



# ***EU-GCC AI Jisr Project*** **مشروع الجسر**



**Gulf Research Center**  
Knowledge for All

| BertelsmannStiftung

## ***The EU-GCC Partnership: Security and Policy Challenges***

*AI-Jisr Project on EU-GCC Public Diplomacy and Outreach*

*Michael Bauer, Christian-Peter Hanelt, Christian Koch*

*Policy Brief*

*May 2010*

© Gulf Research Center 2010

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior written permission of the Gulf Research Center.

This policy brief is produced in the framework of the EU-GCC Al-Jisr Project on Public Diplomacy and Outreach devoted to the European Union and EU-GCC Relations. The Al-Jisr Project is supported and partially financed by the European Commission. The opinions expressed in this policy brief, however, do not represent the views of the European Commission or any other institution of the European Union. The sole responsibility for the content lies with the authors and the European Commission is not responsible for any use that may be made of the information contained therein.

# The EU-GCC Partnership: Security and Policy Challenges

Al-Jisr Project on EU-GCC Public Diplomacy and Outreach

*Michael Bauer, Christian-Peter Hanelt, Christian Koch<sup>1</sup>*

## Regional Security in the Gulf: From Conflict to Cooperation?

The Gulf constitutes a sub-complex of the greater Middle Eastern regional system with its own distinct security-political practices and challenges. It includes three regional great powers, i.e. Iran, Iraq, and Saudi Arabia, as well as regional small powers, such as Kuwait, Bahrain, Qatar, the United Arab Emirates, and Oman. Somewhat on the regional margins is Yemen, often regarded as a fragile state more concerned with its own domestic affairs than regional or international politics.

Since the emergence of the Gulf region as a geo-strategic space, it has gained a prominent place on the international security agenda. For this reason, various external actors have continuously played an important role in regional affairs. After the First World War, the UK was the main actor in terms of ensuring regional stability and guaranteeing Western strategic interests. Following the British withdrawal from its territories 'East of Suez' in the early 1970s, the US took over the role of an external balancer, cooperating with regional allies but also becoming ever-more militarily engaged in order to preserve the Gulf's precarious stability.

A series of critical events – the Iranian Revolution of 1979, the Soviet Union's invasion of Afghanistan in December 1979, the eight-year long Iran-Iraq War from 1980 until 1988, Saddam Hussein's invasion of Kuwait in August 1990 and the resulting US Operation Desert Storm in January and February 1991 – intensified American engagement and led to the permanent stationing of troops in the region. In the 1990s, the US introduced a policy of dual-containment – an attempt to maintain regional stability by keeping both Iraq and Iran in check. Hence, whereas in many other regions of the world, the end of the Cold War resulted in a (not always successful) political process to replace balance of power practices with more cooperative security structures, the Gulf witnessed basically a continuation of the past.

After the terrorist attacks of September 11, 2001, and with the increasing influence of neo-conservative thinking in Washington, the US strategy towards the Gulf took another turn: active regime change in Iraq became a viable option that was both quickly formulated and implemented. The 2003 US-led invasion of Iraq removed Saddam Hussein. Washington policy-makers envisaged that Saddam's regime would be replaced by a liberal and democratic government that would serve as an example for other countries in the region, essentially generating a democratic domino effect. The failure of this strategy, however, became quickly apparent as the inability of the US-led coalition forces to establish a post-invasion order ultimately led to chaos and civil war-like conditions in Iraq and resulted in the final dismantling of the balance of power in the Gulf. The consequent uncertainty regarding the regional actors' strategic ambitions was aggravated by the absence of a functioning framework in which security issues could be addressed.

---

<sup>1</sup> Michael Bauer is Senior Researcher at the Center for Applied Policy Research (C.A.P) of the University of Munich, Germany. Christian-Peter Hanelt is the Middle East expert of the Bertelsmann Stiftung's programme "Europe's Future." Christian Koch is Director for International Studies at the Gulf Research Center in Dubai, United Arab Emirates.

## Key Questions and Recommendations

Against this background, the al-Jisr project on EU-GCC relations organized a conference on Gulf Security in Berlin, on March 16-17, 2010. The objective of the workshop was to take a close look at the status of regional security cooperation in the critical Gulf region, to highlight the main current security challenges, and to outline a series of steps that could be taken to improve or even help establish more institutional security cooperation among both the regional and external actors that have a stake in a stable regional security environment. In the background, there were a series of guiding questions: What have been the achievements so far in regional security cooperation? What are the fundamental issues preventing better cooperation? How can the effectiveness of regional security arrangements/forums be increased and their scope expanded? Has the GCC been successful in addressing security dilemmas? Which criteria would a regional security framework have to fulfil to meet the regional actors' demands? And what are the perspectives on how actors from outside the Gulf can contribute to regional security? In the end, the workshop intended to reflect on the current security and policy challenges in the Gulf Region and to create ideas and formulate recommendations on how the EU-GCC partnership could deal with these. The following set of recommendations thus draws on presentations and discussions that took place at that conference and combines them with the overall findings of the al-Jisr and related research projects.

### 1. Strategic aspect of regional security and stability

The path dependency of security-political arrangements cannot be overestimated: The Gulf region will not leave behind its strategic culture from one day to the other. Balance of power calculations, a focus on state and regime security, as well as defence politics and bilateralism as *modi operandorum* will continue to characterize regional security affairs. In the present environment, the consolidation of the regional balance of power would be the most promising immediate approach to stabilize regional security affairs.

For the time being, the Gulf Cooperation Council (GCC) will remain the only viable regional organization based on a culture of multilateralism and cooperation. Within the GCC and between the GCC members states there exists general agreement on the types of challenges that need to be confronted – from the Iranian nuclear program, to the stability of Iraq and Yemen, to energy security, to proliferation concerns, to the more general need for a sustainable economic and political development process. It is against this background that the 6+2+1 format (the six GCC states, Iran and Iraq and finally Yemen) has been repeatedly proposed as an arrangement for regional security cooperation. Yet, what is missing even in the GCC is an agreement with regard to the type of strategies and policy tools – both available and required – that could be applied to begin to tackle some of the challenges.

Hence, given the region's existing complexities, there appears to be no way that the current zero-sum understanding of regional politics and the specific as well as structural challenges to Gulf security can be overcome without some form of continued external involvement. Similarly, necessary steps to broaden the concept of security outside of its traditional military realm and a possible vertical differentiation of security away from its state-based centrality does not appear to be possible at least at the outset based solely on local initiatives.

### A Consolidated GCC and the Consolidation of a Strategic Equilibrium in the Gulf

Given Iran's geographic location and the size of its population, the regional balance of power is in Tehran's favour. This is all the more the case since the traditional counterpart, Iraq, is at present not an actor in regional affairs. A restitution of the regional balance of power would hence have to start with a further consolidation of the GCC in terms of political and security cooperation. This

is due to the GCC's role as a unitary actor, the fact that the GCC as a group of states is actively looking for alternatives to resolve the Gulf security cycle of instability and because over the past years the GCC has begun to implement a variety of integrative measures that have strengthened the organization as such.

For the EU, it is important to build on the moderate policies of the GCC states to promote a regional agenda based on its own imperatives of promoting multilateralism, spreading EU prerogatives and expertise in areas such as conflict management and peace-building, and highlighting such concepts as shared sovereignty. EU policies in the Gulf should take the GCC as their point of departure.

### **Including the GCC in the Western Policy vis-à-vis Iran**

Moreover, given Iran's disputed nuclear program and its development of missile capabilities, the US and Europeans should take the security concerns of the Arab Gulf states seriously and address them with adequate security guarantees and appropriate defensive measures, such as the installation of regional missile defence systems.

Given the limitation of the EU's strategic capabilities and the fact that strategic issues are still very much dominated by traditional understanding of defence politics and dealt with by nation states in the Gulf, the EU as an institution will only play a minor role here. However, the regional actors consider France, the UK, and also Germany as relevant actors in this regard, and in cooperation with their regional partners they might actively contribute to the consolidation of the regional balance of power.

At the same time, throughout this process, the key question for Iran of how to make the economic disadvantages of sanctions and the prospects for a better functioning regional security system outweigh the political and strategic advantages of moving ahead in the nuclear program must not be lost sight of. A revisit to the 2004 Paris Accord with Iran with a GCC component could be one starting point for discussion.

### **A Stable Iraq as Strategic and Economic Partner for the EU**

In the above context, a further stabilization of Iraq has to be considered as absolutely crucial as well. After the 2003 US-led invasion of Iraq, the country went through civil war-like conditions. The security situation has considerably improved in the last two years, and most ethnic and religious groups seemed to accept the political system of the new Iraq as legitimate. The March 2010 parliamentary election has, however, thrown Iraq's political future into doubt with fears for renewed sectarian conflict being suggested. Every effort must be made to prevent such a reverse downward slide from materializing.

The EU and its member states have to seek ways to proactively support the further stabilization of Iraq. This should include political gestures, but even more important concrete engagement. The conclusion of the negotiations on the Partnership and Cooperation Agreement (PCA) between Iraq and the EU in 2009 is a very positive step in this direction and should be followed by concrete projects to substantiate it. In particular, cooperation in the energy sector, e.g. cooperation in the exploitation of oil and natural gas fields, infrastructure etc. are topics where common interests can be implemented. Moreover, with programs on technical and human resources cooperation on issues such as the establishment of administrative capacities, the implementation of elections, the reform of the judicial and security sectors, and the fight against corruption, the EU could actively contribute to the further stabilization of Iraq. Apart from these strategic aspects, economic considerations support a stronger engagement of the EU with Iraq as well.

## Involving New Actors in the Region

In addition to the US and the Europeans, other external actors such as Turkey, Russia, China, India, Japan, South Africa or Brazil have indicated their willingness to get engaged in regional affairs. This is the logical consequence of the region's strategic importance. For example, India's economic growth depends on energy security, which in turn depends on regional security in the Gulf. Moreover, the GCC states themselves have pursued the strategic goal of diversifying their external relations in recent years and have sought out the involvement of others in aspects of the regional security debate.

The involvement of additional external actors would serve a two-fold purpose: As these actors have a political, strategic, as well as an economic interest in regional peace and stability, they have the potential to serve as additional sources of stability. Moreover, given that many of these countries have far better relations with Iran than the EU or the US, they might be in a position to serve as interlocutors in the conflict over the Iranian nuclear program.

What is important for the EU to understand is that Gulf regional affairs are likely to see an increased internationalization in the coming years. As such, wider forums where Gulf issues are discussed and where emerging powers have an input in the debate should be encouraged so as to ensure that perceptions and resulting policy prescriptions remain on the same page. The EU and the GCC should proactively encourage a multilateral dialogue between regional, new and old external actors, using and expanding existing formats such as the Manama Dialogue or, if feasible and necessary, creating new ones.

## 2. Operational Aspects for Cooperation and Confidence-Building

In the present strategic environment, the consolidation of the regional balance of power is the most promising immediate approach to stabilize regional security affairs. Yet, existing mistrust and uncertainty notwithstanding, all regional actors seem to agree that there is a general need for cooperation and a common approach to regional security. To prepare the ground for such a new concept of regional security, a series of cooperative measures should be envisaged. In this regard, issue-oriented and limited cooperation between the regional actors on subjects not concerned with high-politics and military affairs, with support from external actors where this is seen as beneficial and useful, seems to be the most appropriate approach for the time being. All parties should be able to join such initiatives, and they should proactively be used as an instrument to defuse lines of confrontation. In this context, institutional questions will probably not be the starting point of this process, but rather its result. Hence, instead of focusing on the possible structures of a regional security architecture, it is more relevant to set a process in a motion where the outcome remains undefined at the outset and where the constituent actors can work to build up the confidence between themselves on practical matters.

The EU can contribute very positively to this incremental process of confidence-building and cooperation as it is particularly in the area of low-politics, non-strategic and soft security issues where the EU can bring to bear its strengths. Europe's capacities in policy fields such as in environmental, economic, educational, or technical issues as well as the building-up of administrative capacities are second to none.

For the EU, it is necessary to put together a catalogue of expertise where regional actors can pick and choose according to their specific requirements. Such a catalogue would identify areas of EU expertise along with the resources that can be made available. It would be aimed specifically at building up necessary and lacking capacity.

## **Managing Non-State Security Challenges and a Stable Neighbourhood**

Regional as well as international interests converge on non-state security challenges such as terrorism and piracy, as well as drug trafficking and illegal migration. Focused cooperation within the GCC and between GCC countries and Iran already exists on some of these subjects and should be expanded in its intensity and scope. For instance, the establishment of working groups that assemble experts from the respective countries identify best practices, or even elaborate on common strategies for addressing these challenges might be envisaged. On an issue such as piracy, breaking down the process, focusing on its criminal elements, and working out a corresponding legal framework are all possible points of departure from which regional states can start working together. Similar actions can be proposed in other fields such as organized crime, drug and human trafficking.

Since most of these challenges have an important maritime dimension, these activities should be complemented with the establishment of a forum to deliberate on a shared concept of maritime security in the Gulf. Such a forum should also serve as a framework in which to elaborate on confidence-building measures between the navies that operate in the Gulf, in particular the American and Iranian ones. Hence, such a forum has to be open to participants from outside the Gulf, too.

Beyond these Gulf-focused measures, the potential for cooperation also exists with regard to the stabilization of the regional hotspots of Afghanistan, Yemen, and Somalia. Some of the aforementioned non-state security risks originate in the unstable neighbourhood and, given their geographic location, the Gulf littoral states will be most directly affected by a worsening of the situation in these countries. Iran and the Arab Gulf countries hold a lot of expertise on these regions and possess unique access to decision-makers there. The EU and the US, in their own interest, should try to include them in their own efforts to stabilize these countries. In the case of Iran, this might also serve as a tool to re-engage Tehran on issues beyond the disputed nuclear program.

Moreover, a coordinated regional policy might in particular be an option for the GCC. Within the framework of such a GCC neighbourhood policy, the GCC could work out a coherent and unified policy in regard to its neighbouring strategic partners. This includes, for example, working out modalities whereby Yemen is brought closer to the GCC. Developing such a strategic concept would allow the GCC to meet the challenges of an ever-shifting regional security environment. The EU could serve as a contributing partner for the development of a GCC neighbourhood policy. For the EU, it would be a stepping-stone towards the emergence of better-structured regional relations.

## **Joint Projects in the Energy Sector - Renewables, Efficiency and Nuclear Energy**

The GCC countries, Iran, and Iraq are competitors rather than partners in the conventional energy sector, i.e. as exporters of oil and natural gas. Yet, there is agreement on the need for alternative sources of energy as well as increased energy efficiency in order to save their natural resources for export. In particular, the GCC countries have indicated an interest in renewable energies such as solar and wind power as evident from recent projects such as the UAE's Masdar Initiative for a zero-carbon urban development or the establishment of the King Abdullah City for Nuclear and Renewable Energy. Such regional flagship projects might be a starting point to make renewable energy a topic for regional cooperation. Given their know-how in these technologies, the EU and its member states could greatly contribute to projects in this field. The project on the establishment of a EU-GCC Clean Energy network launched at the end of 2009 is a first relevant step into this direction.

Moreover, many countries of the region have embarked on civilian nuclear energy programs – in fact also Iran claims its program to be of purely civilian nature. The GCC states have even established a joint nuclear program in cooperation with the IAEA. Europeans and Americans have signed a number of nuclear cooperation agreements with the Arab Gulf states, for instance the 123-agreement between the US and the UAE. Provided the dispute over the Iranian nuclear program is solved, Iran could benefit from such international cooperation. Moreover, the regional actors could make nuclear energy a topic for cooperation on subjects such as research or nuclear waste storage. A working group could also be established to look into the effects of future regional nuclear disasters as a means to develop action plans for the prevention of such incidents.

Complementary to that, the GCC countries have agreed to establish a regional electricity grid. For the time being, participation in this project is limited to the GCC members, but in the long run, other countries could be integrated as well.

### **Cooperation in Water Management**

All Gulf countries face the problem of water scarcity. Hence, water management should be another issue for regional cooperation. The countries could establish a regional water management institute to pool resources, identify best practices in water management, elaborate on environmental protection standards for the Gulf, serve as the documentation centre, and function as the linchpin for additional regional cooperation projects on that subject. Cooperation on water management would not only provide the nation states with an added value, but would also have a direct and positive impact on daily lives of the people in the region. As with renewable energies, the EU might support such an endeavour with technological expertise. Moreover, the EU's Framework Programme has repeatedly financed research projects on water management in the Mediterranean and it would be desirable to include the Gulf countries in these ventures.

### **Contact Outside the Official Level**

While regional security discussions are still the prerogative of governments, it should be clear that the process cannot be driven by government alone and that contacts outside the official levels can be useful to bring new dimensions into the overall debate. Currently, there are few points of contacts between different levels of society across the Gulf States and the present level of dialogue across the Gulf is completely insufficient. Contacts outside the official level could be a necessary component for the bringing about of greater transparency and accountability among regional actors. The EU should support the establishment of a GCC-Iraq-Iran working group of regional security that brings together government officials, members of civil society, experts and even representatives of various media organs. This would be one component of broadening the debate and heightening awareness about the issues of the day. This would also be an important contribution to creating a level of consensus both within nation states and within the region as a whole about the steps required to lessen tensions and bring about more confidence-building. Giving the people of the Gulf a greater stake in their own security will likely lead to an improved security climate given that the consequences of failed action will be brought closer to home.

## **3. Enhancing the EU-GCC relationship**

The relations between the EU and the GCC countries hold great potential. In the past, both regions acknowledged their respective international significance; inter-regional relations were, however, bogged down by the negotiations on the Free Trade Agreement (FTA) and related issues. Crucial as the FTA may be, the EU-GCC relationship has potential to go far beyond that as the EU and the Arab Gulf countries share many common interests with regard to regional security, but also political, economic, environmental and other issues. This should be taken into account through concrete cooperation apart from the still pending conclusion of the FTA.



## **Refinement of the GCC's Institutional Structures**

The GCC member states have indicated an interest in the further consolidation of the GCC as an institution, and the EU supports this intention with practical measures. Institutional design and political ambition resembles in some parts the integration process in Europe. EU institutions such as the European Commission or the European Central Bank offer support and cooperation to their GCC counterparts. In particular, the envisaged GCC monetary union is a project where the EU has already but can offer additional important expertise. It is in the interest of the EU to promote a better functioning and more responsive GCC also in terms of seeking more ownership from the GCC when it comes to promoting its relations with Europe. Furthermore, as stated above, the GCC as the only functioning regional organization needs to be built up as a foundation for better regional security relations. Within this context, the EU can serve as a catalyst in critical areas such as capacity-building, creating an environment of confidence, and long-term policies.

In particular, the EU's experiences with the creation of a European External Action Service might also be of interest for the GCC secretariat especially with regard to the development of a GCC neighbourhood policy. One concrete proposal could be the establishment of a GCC centre for the training of both administrative and diplomatic staff in order to strengthen capacity and building up expertise.

## **Human Resources Development**

Integration efforts within the GCC as well as overall performance of the political systems depend on well functioning national administrations. The effectiveness of administrative structures heavily depends on adequate human resources. The GCC countries as well as the EU and its member states have very ambitious training programs to develop their human resources. They should engage in an exchange over best practices in the field of human resources development and training for administrative and diplomatic services. This could be done through a partnership program where countries put cooperation offers into a shared project pool from which other countries can select what they would like to have advice and support on. Entrepreneurship and vocational training are two specific fields to concentrate on. Programs like this could be expanded to other policy fields as well. It is important that such initiatives include a strong mobility component, especially at the secondary and tertiary educational level to promote exchanges and shared experiences. This will serve as the key foundation for better and more comprehensive GCC-EU relations in the future.

## **Increasing the EU's Visibility**

In order to make its political role and already existing proposals better known, the EU needs to increase its visibility in the Gulf. To this end, the EU's representation in Riyadh should be strengthened and additional delegations in other Gulf countries be established. Moreover, the EU should develop a communication strategy for the Gulf. This should include the use of Arabic when spokesmen of the EU are communicating with the Arab and Gulf media. This is essential as there continues to be a perception in the region that Europe does not have the necessary political will to get engaged on a broader level in the Gulf or that on issues of strategic importance, Europe tends to drag its feet.

## **Strengthening GCC ownership in EU-GCC relations**

While the EU-GCC relationship has significantly added more substance to its ties than in any other period so far, more dynamism along with a re-assessment of the existing processes is required to ensure that the current momentum can be translated into concrete progress. From the European perspective, this does include a need for the GCC states to be clearer about what they seek from closer ties with Europe, i.e. a reference to the GCC states taking greater ownership of the relationship.

## 4. Concluding remarks

After the US invasion in Iraq, many ambitious ideas for a new regional security architecture have been put forward. However, these proposals remain largely on paper and the region is now at a point, where the window of opportunity to create a fundamentally new grand design that might have existed after the toppling of Saddam Hussein is almost closed. Hence, an approach that focuses too much on institutions and structures to strike a new balance with Iran and to prepare the region for a re-integration of the new Iraq seems unfeasible.

Instead of new institutions, this paper proposes an approach that takes the regional security culture as point of departure and suggests to focus on processes and issues that allow for a gradual shift from the current zero-sum consideration of security to more cooperative balance of power practices in the Gulf.

### Three fields of activity must be distinguished in this regard:

- (a) On the strategic level: the consolidation of the regional balance of power through a strengthened GCC, a stabilized new Iraq and the involvement of new external actors. Efforts in this field must not project aggressive 'regime-change' ambitions vis-à-vis Iran, but be of a primarily defensive nature, to help the region regain the strategic equilibrium that it urgently needs and to mitigate the concerns of the Arab Gulf countries with regards to Iran's regional ambitions.

Whether the EU as an actor in its own right can promote such a process on the strategic level remains an open question, although the current discussions in the GCC states suggest that the EU and in particular member states, such as France, Germany or the UK, are acceptable and sought-after actors in this regard. Moreover, the EU and in particular the EU-3 should take the initiative to include the GCC countries as regional stakeholders more closely into the deliberation process of the P5+1 on how to address the Iranian nuclear program.

- (b) On the operational level: the initiation of issue-oriented cooperation on non-state security concerns, non-securitized low-politics topics and confidence-building measures. It is crucial that these attempts to achieve cooperation reach across the lines of actual or potential conflict in the region (i.e. include the GCC countries, Iran and Iraq as well as Yemen) in order to encourage cooperative political practices and to prevent that the efforts to establish a renewed balance on the strategic level re-enforce the currently still prevailing zero-sum understanding of national security.

It is this field where the EU can have the most impact. The EU possesses effective instruments and a lot of expertise that it can offer to support regional efforts for cooperation in policy fields such as environment, civil-society engagement or confidence building.

- (c) On the EU-GCC level: the enhancement of the EU-GCC partnership should be a top priority for both, the Europeans and the Arab Gulf countries. The potential of this relationship not only relates to regional security considerations, but also to aspects of global economic development, the stability of the world's energy markets or the direction of international investment flows.

In addition to the above-mentioned aspects, concrete and practical steps to develop the relationship further should include cooperation projects on capacity building, human resources development and efforts to increase the ownership of the relationship and public awareness about each other.

Efforts along these three lines of activity will neither redraw the strategic landscape of the Gulf region, nor resolve the region's dispute over Iran's nuclear and missile programs in one stroke; however, they will initiate an incremental process to alter the zero-sum character of the region's security relations and thereby prepare the ground for a more cooperative balance of power system in which peace and stability can be more easily maintained than it is currently the case.





---

Gulf Research Center  
187 Oud Metha Tower, 11th Floor,  
303 Sheikh Rashid Road,  
P. O. Box 80758,  
Dubai, United Arab Emirates.  
Tel.: +971 4 324 7770  
Fax: +971 3 324 7771  
E-mail: [sales@grc.ae](mailto:sales@grc.ae)  
Website: [www.grc.ae](http://www.grc.ae)