Abstract
In the 1990s the EU demonstrated initiative and vision in its dealings with the Middle East and North Africa, including building a free trade area in the Mediterranean, engagement with Iran, dialogue with the GCC, and economic support to the Palestinians in the Middle East peace process. Today, by contrast, the EU has expanded in size but retreated in ambition, resorting to ever more policy pronouncements in place of decisive action. Through an analysis of the changes in EU policies over fifteen years, this paper reveals the extent to which the EU has fallen short of realising its potential as a formative power and counterweight to the United States in the Middle East.

Keywords: European Union (EU); Middle East; UfM (Union for the Mediterranean); EU-Iran; EU-Iraq; EU-GCC; EU-Palestinians.

Avrupa ve Ortadoğu: AB Fırsat Zamanını Kaçırdı mı?

Öz

Anahtar Kelimeler: Avrupa Birliği (AB); Ortadoğu; Akdeniz Birliği, AB-İran İlişkileri; AB-Irak İlişkileri; AB-Körfez İşbirliği Konseyi İlişkileri; AB-Filistinliler.
Avrupa ve Ortadoğu: AB Fırsatı Kaçırdı mı?

Rosemary Hollis

Öz


Bugün, geçmişin aksine AB sayıs al olarak genişlemiş olsa da emelleri açısından daralmaktadır; kararlı hareketler yerine bildiriler yayılamağa Worksheets. 

Geçen 15 yıllık AB politikalarını detaylı bir şekilde inceleyen bu makalede AB’nin biçimleme gücü ve ABD’yi Ortadoğu’da engelleyebilecek potansiyeli olmasına rağmen bunları gerçekleştirebilmekten uzak olduğu gözlenmektedir.

Anahtar Kelimeler: Avrupa Birliği (AB); Ortadoğu; Akdeniz Birliği, AB-İran İlişkileri; AB-Irak İlişkileri; AB-Körfez İşbirliği Konseyi İlişkileri; AB-Filistinliler.

اوروبا والشرق الأوسط : هل اضاع الاتحاد الأوروبي الفرصة ؟

روز ماري هوليس

خلاصه:

كان الاتحاد الأوروبي ومنذ اعوام 1990 قد اخذ زمام المبادرة في علاقاته مع الشرق الأوسط وأفريقيا الشمالية، وأظهر اهتمامه بهذه المناطق. وكانت هذه المرحلة تضم إنشاء منطقة تجارية حرة مع بلدان البحر الأبيض المتوسط، والعلاقات مع إيران، والحوار مع مجلس التعاون الخليجي، وتعضيد الفلسطينيين اقتصاديا ضمن اطار تحقيق السلام في الشرق الأوسط. اليوم، وبعكس ما كان الحال عليه في الماضي، وبالرغم من أن الاتحاد الأوروبي قد توسع عدديا، فإنه بدأ بالقلق والضمور من حيث أماله وتطلعاته، بحيث اضطر يكتفي بإصدار البيانات بدلا من تصرفات أو تحركات واضحة للمعالم. أن هذا المقال الذي يتولى إجراء دراسة موسعة لسياسة الاتحاد الأوروبي خلال الخمسة عشر عاما الماضية، يشير إلى أنه بالرغم من توفر قوة التقييم وأمكانيه خلق التوازن مع الولايات المتحدة الأمريكية في المنطقة، فإن الاتحاد بعيد عن تحقيق ما تمت الإشارة إليه.

الكلمات الدالة : الاتحاد الأوروبي، الشرق الأوسط، اتحاد دول البحر الابيض، علاقات الاتحاد الأوروبي مع إيران، علاقات الاتحاد الأوروبي مع العراق، علاقات الاتحاد الأوروبي مع مجلس التعاون الخليجي، الاتحاد الأوروبي والفلسطينيون.
The pronouncements of the European Union (EU) in the mid-1990s suggested that it was willing to become a more decisive player in the Middle East. Of the fifteen member states, France, Britain, Germany, Sweden and Spain in particular had much to say, individually and collectively, about what could and should be done: to resolve the Arab-Israeli conflict; develop stronger links around the Mediterranean; forge closer cooperation with the Gulf Cooperation Council (GCC) states of Saudi Arabia, Kuwait, Bahrain, Qatar, the United Arab Emirates (UAE) and Oman; expand dialogue with Iran; and nudge Iraq out of isolation (after the 1990-91 war over Kuwait) toward re-integration with the international community.

As argued by this author at the time, the EU had established policy positions and potential economic leverage in respect of all these sub-sectors of the wider Middle East and appeared poised for lift-off as a power to be reckoned with in the region, capable of counterbalancing, if not rivalling, the United States. By 2010, however, a review of the policies of the expanded EU (of 27 members) toward the region demonstrate that incoherence, internal divisions and risk aversion have overtaken the EU. It is no longer a power-in-waiting, but rather a spent force, constipated and crippled by its own weight and breadth, still mouthing the mantras of its assumed normative exempla, but left behind by the march of history and changing global realities.

The contemporary EU approach to the wider Middle East

The EU does not have a single, overarching approach to the conduct of its relations with the Middle East and North Africa. Instead, it has a set of interlocking policies toward specific sub-regions, countries and issue areas. Among these are (1) Euro-Mediterranean relations; (2) EU engagement in the Middle East Peace Process (MEPP); (3) Iraq; (4) Iran; and (5) the EU-GCC Dialogue. While acknowledging that between them these components of Europe’s approach to the wider Middle East do not cover the whole landscape, leaving out, for example EU policies on Sudan and Yemen, for the purposes of this study the focus will be on the five issues or sub-regions enumerated above.

Through this approach, the main characteristics of and developments in the overall EU position can be identified. The way the EU has compartmentalised the issues is in itself revealing. There are, after all, cross-cutting concerns which affect EU relations with all the Arab states, Iran and Israel, to varying degrees, including: trade, energy security, conflict resolution, counter-proliferation, migration flows, drug-running and organised crime. On each of these the EU has established either a formal or a de facto policy approach.


2 The term ‘wider Middle East’ is used here to denote the Maghreb (western Arab world) or North Africa, the Mashreq (eastern Arab world) together with Israel and Iran.
Yet in strictly foreign policy terms, or ‘external relations,’ to use the Commission’s language, the Union has developed separate initiatives for different geographical areas, thereby distinguishing between the Mediterranean on the one hand and the Gulf region on the other, and singling out Iraq, Iran and the Arab-Israeli conflict for special attention in categories of their own.

This compartmentalisation is the result of a number of factors, to do with developments on the ground, relative proximity, historical ties, contrasting economic conditions in North Africa, the Levant and the GCC, and the fallout from US policies in the region since the end of the Cold War. Whereas during the Cold War the Middle East became one of several arenas for superpower competition, from 1990 the United States enjoyed a period of unrivalled hegemony in this as other parts of the world. However, as of the invasion of Iraq in 2003, not only has the United States over-reached itself with simultaneous engagements in Afghanistan and Iraq, but other powers have gained global ascendance, notably China and India – the effects of which are increasingly apparent in the Gulf. Regime change in Iraq has also destabilised the surrounding region and enabled Iran to increase its strategic reach in the Levant.

What follows here is an examination of how EU policies in the wider Middle East have evolved within this context, drawing comparisons and contrasts between the situation that prevailed in the mid-1990s and those that attained in 2010. As will be demonstrated, EU policy initiatives have fallen short of achieving EU aspirations and expectations over the intervening period. Compared to the confidence espoused by the Europeans in the EU model of regional cooperation, free market capitalism and democracy in the 1990s, by 2010 the EU had much less to offer as an exempla to the wider Middle East. Realisation of the impact of Western patterns of resource consumption on climate change has rendered it implausible to advocate emulation of European lifestyles to developing economies. The global financial crisis has revealed the dangers of unregulated capitalism in the banking sector and European economies are no longer robust enough to sustain the levels of welfare spending which EU citizens have come to expect.

Nonetheless, as argued here, EU policies toward the wider Middle East indicate an inability to recognize or face up to the implications of these multiple crises. Instead, the EU has retreated into issuing ever more policy pronouncements, while fighting shy of acting demonstratively in pursuit of its stated objectives. As will also be argued, while EU enlargement, from 15 to 27 members, has inevitably complicated the business of agreeing a Common Foreign and Security Policy (CFSP), adoption of the changes called for in the Lisbon Treaty seems unlikely to remedy this problem.
This particular concern will be examined further below, together with an exploration of possible explanations for Europe’s relatively constipated approach to the wider Middle East. First, however, it is necessary to demonstrate what has changed over the past fifteen years and what has remained the same in the pursuit of EU interests in the region.

**Euro-Mediterranean Relations**

**Partnership**

In November 1995 the Euro-Mediterranean Partnership Programme (EMP) was launched with the signing of the Barcelona Declaration\(^3\) by the fifteen member states of the EU together with Morocco, Algeria, Tunisia, Egypt, Israel, Jordan, Syria, Lebanon, Turkey, the Palestinian Authority (PA) on behalf of the Occupied Palestinian Territories (OPT), Cyprus and Malta. This represented an important new departure in two key respects. First, in place of bilateral relations between the EU on the one side and individual neighbouring states on the other, this was to be a partnership between the EU and a bloc of Mediterranean states outside the EU.\(^4\) The Mediterranean was thus designated as a ‘shared space’ with its own geopolitical identity.

Second, in a qualitative shift away from previous thinking, the signatories to Barcelona embraced a three-tier agenda for political and cultural, economic, and security cooperation, intended to turn the Mediterranean into a more integrated region, complementing existing north-south trade and cultural ties with new south-south links. EU aid was allocated to support schemes designed to promote the latter. Central to the scheme was the ambition to turn the Mediterranean into a free-trade area, to come into full effect by 2010. Tariff and non-tariff barriers to trade in manufactured goods were to be dismantled, though removal of European restrictions on the import of agricultural products was to be phased in more gradually, at the insistence of EU members for whom the free entry of North African produce would represent unwelcome competition.\(^5\)

In contrast to the multilateral track of the Middle East Peace Process at the time, the EMP achieved the participation of Syria and Lebanon at the same time.

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\(^4\) When Malta and the Greek Cypriot government gained EU membership and Turkey became a candidate member they ceased to be part of the southern bloc.

meetings as Israel, although differences between them made for some stormy
counters at such meetings. Disagreements and mutual suspicion between
Israel and the Arab states prevented progress on security cooperation. Cul-
tural dialogue did proceed, but a major stumbling block emerged in terms of
EU expectations for political reform in the Mediterranean Partner Countries
(MPCs). Arab governments did not share European views on human rights or
European values on pluralism and democracy. In effect, the only aspect of the
three-tier agenda which brought about any significant changes was the eco-
omic one, but even in this respect results have fallen short of aspirations.6

Despite embracing the concept of partnership between north and south,
what emerged was more like a ‘hub and spokes’ arrangement, with the EU
setting the pace and drafting technical protocols and the southern states
responding individually. The result was a set of Association Agreements be-
tween individual MPCs and the EU and even though these were supposed
to lead to harmonisation and convergence eventually, given differences be-
tween the MPC economies and between them and the European internal
market, disparities remained.

The European Neighbourhood Policy (ENP)

Partly in recognition of these disparities, in 2004 the EU introduced a new
instrument for dealing with the MPCs – the European Neighbourhoods Policy
(ENP). The genesis of the ENP had to do with Eastern Europe, where enlarge-
ment extended the borders of the EU to Ukraine and Belarus. Deeming these
states unprepared for potential EU membership, the Union wanted a formula
for such neighbours which would encourage them to embrace aspects of
the Union’s *acquis communautaire*, but not accord them candidate status
as such. Application of the same formula to the MPCs, where eventual EU
membership was not conceivable, was greeted with mixed reactions around
the Mediterranean.

For Israel, the ENP opened the way for privileged access to the EU market
and cooperation on scientific research. For the Arab MPCs however, adop-
tion of elements of the *acquis*, in the name of gradual harmonisation with EU
standards, proved more contentious. Through agreeing ‘Action Plans’ with
the MPCs, the Europeans hoped to encourage the kind of internal political
and judicial reforms that the Arab states had resisted under the EMP. EU aid
was supposed to be disbursed on condition of progress in this respect, but
as it transpired, the Arabs have mostly succeeded in ignoring or negotiating
away such conditions.7

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6 S. Radwan and J.L. Reiffers, *The Euro-Mediterranean Partnership, 10 Years After Barcelona: Achievements
and Perspectives*, (FEMISE, 2005).

A key argument used by the Arab MPCs derives from shared security interests. Playing on European fears of terrorism and Islamist radicalisation they have gained European acquiescence in the continuation of restrictions on political freedoms in the name of curbing the rise of opposition groups with Islamist and anti-Western agendas.8

**Security Interests**

Since the end of the Cold War the European security agenda has been dominated by concerns about instability, ethnic and sectarian conflict on the European periphery, migration and terrorism. In the mid 1990s France was the target of several bomb attacks attributed to radical elements with links to North Africa.9 Thus, cooperation with the Maghreb states on intelligence gathering and migration control was high on the list of interests that EU foreign policy sought to address prior to the attacks on the United States of 11 September 2001 (9/11) that made combating terrorism a US priority.

EU expectations of the EMP and the ENP derive from a set of assumptions about the virtues of economic development and democratisation, European-style, on the one hand and the potential of both to deter would-be migrants from heading north to Europe on the other.10 By stimulating economic growth and job-creation in the south, the Europeans hoped to protect Europe from unwanted inward migration. Thus, in applying the logic of the internal market to the southern Mediterranean the EU sought to free the flow of trade, finance and services, but not people. The EU was, in effect, trying to throw money at a security problem and has ended up reneging on some of its own values and principles rather than risk its security.

**Union for the Mediterranean (UfM)**

In 2008 the EU launched a new initiative, the Union for the Mediterranean (UfM), incorporating all but the cultural component of the EMP. The brainchild of French President Nicolas Sarkozy, this new union was initially intended to encompass some but not all the Mediterranean littoral states and would thereby have excluded the full membership of the EMP and cut across the EU. The Spanish saw it as a French move to upstage them and the Germans

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reacted furiously to the implied subdivision of the EU.\textsuperscript{11} Turkey reacted negatively, suspecting a French ruse to keep it out of the EU. After much wrangling and reconfiguring, the UfM was finally conceived as a formula to reinvigorate the north-south partnership envisaged in the EMP by encompassing all the EMP members and more.

Analysis of the UfM to date suggests that it is a poor substitute for the EMP.\textsuperscript{12} Headed by a dual Presidency – France and Egypt in the first instance; with its own Secretariat – to be located in Spain; the new structure gives precedence to specific business, investment, educational and environmental projects over the more comprehensive three-tier programme of the EMP. After the initial launch, heralded with much fanfare in France, when Sarkozy feted Syrian President Bashar Al Assad simply for turning up, subsequent summits have had to be postponed because of objections by the Arab states to Israeli actions in the OPT. Angry Arab reactions to the Gaza War of 2008-9 derailed progress initially and disagreements have continued over Israeli policies on Jewish settlement building and other measures antithetical to Palestinian and thence wider Arab interests.

The participation of the Arab League in the UfM and the selection of Egypt for the joint presidency have rendered it almost inevitable that the prospects of this new initiative be overshadowed by the continuing Arab-Israeli conflict. In the background some projects are going ahead, but at a sub-regional level. Overall, the supplanting of the EMP with the UfM represents a retreat from the EMP vision and the introduction of a more cumbersome arrangement, bogged down in speech-making and acrimony. The ENP meanwhile continues to ensure precedence for bilateral relations over partnership, and to Arab dismay, Israel’s relations with the EU under the ENP have not been significantly affected by EU criticism of Israeli treatment of the Palestinians.

**EU engagement in the Middle East Peace Process**

Between late 2000, when the second Palestinian uprising or *Intifada* and Israel’s crushing response derailed the so-called Oslo process – intended to resolve the Israeli-Palestinian component of the broader conflict – and 2007, when US President Bush launched his Annapolis initiative, there was no Middle East peace process to speak of. Hopes were raised when President Barak Obama took office in 2009 and designated resolution of the conflict a top priority. Yet Obama and his team have subsequently met with resistance

\textsuperscript{11} See *Mediterranean Politics*, special issue on the Union for the Mediterranean, Spring, 2011.

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and defiance from the coalition government of Prime Minister Binyamin Netanyahu and reluctance on the part of the Palestinian leadership of Mahmoud Abbas to enter direct negotiations while Israeli settlement expansion in the OPT, including in East Jerusalem, continues.

The Evolution of the Role of the EU

In terms of the EU role in the quest for Middle East peace there are marked contrasts between how the Europeans conducted themselves in the mid-1990s, when US President Bill Clinton was taking the lead, and today, when Obama is at the helm. Under both these Presidents, and George W Bush in between, the United States has reserved for itself the role of chief mediator between Israel and the Arabs. However, in the 1990s the EU carved out a position as the leading donor to the PA in the West Bank and Gaza Strip and as such became a partner to the United States in the MEPP. Up to a point, the EU even acted as a counterweight to the Americans, whose support for the Israelis was more pronounced than its recognition of Palestinian needs and vulnerabilities.

In the face of Israeli reluctance to implement the terms of the Oslo accords under the premiership of Netanyahu (1996-99), Washington concentrated on urging and cajoling him to make further Israeli troop redeployments. Meanwhile, the EU signalled its disapproval of Israeli dissembling with a number of bold statements in response to violent eruptions, on one occasion hinting that the ratification of its Association Agreement with Israel could be delayed. Senior European politicians, sometimes speaking on behalf of the EU, at other times intervening on their own behalf, defied Israeli warnings to make their presence felt at key sites in East Jerusalem where clashes between the Israelis and Palestinians and the expansion of Jewish settlements were cause for contention.

13 At the donor conference in October 1993, of the $2bn in aid to the Palestinians pledged overall, $500 million over four years was promised by the EU. In 1996 the EU Commission announced an increase in its allocation for that year of 75 per cent, to total $120 million. The EU also paid for and mounted the monitoring operation for the Palestinian elections in January 1996. The EU has also remained a major donor to the UN Relief and Works Agency (UNRWA) for the sustenance of Palestinian refugees around the region.


16 As for example the occasion when French President Jacques Chirac had a testy exchange with Israeli security forces who tried to prevent Palestinians approaching him as he toured the Old City of Jerusalem in October 1996.

17 British Foreign Minister Robin Cook made himself unpopular with Netanyahu when, during a period when Britain held the rotating EU Presidency, Cook insisted on visiting the site of a new Jewish settlement called Har Homa, at Jebel Abu Gneim, the building of which would complete the encirclement of Arab East Jerusalem by Jewish settlements, see R. Hollis, *Britain and the Middle East in the 9/11 Era*, (London: Wiley Blackwell and Chatham House), 2010.
In summary, the EU signalled displeasure at Israeli conduct with periodic public statements reminding all parties of the strictures and provisions of international law. Thus, in response to violent clashes that broke out in Jerusalem in October 1996, following an Israeli move to extend a tunnel under the Old City, the EU Council of Ministers issued a statement reaffirming EU policy on the status of Jerusalem that read:

East Jerusalem is subject to the principles set out in UN Security Council resolution 242 [1967], notably the inadmissibility of the acquisition of territory by force and is therefore not under Israeli sovereignty. The Union asserts that the Fourth Geneva Convention is fully applicable to East Jerusalem, as it is to other territories under occupation.18

In such ways as this, the EU not only caused irritation in Israel, but also distinguished itself from the United States, for whom the goal of brokering an agreement between the contending parties effectively took precedence over reminding them of the requirements of international law.

EU pronouncements on the Arab-Israeli conflict and the requirements for its resolution have maintained a consistent pattern since 1980, when the European Community issued the Venice Declaration. That marked Europe’s first major step in the development of a common foreign policy and in the Venice Declaration the European Community broke new ground by calling for the involvement of the Palestine Liberation Organisation (PLO) in peace negotiations and recognising the right of Palestinians to self-determination. At the time, the Declaration was dismissed by Israel and essentially ignored by the United States, yet its core principles would later be adopted in the Oslo accord signed in Washington by the Israeli Government and the PLO in 1993.

Seventeen years later the EU issued another seminal statement on the requirements for a comprehensive resolution of the Arab-Israeli conflict in the ‘Conclusions of the Council of Ministers on the MEPP’ released on 8 December 2009.19 The core element in this statement was the call for ‘a two-state solution’ to the Israeli-Palestinian conflict, with ‘the State of Israel and an independent, democratic, contiguous and viable State of Palestine, living side by side in peace and security’. In this respect the EU was not breaking new ground because, as of President George W Bush’s announcement of his ‘vision’ of a two-state solution in 2002, this formula has been formally endorsed and accepted by all the major players in the peace process. The contribution of the EU was to blaze a trail for this goal in its earlier pronouncements on the

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Palestinian right to self-determination and subsequent statements indicating Europe’s readiness to contemplate Palestinian independent statehood as the logical outcome.

In the Council Conclusions of 2009, the EU also emphasised that it ‘will not recognise any changes to the pre-1967 borders including with regard to Jerusalem, other than those agreed by the parties’ and that, in the interests of ‘genuine peace, a way must be found through negotiations to resolve the status of Jerusalem as the future capital of two states’. More broadly, the Council noted that: ‘A comprehensive peace must include a settlement between Israel and Syria and Lebanon.’

The Quartet

In March 2010 a Joint Statement by the Quartet (the UN, US, EU and Russia)\(^{20}\), incorporated much of the essence of the EU Council’s December 2009 Conclusions. However, even though the EU can claim to have led the way on defining the goals of the MEPP, while leading on declaratory policy, the EU has essentially deferred to the United States when it comes to policy implementation. In the 1990s the EU looked to Washington to deliver the Israelis, but made its presence felt by bolstering the position of the PA with development aid and emergency assistance in the face of successive crises. During the Israeli crackdown on the Palestinians and re-invasion of the West Bank after the eruption of the second Intifada, it was the EU which kept the PA afloat. At the time European Commission officials argued that this was their way of denying the Israeli claim that they had no Palestinian partner with whom to make peace.

However, as of 2002, the EU role in the MEPP has been subsumed under the mechanism of the Quartet. When the UN, US, EU and Russia agreed to pool their efforts and adopt a joint approach by forming the Quartet, the potential for the EU to act as a counterpart to the United States was diluted. Achieving agreement across the enlarged EU and within the Quartet became an end in itself, to the detriment of action on the ground. The intrusion of the Iraq crisis, on which more emphasis will be below, also distracted attention from the Arab-Israeli conflict. The EU split over the question of a US invasion of Iraq, with France and Germany opposing while Britain and, up to a point, Spain, Portugal and several new EU member states acquiesced.

European divisions over Iraq inclined all EU members to try to placate Washington on other issues. Subjected to bitter criticism by the Americans for their

stance on Iraq, for several months Germany and France were denied high-level access in Washington. Once the invasion went ahead and the United States wanted allied assistance in the occupation, most Europeans provided some sort of support, if not actual troops on the ground. Yet it took time for the rifts to heal and in the meanwhile, despite the efforts of several European states, not least the British,\textsuperscript{21} the Bush administration was not inclined to do much about the Israeli-Palestinian conflict aside from proposing a two-state solution.

In what may yet prove its last attempt at decisive intervention, the EU led the way, through the Quartet, in devising the ‘road map’ that was supposed to turn Bush’s ‘vision’ into a plan of action. However, Washington deferred to Israel when it delayed release of the road map until after the launch of the Iraq invasion and thereafter diluted its impact by making separate undertakings to the Israelis, to the effect that they could not be expected to withdraw from the whole of the West Bank.

\textit{The Hamas Factor}

The road map was never implemented and EU support to the PA and Palestinian institution-building was derailed by the outcome of the 2006 Palestinian elections. The victory of the Palestinian Islamist movement Hamas was not anticipated by the EU or indeed the United States. EU law ruled out European aid to a body designated a terrorist organisation under EU law. Washington insisted that Hamas be subjected to a boycott, on the grounds that this would force it out of power and in Spring 2006. The Quartet agreed a set of principles that Hamas was supposed to accept or render itself irrelevant. The principles called on the movement to recognize Israel’s right to exist, renounce violence and accept all pre-existing agreements between Israel and the Palestinians. For Hamas this was a non-starter and following a violent showdown between Hamas and its Fatah rivals in the Gaza Strip in 2007 the movement has been the subject of a stringent blockade on Gaza and a military assault in the war of 2008-9.

The EU deems the Israeli blockade of Gaza inhumane, unacceptable and unsustainable. Yet repeated EU calls on Israel to lift the blockade have fallen on deaf ears, while Washington continues to rule out any dealings with Hamas. Meanwhile, the EU and Washington have showered praise and aid on the emergency administration of President Abbas and Prime Minister Salam Fayyad that assumed authority in the West Bank after July 2007. EU aid has

been extended to Fayyad’s state-building project and the EU has helped the United States and Canada form, train and equip a new Palestinian police force for the West Bank.

In other words, the EU remains engaged, but if anything it has become the life-line of a PA that presides over no more than a third of the OPT and lacks legitimacy and credibility with its own people. In this context, the Europeans have essentially placed all their hopes in the Obama administration to deliver a peace agreement. The chances of this do not look promising, given the mood in Israel and the nature of Netanyahu’s hardline coalition. However, the EU has apparently run out of ideas as to what to do to salvage the situation, apart from issuing pronouncements such as the Council Conclusions of December 2009.

Iraq

In contrast to its policies on the Mediterranean and the MEPP, the EU has not adopted a united stance on Iraq, beyond periodic calls for stability to be restored. In the 1990s Iraq was placed under a comprehensive sanctions regime by the UN, following the reversal of the Iraqi occupation of Kuwait in 1991. All the EU member states complied with the sanctions, though some proved more assiduous than others in policing the blockade.

Removal of the sanctions was made contingent upon UN inspectors pronouncing Iraq free of all nuclear, chemical and biological weapons, related programmes and long range missiles. In the early 1990s French and British forces joined their US counterparts in monitoring and enforcing so-called ‘no-fly zones’ over northern and southern Iraq. The French eventually pulled out of these operations, but the British continued alongside the Americans in enforcing the containment of Iraq until the invasion. They conducted periodic bombing raids on Iraq as a way of pressuring Baghdad to cooperate with UN weapons inspectors, though following such a raid in 1998, dubbed Operation Desert Fox, the Iraqis refused to allow the UN inspectors back into the country.

The British also worked closely with the Americans at the UN to enforce the sanctions on Iraq. According to one former official, they prevented all but the most basic humanitarian supplies reaching Iraq on the grounds that other materials might be used to develop weapons or would otherwise reduce the pressure on Baghdad to cooperate. The underlying logic of the Americans...
and the British was that the Iraqi regime of Saddam Hussein would eventually cave in to the pressure or else be ousted from inside. However, by the end of the 1990s it was evident that the regime was able to manipulate the sanctions provisions and thereby reinforce its hold on power.

Unwilling to totally lift the blockade of Iraq the British, initially with French concurrence, drafted UN Resolution 1284 (1999) which, instead of forbidding all imports to Iraq except specified items would permit all imports except designated items. However, when put to the vote at the UN Security Council, the French abstained. While the United States voted in favour, it subsequently made no effort to implement Resolution 1284. Instead, the US administration increased support to Iraqi opposition groups in the name of engineering regime change in Baghdad.

This was the situation that prevailed when the Bush Administration came to power in 2001, inclusive of many senior figures committed to effecting the removal of Saddam Hussein. Whether they would have succeeded in realising their aspirations had not 9/11 intervened can never be known. As it transpired, the fallout from 9/11 was such that US politicians managed to implicate Saddam Hussein and built up the case for war with Iraq, following the invasion of Afghanistan. None of America’s European allies echoed US claims of Iraqi involvement in 9/11. NATO moved swiftly to support action in Afghanistan, but the idea that Iraq could be next on the target list caused consternation in European capitals.

A debate raged around Europe and across the Atlantic throughout 2002. The German government eventually took a stand against invasion even if it were to be endorsed by the UN and Chancellor Gerhard Schroeder was accused of exploiting the crisis for electoral purposes. French President Chirac insulted some of the new East European members of the EU when they reacted positively to US calls for European support, accusing them of not understanding how the EU worked. US Defence Secretary Donald Rumsfeld countered by labelling France and other opponents of US plans for Iraq as ‘old Europe’ and, by implication, mired in the past and out of step with the new world order. British Prime Minister Tony Blair quarrelled with Chirac, and both accused the other of failing to grasp the needs of the moment.24

Essentially Blair’s position was that Iraq could and should be liberated from dictatorship and if the United States was prepared to do this, so much the

better. In any case, once the United States was no longer committed to containment of Iraq, the British could not alone enforce its isolation. Blair therefore sought UN endorsement for an invasion as a way to gain multilateral backing for the course of action upon which Washington appeared to be set. Chirac, in contrast, while not necessarily opposed to an invasion of Iraq at all costs, gave precedence to upholding the letter and spirit of international law, in the interests of preserving international order. He thus opposed the notion of enabling any power, the United States included, to act unilaterally just because it could.

In the event the UN Security Council adopted Resolution 1441 (2002), which obliged Iraq to allow new weapons inspections, members were divided on whether to sanction an invasion without a clear *casus belli*. In the face of Chirac’s intimation that he would veto any new resolution permitting a resort to force without this, the British gave up on the UNSC and opted to join the US invasion regardless. The Turkish parliament, meanwhile, voted against providing the invaders with a platform to enter Iraq from the north and consequently the US and British forces had to enter Iraq solely from Kuwait.

What followed was a miserable demonstration of the dangers of unilateralism. Saddam Hussein was indeed toppled but the mayhem that ensued took a terrible toll on the lives of hundreds of thousands of Iraqis as well as hundreds of US and allied troops. Not only was planning for the occupation fatally flawed and inadequate, but no account was taken of the likely fallout in the region. Volunteers espousing the ideology of Al Qaeda flocked to Iraq from across the Middle East, North Africa and beyond to join Iraqi resistance fighters. Only after Al Qaeda recruits and sympathisers struck inside Saudi Arabia and Jordan did Arab governments take seriously the threat to themselves posed by the forces unleashed and began cooperating with the Western powers in ‘the war on terror’. Meanwhile, sectarian conflict gripped Iraq and seven years after the invasion violence still rocks the country.

By 2008, when George W Bush mounted a ‘surge’ in US force levels in Iraq, almost all the European forces were on their way out. Effectively, the Europeans have left the fate of Iraq to the Americans and the Iraqi forces they have trained and equipped there. In November 2008 US voters elected Obama on a mandate to withdraw US troops as well. Meanwhile, the regional standing of Iran has been enhanced along with the increased hold on power of its Shiite allies in Iraq.


Iran

EU-Iran Dialogue

In the mid-1990s the Europeans adopted an approach towards Iran which contrasted markedly with that of the United States. During the Clinton administration the United States formulated a policy of ‘dual containment’ of both Iraq and Iran, which it pursued through sanctions on both. Whereas the EU went along with the UN sanctions on Iraq, with respect to Iran there was no UN sanctions policy and the EU pursued what it called a policy of ‘critical dialogue’ with Tehran. After the election of Mohammed Khatami to the Iranian Presidency in 1997, EU trade and diplomatic relations with Iran made new strides. President Khatami visited Italy, Germany and France. His Foreign Minister Kamal Kharrazi made a formal visit to Britain after the restoration of full diplomatic relations at ambassador level between London and Tehran in 1999.

EU-Iranian trade flourished in the late 1990s and European energy companies won contracts in Iran, picking up some of the opportunities closed to their US counterparts as a result of unilateral US sanctions on Iran. After Congress passed the Iran-Libya Sanctions Act in 1996, the EU passed a blocking statute requiring European companies not to comply with this US legislation, which amounted to a secondary boycott on foreign companies and their parent countries investing in Iran. US companies accused their European counterparts of capitalizing on their more ‘ethical’ approach to the Islamic Republic.

Iran’s eagerness to recruit European business support was part of a strategy to demonstrate to the Americans that all the major European economies and Japan were undeterred by US antipathy to the Islamic Republic or US sanctions. As Kharrazi intimated on his visit to London in early 2000, Tehran saw Britain as closest of all the Europeans to Washington and thus as a potential stepping stone on the way to dealing with the Americans. Even if it never came to that, the Iranians wanted to deny the Americans the benefit of European solidarity.

In fact, for a while even Washington warmed to the opportunity afforded by Khatami’s espousal of a ‘dialogue between civilizations’ and his reformist agenda in Iran. US Secretary of State Madeleine Albright made a couple of

28 In answer to a question from the author, following a presentation to an invited audience at Chatham House on 11 January 2000.
gestures designed to open a new chapter in US-Iranian relations. However, Albright’s efforts elicited no reciprocal gestures from Tehran and the Americans concluded that Khatami was either unwilling or incapable of effecting the transformation of Iranian politics they were hoping for.

Britain did not despair so quickly of Khatami and continued to invest in dialogue. This required considerable patience and expert diplomacy on a number of occasions. Tehran was sensitive about the coverage of Iran by the BBC Persian Service and when the BBC gave attention to student demonstrations in Iran, the Iranian authorities complained of British interference in their affairs. The British Ambassador to Tehran Nick Brown saw fit to apologize when The Times newspaper, to mark the turn of the millennium, re-published a set of obituaries from the twentieth century that included one offensive to the memory of Ayatollah Khomeini.

The British were not alone in having to handle such moments of tension. The Germans, Italians and French had comparable problems, such as when a German national was accused of adultery with an Iranian woman; when the author Salman Rushdie was revealed to be giving a talk in Italy coincidentally with the visit there of President Khatami; and when it emerged that Khatami could not attend official functions during a planned visit to France if alcohol was to be served. However, because of their history, Iranian suspicions of the British probably exceeded their distrust of any other Europeans. For their part, the Europeans demonstrated a level of solidarity in their dealings with Iran that contrasted with their disagreements over Iraq. From 2002 they adopted a joint negotiating stance over the nuclear issue, spearheaded by Britain, France and Germany – the EU3 (see below).

British Foreign Secretary Jack Straw drew attention to this united European stance on a number of occasions to refute claims that Britain was closer to the United States than the EU, and to prove that the British could on occasion disagree with the Americans when their judgments differed. At the same time, Britain apparently hoped to use its ‘pivotal’ position, as Tony Blair called it, to mediate on Transatlantic differences.30

Demonstrating the value of British access in Tehran, after 9/11 Blair phoned President Khatami personally to seek his cooperation in the impending US intervention in Afghanistan. This cooperation was forthcoming, but after the


United States discovered that some Al Qaeda members fleeing from Afghanistan were making their way to Iran, US hostility toward Tehran rekindled. In January 2002 a ship allegedly carrying arms to the Palestinians was intercepted by the Israelis in the Red Sea and Washington held Iran responsible for the shipment. Shortly thereafter, in his State of the Union address, President Bush depicted Iran, along with Iraq and North Korea, as constituting ‘an axis of evil’. Though the Europeans did not share in this depiction, their dialogue with Iran was soon to be tested.

**The Nuclear Issue**

Under the terms of the Non-Proliferation Treaty (NPT), to which Iran is a signatory, its nuclear energy programme has long been subject to periodic inspections by the International Atomic Energy Agency (IAEA). However, when an Iranian opposition group exposed the existence of two nuclear facilities, at Natanz and near Arak, along with other facets of Iran’s nuclear programme which had been kept secret from the IAEA, the revelations raised suspicions about Iranian intentions, even though the existence of the facilities did not in itself render Iran in breach of the NPT. Washington drew the conclusion that Iran intended to have a weapons capability. New and more intrusive inspections by the IAEA failed to reveal proof of this, but the suspicions remained and British as well as French intelligence hardened their positions.

Germany was Iran’s leading trading partner in Europe and keen to see plans for an EU-Iranian Trade and Cooperation Agreement go forward. However, Germany was also an ardent defender of the NPT, as the lynchpin of the international counter-proliferation agenda. These factors helped decide the inclusion of Germany, along with Britain and France – Europe’s two nuclear powers – in the EU3 team that set about resolving the issue of Iranian commitment to the principles of the NPT. All three also had a track record in the tortuous business of diplomacy with Iran and were well placed to represent the EU as a whole.

As a result of the diplomatic efforts of the foreign ministers of the EU3, by late 2003 the Iranians were persuaded to sign (though not ratify) an Additional Protocol of the NPT that allowed the IAEA to undertake more intrusive inspections. Tehran also agreed to suspend its uranium enrichment activities pending further negotiations. Yet for the Iranians their pride was at stake.

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and their rhetoric indicated indignation that they should be made to forego options available to other NPT signatories. They also pointed out that others in their region – Israel, India and Pakistan – had all become nuclear weapon states in defiance of the international community and suffered no serious strictures.

As expressed by the British, the line they and the EU3 were pursuing was based on the need to find a formula by which Iran could demonstrate unequivocally that its programme was only peaceful. The suspension of uranium enrichment would serve such a purpose. On their side however, the Iranians continued to argue in defence of their rights and good intentions and to explain that they did not feel able to trust any foreign supplier to honour their needs for enriched uranium. The EU3 approach was to try to find ways to reassure Iran that such supplies would be forthcoming provided they were fully open about their activities.

The Americans by contrast initially wanted Iran to abandon its nuclear ambitions altogether. The harsh criticism leveled at the Iranian regime by the Bush administration, especially after the invasion of Iraq, contributed to Iranian fears that Washington’s real aim was regime change in Tehran as well as Baghdad. Consequently, even after Iran agreed to suspend its enrichment activities in late 2003, the EU3 proved unable to find a more lasting formula – since what Tehran wanted was a guarantee that America would not try to bring down the regime. EU3 diplomatic efforts continued but Iran resumed uranium enrichment.

In 2006 the question of Iran’s nuclear programme was taken to the UN Security Council which duly adopted a resolution requiring Iran to cease uranium enrichment. Having stood aside from the diplomatic efforts of the EU3, Washington changed tack and professed readiness to talk to the Iranians directly, but only if they first suspended uranium enrichment. By then, however, Mahmoud Ahmadinejad had assumed the Presidency in Iran (2005) and he dramatically raised the temperature with his fierce rhetoric against Israel and denial of the Holocaust. He dismissed the idea that there could be any concessions from Iran on uranium enrichment and instead boasted about Iran’s achievements in this respect.

In the background, Iranian involvement in internal developments in Iraq, in-
cluding its close ties to members of the new Iraqi government, added to Washington’s suspicions of Iranian intentions. Iranian support for the Lebanese Shiite movement Hezballah, especially during the Israeli war against Hezballah in summer 2006, added fuel to the fire and even incurred the wrath of Arab Sunni regimes (including Saudi Arabia) allied to the West. Failing to gain Iranian cooperation with either the EU or Washington, the UN Security Council moved to impose sanctions on the Islamic Republic.

Following the failure of further efforts to establish some kind of rapport with Tehran, in 2010 the UN sanctions were increased. The EU went further and imposed additional controls on trade with Iran. In further demonstration of the shift in the EU’s position over a decade, when Turkey and Brazil brokered a deal with Tehran over the enrichment issue, not unlike one proposed by the EU previously, the latter joined the Americans in rejecting the idea, on the grounds that it was insufficient to assuage their concerns. The value of this new opening to Tehran was not considered.

The EU-GCC Dialogue

In many respects the EU approach to the GCC states has not changed substantially since the 1990s, but therein lies cause for concern. It appears the EU has failed to recognize the significance of the changes that have taken place in the economies and financial strategies of the GCC states, both individually and as a group. Whereas in the 1990s the EU could urge both economic and political reforms on the GCC states, for the benefit of their economies and closer trading relations with the EU, today it is the GCC states who possess the financial resources (Sovereign Wealth Funds) to bale out European banks and drive development in both the Gulf region and the rest of the Middle East. Their investments in the Maghreb countries in particular now rival those of the Europeans.

In 1995, citing the favourable and significant trade surplus (7.9bn Ecu) in EU trade with the GCC, and the importance of oil supplies from the GCC to European energy security (oil constituted 45 per cent of EU energy consumption), the EU professed a commitment to enhancing European political, economic and cultural links with the GCC. In particular the Commission pledged to

32 ‘Improving relations between the European Union and the countries of the Gulf Cooperation Council
seek a free trade agreement with the GCC under the auspices of the EU-GCC Dialogue. Fifteen years on, such an agreement has still not been signed.

For several years the EU claimed that the main obstacle was the failure of the GCC to establish a customs union. Yet even after such a union was set up in 2003, negotiations on an EU-GCC free trade agreement still dragged on and in 2009 the GCC actually suspended talks. The main obstacle latterly has been EU insistence that the GCC countries undertake not to impose duties on their non-oil exports. No such duties have been imposed to date, but the GCC states argue they should not have to foreswear the option, especially given that the EU imposes import duties on petrochemical products. Another stumbling block has been EU insistence on GCC commitment to protect human rights, though on this issue agreement has apparently been reached ‘in principle’.

What the impasse in the trade talks reveals, however, is a more serious underlying problem. EU-GCC trade still flourishes, the balance is still in favour of the EU by around 3bn Euro and the EU remains dependent on Gulf energy supplies. What matters is the failure of the EU to take seriously the growing significance and stature of the GCC in regional politics and international finance. While individual EU member states, Britain and France in particular, make lucrative defence deals with individual Gulf countries and operate in fierce competition with each other and the United States in this sector, as a bloc the EU appears wedded to persuading the GCC to emulate Europe’s internal market and norms and establish a trade agreement on a bloc-to-bloc basis. As a result it has failed to take account of the fact that the Gulf states are becoming less interested in such an agreement while developing ever greater links with East Asia.

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33 Mahmoud Habboush and Martin Dokoupil, ‘Gulf Arab oil producing countries would sign a long delayed free trade agreement with the European Union immediately if the bloc shows flexibility over export duties’, Reuters, Dubai, 7 November 2010.


35 Trade.ec.europa.eu/doclib/docs (accessed November 2010).

Conclusion

As the foregoing demonstrates, EU policies toward the Middle East manifest increasing inertia and drift on all fronts. With respect to the GCC and the Mediterranean the EU appears unable to exercise flexibility and respond to changing realities. On the MEPP the EU has opted for a passive approach, looking to the United States to lead the way. On Iran, the Europeans are operating in lock-step with Washington, and on Iraq, they have little to offer and no appetite for engagement.

In sum, it may be time to conclude that the European project has peaked. Enlargement may have been an effective way to spread democracy and prosperity within, but the domino effects of the current financial crisis could jeopardize such gains. Xenophobia and protectionist tendencies appear to be gaining ground, along with increasing signs of Islamophobia and racism. The picture is not a happy one, and it seems unlikely that the EU will be able to rally sufficiently to turn the new External Action Service (enshrined in the Lisbon Treaty) into the vehicle for a more effective foreign policy in the Middle East.
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