respect, he cited the example of al-Islah in the UAE. Again, though, the internal politics of individual states mean that no two cases are the same – in Bahrain, the Muslim Brotherhood and its political wing, al-Minbar, remain among the most pro-regime forces.

**GCC RELATIONS WITH THE EU AND OTHER EXTERNAL POWERS**

**Current cooperation and complicating factors**

Participants highlighted a number of areas and initiatives on which the EU and GCC have found common ground, including: countering terrorism and the spread of WMDs; maintaining a Middle East free of nuclear weapons, in particular containing Iran’s nuclear ambitions; and securing the flow of energy at a reasonable price. The Arab Spring has represented at least a temporary confluence of EU and GCC interests. Both parties have been on the same side of issues ranging from stabilizing Yemen to toppling Libya’s Colonel Muammar Qaddafi and addressing the Syria crisis. While EU and GCC Arab Spring policies are sometimes underpinned by dramatically different strategic aims and assumptions, both have invested in the region’s post-revolutionary transitions.

EU engagement with the Gulf has increased since the uprisings, and EU foreign affairs chief Catherine Ashton has intensified her focus on the region since 2011. This could form the basis for a more systematic strategic dialogue. As one European expert noted, however, a joint EU-GCC Arab Spring policy would make it that much more difficult for the EU to maintain a consistent line on reform in the region – one that would require the EU to criticize and apply pressure on its Gulf partners.

Still, areas of agreement have been reached on a tactical, short-term basis, rather than through a joint, strategic vision. As a European discussant put it, the EU and GCC states do not really subscribe to the same rules-based international order. Differences in perspective, particularly on issues like political reform, have led to what one Gulf analyst called a “clash of discourses” and another termed a
“normative disconnect.” Moreover, there is no consensus within the GCC on the purpose or desirability of a strategic partnership with the EU, which is not the strong security actor with which the GCC states typically seek to align themselves. Despite some historic and cultural familiarity with Europe, EU-GCC relations are based principally on bilateral trade ties between EU and GCC member states.

Stronger relations are also handicapped by divisions within both the EU and GCC. As some expert participants pointed out, there has been no development of a unified EU policy towards the Gulf, which has produced contradictions between the bilateral and multilateral tracks to EU-GCC diplomacy. The European External Action Service is still an instrument under development, and, given the difficulty of consensus-building among the Union’s 27 member states, individual governments may pursue policies that undermine a unified approach. One analyst said that it will take time for the EU to turn its focus to the Gulf, comparing the EU to an “oil tanker turning around.” The EU’s financial and economic crisis has in some senses had a positive impact on the prospect for European-Gulf relations, as the Gulf can play a key role in Europe’s future economic security. At the same time, however, the crisis has depleted resources and encouraged competition between individual EU member states at the expense of collective action.

The GCC, meanwhile, continues to suffer from a sort of identity crisis of its own, with at least one Gulf expert questioning the body’s long-term viability. Intervention in Bahrain proved divisive among the Gulf states, and there is a general fear among other GCC members of Saudi dominance. The upshot is that it is simply easier for international actors to deal with GCC states on a bilateral basis.

The EU as a U.S. “sidekick”

There is also a need to consider EU-Gulf relations within the context of U.S.-Gulf relations. This was brought into relief by participants’ sense that Europe, particularly at the level of the EU, is seen as deferring to the United States in its approach to the Gulf. As one Gulf analyst put it, the EU is seen as Washington’s “sidekick” in the region. The EU recognizes the extent of U.S. influence in the region and, as a result, is reluctant to advance its own policy prerogatives. At some point, however, the EU’s sense of its limited influence becomes a sort of self-fulfilling prophecy. Germany, for example, offered only a muted response when the UAE closed the Dubai offices of the Konrad-Adenauer-Stiftung, a German think tank. In the Bahrain crisis, the Europeans were almost absent. Their diplomats stopped meeting the opposition, and, after a fact-finding mission during the unrest, EU envoy Robert Cooper appeared to swallow the regime’s line. Speaking to a briefing session of Euro MPs, he said that Bahraini police had had a “difficult task” and that “accidents happen.”

EU member states do have some leverage, even if it hasn’t been used to its full effect. EU-GCC interdependence is based on trade, arms sales, and a sense of historic partnership. Still, the EU is reluctant to push for more reforms because it does not have the same military ties as the U.S. on which it can fall back if relations sour. One participant cited the example of UAE-Canadian relations, which suffered when a landing rights dispute spiraled into the closing of a military base used to supply Canadian troops in Afghanistan and the imposition of costly visas for Canadian visitors to the UAE; as Emirati economy minister Sultan al-Mansouri put it at the time, the relationship had been “destroyed.”

Addressing the nature of U.S.-Gulf relations, one participant advocated that political and military relations each be considered in isolation, although another warned that the fact that military ties come first means that it is difficult for political issues to supersede them. When crises hit, it is U.S. military leaders, not diplomats, who are sent to the Gulf’s capitals; they are the American officials most closely linked to the transactions on which U.S.-Gulf relations are based. Participants agreed, moreover, that scaling back on military ties would in turn undermine U.S. political influence. Removing the Fifth Fleet from Bahrain, for example, would strengthen Saudi influence in the country. In any case, the U.S. presence in the Gulf serves Amer-
American security interests that Washington is unwilling to sacrifice. (Both Gulf and Western attendees agreed that, despite rising Asian interest and investment in the Middle East, China is not capable of filling America’s role as security guarantor.)

Although circumstances have conspired to prevent the full exercise of American leverage (the United States, for example, clearly felt it was unable to pressure Saudi Arabia on Bahrain just as events around the region were escalating), there should be a recognition that the status quo in these societies is unsustainable. While Washington no longer sees Gulf states as, in the words of one participant, “terrorism incubators,” a representative of a regional think tank said that the Gulf is not immune to regional instability. As he put it, revolutionary uncertainty had already made itself felt both in Yemen and in Bahrain, and generational change promised even greater pressure on Gulf states.

There was also an acknowledgement that U.S. leadership on the Gulf is not absolute. Those in attendance pointed to America’s decreasing reliance on Gulf energy supply. They also speculated as to a potential decline in American influence after the resolution of the “Iranian threat,” as Gulf states would no longer be reliant on America to serve as a regional superpower and guarantor against Iranian aggression. Also worth noting was a breakdown of trust in the U.S. leadership among Gulf ruling elites alarmed by an American approach to the Egyptian and Bahraini revolutions that was insufficiently supportive of Gulf concerns and priorities. This comes in parallel with the rise of a new generation of American politicians unfamiliar with the historical links between America and the Gulf and who question both the cost and content of the U.S.-Gulf relationship. There exists, then, an opportunity for an increased EU role. One regional analyst urged EU member states not to consider themselves “non-players” and disengage in times of crisis; instead, they could work in concert with the United States, creating space for Washington to play its role more effectively.

**Possibility of strengthened relations?**

Participants were generally pessimistic on prospects for an EU-GCC strategic partnership, largely because of a lack of common EU and GCC policies and the historical strength of bilateral ties between individual EU and GCC member states. While such a partnership could in theory be based on the use of the EU as a model for integration, that model has lately been put under stress in Europe.

The EU can start to build a more substantive relationship with the GCC by providing more resources — that is, more diplomatic representation, more joint programs and mechanisms, and the personnel necessary to staff them. At this point, there is only one EU ambassador in the region (in Riyadh), and the Commission staff focused on the GCC also deals with Yemen, Iraq, and Iran. While there is a joint action program in place that includes energy, cultural, and commercial ties, neither side has assembled a staff to implement it. Strengthened relations can be both bilateral and multilateral, as the EU works to build on its relations with the GCC and individual countries (and vice versa). Issues of joint interest (e.g. Yemen, establishing free trade zones) can be identified at a bilateral level, then moved into multilateral frameworks. The lack of an EU role in providing military aid should not preclude more substantive engagement with the region, especially given that such assistance can be an obstacle to reform. Such efforts can be reinforced by establishing greater understanding and coordination with the United States. More EU-U.S. dialogue on the GCC policy, perhaps including a trilateral EU-U.S.-Gulf dialogue, would allow both parties to pursue shared policy aims in the Gulf more effectively.

As one participant put it, the overriding goal should be to develop as wide a consensus as possible. This requires, in turn, that the EU and the GCC identify their priorities before establishing any strategic partnership. In addition to success in cooperative security and the development of regional institutions, one attendee noted that the EU has a record of forging strategic initiatives for liberalization that are not perceived as threatening by ruling elites. This sort of “controlled liberalization” could underpin the EU’s engagement of the region, although it would be wise to avoid the “stability”
paradigm that precipitated unrest elsewhere in the Middle East. Attendees emphasized the “cosmetic and failed nature” of previous political reform as a root cause of 2011’s Arab uprisings. They highlighted the EU’s apparent unwillingness to hold Gulf governments to account on political reforms, noting that European reform assistance is limited to a few “low-level initiatives” in areas such as judicial branch support, transparency, and anti-corruption. Attendees stressed, then, that the EU should be more firm in advocating human rights in the region and do more to support local NGOs and rights advocates in the GCC. With a relationship rebalanced along these lines, the GCC and EU can continue to develop ties that satisfy European rights priorities as well as realizing concrete economic and geopolitical gains for both parties.
NOTES

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