

# A GULF APART: HOW EUROPE CAN GAIN INFLUENCE WITH THE GULF COOPERATION COUNCIL

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## SUMMARY

- Since 2011, members of the Gulf Cooperation Council (GCC) have become increasingly assertive players across the Middle East and north Africa, particularly given the shifting US role in the region.
- European countries, long used to working under a US umbrella in the Gulf, have struggled to recalibrate their relationships with Gulf states and have been increasingly marginalised as relevant actors.
- Europeans urgently need to strengthen their geopolitical role in the Gulf, overcoming competition between one another to shape a more autonomous, strategic, and forceful role in defence of their key interests.
- Europeans can shift the balance of power in the Gulf in their favour and help address key crises by approaching the Gulf through flexible new frameworks based on core coalitions that address specific issues.

## Introduction

Gulf Arab states are at the centre of a [new balance of power](#) in the Middle East and north Africa (MENA). With US dominance of the region declining amid the chaos of the past decade, members of the Gulf Cooperation Council (GCC) have expanded their international role like never before. They pursued rivalries and developed alliances across north Africa and the Levant. They used military power to try to determine the outcome of intractable conflicts in Libya and Yemen. And they reached across borders to stifle or support grassroots Islamist movements, not least the Muslim Brotherhood and Shia resistance groups.

Meanwhile, European countries – long used to working under a US umbrella in the region – have struggled to adapt to the emerging multipolar regional order, and have been slow to acknowledge the impact of the political networks and vast financial resources of states such as Qatar, Saudi Arabia, and the United Arab Emirates. For European governments that recognise the many ways in which the MENA region is key to their interests, the situation is unsustainable.

Instability in the region poses a serious threat to Europe's economic, energy, and physical security. This is clear from the dispute between the United States and Iran, which – centring on the Joint Comprehensive Plan of Action (JCPOA), a deal that European governments helped negotiate – could precipitate further military escalation between two major powers. The spread of conflict through countries in which some GCC actors have game-changing capabilities, such as Libya and Yemen, could force Europe to confront a rising terrorist threat and even a new refugee crisis. The erosion of maritime security in the Gulf and off the coast of Yemen threatens to disrupt vital European trade networks. In all these areas, Europe must find new ways to address the destructive competition for influence between GCC states, their allies, and their rivals that stretches across the region.

This paper analyses the implications for Europe of the shift in the balance of power towards Gulf Arab countries. Part one explains how GCC states gradually increased their influence, and why they see Europe as a weak strategic partner, in the MENA region. Part two proposes an independent, proactive strategy for Europe to protect its interests and increase its leverage over GCC states. The paper argues

that, to succeed in the effort, European governments need to reassess the basic framework of their relationships with GCC states, and find a shared definition of their goals and priorities in the MENA region. To help overcome the intra-European divisions that GCC states have sometimes exploited, European governments should adopt a “core groups” framework in which they exchange traditional bilateralism for coordinated bilateralism. Finally, part three discusses how European countries can apply this strategy to several key crises in which intra-Gulf rivalries are particularly relevant, presenting actionable ideas for shaping these situations.

## **The Gulf moment and the decline of European influence in the MENA region**

As Europeans have struggled to come to terms with geopolitical shifts in the MENA region and, accordingly, [gain](#) leverage there, regional players have strengthened their positions. Driven by varying agendas and threat perceptions, these players engaged in a multipolar competition for influence. Two main fault lines – an inter-sectarian one and an intra-sectarian one – emerged in post-2011 MENA geopolitics: Qatar and Turkey embraced Sunni Islamist movements that sought, and occasionally gained, power in countries such as Egypt and Tunisia; Iran increased its support for various Shia-aligned actors, including the regime of Bashar al-Assad in Syria and non-state groups in Lebanon, Iraq, and Yemen; and Saudi Arabia and the UAE backed forces that opposed both political Islam and revolutionary Shiism, which they saw as a threat to their power and regional influence.

These fault lines reshaped the regional order. Syria quickly became the front line of a proxy war between Saudi Arabia, Qatar, and Iran. In 2013 Saudi Arabia and the UAE backed a military coup that deposed Egyptian President Mohammed Morsi, a leader affiliated with the Muslim Brotherhood and supported by Qatar and Turkey. After entering the royal palace in Riyadh in 2015, King Salman bin Abdulaziz and Prince Mohammed bin Salman solidified their country's alliance with the UAE and began to pursue a regional strategy that was unprecedented in its assertiveness. As part of this, in February that year, Riyadh and Abu Dhabi waged war on Yemen's Houthis, who increasingly aligned with an opportunist Iran as the conflict wore on.

In June 2017, Saudi Arabia and the UAE partnered with Egypt and Bahrain to impose a political boycott and economic embargo on Qatar. This morphed into the gravest existential crisis for the GCC since its founding, in 1981 – with Oman and Kuwait declaring their neutrality in the dispute and supporting intra-GCC mediation, concerned that they would become the targets of similar pressure. Qatar turned to Turkey for food imports, and to Iran for the use of its airspace and territorial waters, aiming to avoid disruption to its energy exports. Turkish President Recep Tayyip Erdogan [expressed](#) unconditional support for Qatar, deploying Turkish troops on Qatari soil and thereby preventing a potential military escalation of the crisis. This decision [cemented](#) the strong political and ideological bonds between Ankara and Doha, institutionalised in bilateral agreements on security and defence cooperation they signed between 2014 and 2016. Qatar's policy of maintaining a dialogue with Iranian leaders paid off in the sense that it provided the country with ways to escape isolation.

In May 2018, President Donald Trump fulfilled his presidential campaign promise to withdraw the US from the JCPOA and reimpose sanctions on Iran – a move Abu Dhabi and Riyadh had persistently lobbied for. Trump's predecessor, Barack Obama, had arguably pursued the deal not just as a way to address the nuclear proliferation threat, but also as part of a wider plan to [shift](#) responsibility for some US security commitments in the MENA region to local powers. European countries endorsed Obama's plan, as it aligned with their ideas about the need for a cooperative indigenous security framework in the region.

In contrast, Trump's approach sidelined Europe and emboldened Saudi Arabia and

the UAE, paving the way for the escalation of their proxy conflicts with Iran, not least that in Yemen. As the situation unravelled, the US persevered with its policy of retrenchment from the region – as Iran orchestrated attacks on oil tankers off the coast of the UAE and on state-owned energy major Saudi Aramco in summer 2019. In January 2020, after Iranian-backed groups attacked the American embassy in Baghdad, the US retaliated by killing General Qassem Soleimani, head of the Islamic Revolutionary Guard Corps' elite Quds Force and one of the most powerful men in Iran. The killing – which the US failed to warn its Gulf allies about in advance – took American brinkmanship to a dangerous extreme. Concerned that they would be targeted by Tehran in response, Riyadh and Abu Dhabi tweaked their approach and began to call for de-escalation and restraint.

Meanwhile, with Qatar focused on resisting the pressure from other members of the GCC, the UAE continued its anti-Islamist campaign by backing Libyan forces aligned with Field Marshal Khalifa Haftar. These forces began to advance on the internationally recognised government in Tripoli, which receives military support from Ankara and financial backing from Doha. Amid these dynamics, European countries were overtaken by GCC states in their attempts to influence events in Libya.

### **European leverage and the GCC's growing economic strength**

While GCC states became increasingly crucial players in the MENA region, Europe continued to view them primarily through an economic prism. This economics-focused framework of engagement with the GCC countries has been conducive to major investments and export deals, but it has also undermined European influence in the MENA region. Even the EU's institutions have focused on using its stature to provide economic gains for small member states with relatively weak bilateral links to the Gulf. From GCC states' perspective, EU institutions have been contradictorily interested in criticising human rights violations and closing economic deals. At times, this disconnect has been useful to large EU countries, as it helped them strengthen their bilateral relationships with GCC monarchies while still claiming to address voters' strong humanitarian concerns.

Due to these mechanisms, relations between individual European countries and GCC states have largely developed on the bilateral level. Indeed, European

countries that have extensive historical links to the Arabian Peninsula, such as the United Kingdom, had much to lose and little to gain from championing a common European policy on the GCC. There has [been](#) little incentive for European countries to adopt a shared political strategy – even if the lack of one created confusion among GCC leaders, who struggled to understand the multilayered, hyper-institutionalised ways in which EU policies function.

These challenges have combined with rapid shifts in the geo-economic environment to weaken European influence on the Gulf monarchies further. Arguably, it was the 2008-2009 global financial crisis that definitively tipped the balance of power between the sides. When the crisis hit Europe, GCC countries stepped forward to become significant sources of investment and other financial support in various EU member states. On top of flagship investments – such as those in Paris Saint-Germain, London’s Shard, and luxury estates in Italy – GCC countries funded banks and other areas of the private sector in Europe. For example, the Qatar Investment Authority (QIA), a sovereign wealth fund, invested €300m in Spain’s troubled savings banks and €1 billion in a joint fund focused on Greek small and medium-sized enterprises (SMEs). Abu Dhabi’s Mubadala Investment Company and the QIA both [established](#) partnerships with the Caisse des Dépôts et Consignations to invest €300m and €800m in French SMEs respectively.

Similarly, in 2014, Qatar and Kuwait agreed to invest €1bn and €500m to Italy’s Fondo Strategico Italiano respectively. Mubadala also acquired 5 percent of Italy’s largest bank, UniCredit, in 2017. In 2018 Saudi Arabia offered to revitalise an agreement it signed with Spain in 2007 for an infrastructure and energy fund worth more than €1 billion. Gulf Arab countries also stepped up their economic engagement with more robust European economies, such as Germany’s. The QIA has invested in major German entities such as Volkswagen, Hochtief, Siemens, and Deutsche Bank, while around 700 German companies are active in Saudi Arabia – which is now Germany’s [third-largest trade partner in the Middle East](#). The balance of trade between Europe and the GCC increasingly favours the former, while there are potentially profitable opportunities for European firms in real estate and infrastructure projects under development plans such as Saudi Arabia’s Vision 2030. Additionally, defence industries across Europe – especially those in France, Italy, and the UK, but also Spain – have benefited from an increase in

lucrative contracts and joint ventures with GCC countries.

The UK has long been an especially important European destination for GCC investments. In the 2000s, the Abu Dhabi Investment Authority and the Kuwait Investment Authority acquired stakes in Gatwick Airport and London City Airport respectively. They also provided liquidity to the British financial system, with Barclays successfully turning to the UAE and Qatar for more than €8 billion in 2008. During 2005–2010, GCC sovereign wealth funds **tripled** their share of the UK's commercial property market. Between 2010 and 2012, bilateral trade between the UK and the GCC **increased** by 39 percent, making the GCC the UK's second-largest non-European export market. Defence exports **accounted** for the lion's share of this trade.

British governments were eager to strengthen their ties with GCC capitals, aiming to expand this business further. Following the June 2016 Brexit referendum – which raised the prospect that the UK would lose unfettered access to the European single market and perhaps some of its geopolitical influence – London announced its intention to increase its international outreach. London stepped up its already substantial defence cooperation with GCC countries, deciding to establish a permanent naval base at Bahrain's Mina Salman port; enhance its presence at Dubai's Al Minhad Air Base; step up its training efforts in Saudi Arabia, Kuwait, Qatar, and Oman; and appoint a defence adviser for the Middle East.

These growing ties partly explain why the UK has taken a cautious approach to pressuring Saudi Arabia and the UAE to end the war in Yemen, despite concerns about the conflict among the British public and international institutions such as the United Nations. They also help explain why the UK has not taken a side in the intra-GCC crisis, even though the dispute is detrimental to British interests.

Against this backdrop, efforts to develop a common European foreign and security policy on the GCC became even harder after 2009, due to intensifying intra-European competition for scarce economic opportunities. Moreover, while they maintained a very small geopolitical footprint in the MENA region, European countries pursued economic opportunities in ways that had implications for their leverage over GCC states. As a result, no European country can significantly boost its geopolitical power relative to the GCC by acting alone.

Indeed, the threat of sanctions and trade embargoes cuts both ways. For instance, in 2015, when Swedish Foreign Minister Margot Wallström criticised Saudi Arabia for flogging liberal blogger Raif Badawi, Riyadh and Abu Dhabi briefly recalled their ambassadors to Stockholm, while the Arab League cancelled her invitation to speak at one of its meetings. And Saudi Arabia – the third-largest non-Western buyer of Swedish arms in 2014 – subsequently froze a trade agreement with Sweden that covered exports of military equipment.

Similarly, in 2017, when then German foreign minister Sigmar Gabriel condemned Saudi adventurism in the Middle East and called for an embargo on arms exports to the country, Riyadh responded by withdrawing its ambassador to Berlin and preventing major German companies – including giants with large-scale interests in the Saudi healthcare sector, such as Siemens Healthineers, Bayer, and Boehringer Ingelheim – from bidding for government contracts. German exports to Saudi Arabia subsequently fell by 5 percent. Industry representatives persistently lobbied Gabriel's successor, Heiko Maas, to resolve the dispute – which he did in late 2018, when Berlin approved the sale of four artillery positioning systems to Saudi Arabia.

### **Europe's competitive bilateralism**

Europe has a vested interest in containing multipolar competition in the MENA region. Yet Europeans have never looked more lost in their southern neighbourhood. Their approach to the growing instability in the region has been largely inconsequential, demonstrating a serious lack of influence on the GCC states that have been so central to developments there in the past decade.

Both the European Union and some of its member states with relatively weak links

to the GCC have limited their policy on the region, focusing on maintaining channels of communication with all sides while advocating restraint and diplomacy. Because they have significant economic relations with all GCC countries, European states have resisted intense pressure to pick sides in the intra-GCC crisis, which has led to some losses for European entities operating across borders in the GCC. Europeans [supported](#) Kuwaiti mediation of the GCC crisis – mainly rhetorically – and have engaged in a diplomatic campaign to defend the JCPOA.

Yet a few key European players, mainly the UK and France, have taken a different approach at the bilateral level. They have refused to directly criticise Saudi Arabia's and the UAE's policies in Yemen, prioritising long-term strategic and economic relations with the countries, especially those involving the defence industry. France has been particularly supportive of Emirati involvement in the Libya conflict – which other European states view as detrimental to stability, the pursuit of a political solution, and European interests in Libya. In some respects, this position reflects fierce intra-European competition for GCC trade and investment, and an attempt to align with GCC states to fill the perceived vacuum left by US retrenchment from the MENA region.

Competitive European bilateralism has severely undermined efforts to formulate a common European policy on the region – and, accordingly, European attempts to use the EU-GCC format to shape developments there. For instance, when Sweden and Germany called for GCC countries to adopt a different approach, they received no support from their fellow EU member states. This left them isolated and vulnerable to political and economic retribution.

It is perhaps unsurprising that the EU and its member states have had little to no impact in a region centred on the GCC, particularly given their long reliance on US dominance there. In recent decades, the EU's MENA policy has focused almost exclusively on economics, energy, human rights, and, to a lesser extent, socio-cultural engagement. This has largely reflected the priorities of its member states, as well as the geopolitical realities of the unipolar order. In the 1980s and the 1990s, the US often worked to exclude other powers from the Arabian Peninsula. Unable and unwilling to provide the kinds of security guarantees that GCC countries obtained from the US, Europeans embraced a marginal role under the

US security umbrella.

Europe has to come to terms with not only the end of American dominance but also the shift in the balance of power in the MENA region away from countries in north Africa and the Levant, and towards the GCC. European states will no longer be able to focus their strategy for the MENA region only on the Mediterranean as they did in 1995 with the first Euro-Mediterranean Partnership, which excluded GCC countries. Gulf Arab states are now far more assertive and influential in the wider region than they were back then – as can be seen in, for instance, the fact that there can be no resolution to the Libyan war without their involvement.

## **How to restore European influence on the GCC: A core groups framework**

Given the new activism of GCC states, and their growing leverage in the MENA region, Europe urgently needs to recalibrate its geopolitical posture. Europeans' calls for diplomacy and a cooperative regional security framework will remain unheard unless they are backed by substantive action. Europeans need to adopt a collective, proactive approach to the GCC, initially by re-evaluating their posture as strategically sovereign actors in an increasingly multipolar region.

First and foremost, Europeans need to ease the tension between EU multilateralism in, and member states' bilateral approaches to, the Middle East. This will allow them to capitalise on their strategic advantages vis-à-vis GCC states – including their significant security, economic, political partnerships – as well as the diplomatic weight and technical capacity that comes with a community of states. To this end, Europeans should adopt a flexible unifying approach: a core groups framework. Similar to coalitions of the willing or coordinated bilateralism, this approach involves issue-driven alignments in which key groups of European states take the lead on specific initiatives, perhaps flanked by representatives of the European Council's presidency trio.

This model has proven effective in, for example, the efforts of the E3 core group – France, Germany, and the UK – and Italy to work in coordination with the EU in nuclear and political talks with Iran. While the approach requires a significant amount of intra-European negotiation – and an acceptance that, on some issues,

there will not be enough consensus to form even a small group – it could unite groups of key states in a more effective fashion than the current consensus model, which either settles for the lowest common denominator or pushes member states towards bilateral engagement.

As some countries – such as France and the UK – have more influence and can coordinate policy responses more effectively than other states (let alone the entire EU), they will need to support this approach if it is to succeed. These states can draw on their strong historical links to the region, including their political and economic interpersonal connections, advanced security cooperation, defence agreements, and even military presence. France and the UK often refuse to combine their influence with other European countries. But, at the same time, it is also becoming increasingly clear that unilateral action is ineffective in protecting their core interests, given the failure of substantial – and well-intentioned – French efforts in both regional security and the Iran nuclear deal.

To succeed in this core groups approach, initiatives developed by individual countries – beyond just France and the UK – need not be impediments to a common European posture, but could serve as a source of combined strength. France’s decision to host the headquarters of a European maritime security [mission](#) at Camp de la Paix naval base, in Abu Dhabi, is a precedent that Europe can draw on and apply to broader political tracks. Lacking the naval capabilities to mount a significant mission on its own, France invited European countries to join the initiative under its leadership. Belgium, Denmark, Germany, Greece, Italy, and the Netherlands all decided to contribute to the mission, judging that – even if Paris claimed leadership of the operation as the price for enabling it – they would have more strategic space working within it than on the outside. The French mission also provides a more politically appealing alternative to the parallel US-led mission, which many Europeans view as being too hostile to Iran. While the UK joined the US in this instance, London could see this core groups framework as a medium for strengthening its position in future – especially where British and American interests diverge. Indeed, after Brexit, the UK will find that hedging its alignments between the EU and the US will be the most effective way to avoid becoming trapped under Washington’s aegis, especially when there is a clear convergence between UK and EU geopolitical interests and concerns.

Capitalising on existing bilateral relationships and developing them towards greater inclusivity could, in turn, amplify the influence of all members of a core group. This approach would benefit from, for instance, Germany's good relationship with Qatar and improving relationship with Saudi Arabia; France's strong links with Abu Dhabi; Italy's extensive network in Dubai; and the UK's unique position in Kuwait, Manama, and Muscat. If a delegation combining representatives of several European countries – accompanied by those of the EU – brought a consistent message to the Gulf, this symbolically powerful gesture could substantially magnify their political impact.

By employing this core groups framework, Europeans could create an overarching geopolitical structure in the region, helping them sustain their existing ties with the GCC and partially insulate themselves from the political vagaries of the US and Middle Eastern powers. Europeans' combined assets in the MENA region – including their military presence, trade relationships, joint ventures in strategically important sectors, and diplomatic links – are comparable to those of the US and far stronger than China's or Russia's. If employed coherently, these assets could help Europeans tip the EU-GCC balance of power in their favour and influence a wide range of issues – be it Gulf actors' role in theatres such as Libya, intra-GCC divides, or domestic concerns such as human rights.

As part of this, the EU should attempt to bridge the gap with the GCC by adopting the “principled pragmatism” it [refers to](#) in its Global Strategy. Europe should, of course, remain focused on values and the need to address human rights concerns in the Gulf. But it must also reorientate some of its wider aspirations towards the politically achievable and away from the politically desirable; reconsider its methods for pursuing normative goals such as democratisation; and prioritise consistency between EU member states. These three areas could form the pillars of a new approach that builds up Europe's credibility and leverage in the MENA region. Indeed, since 2011, there has been a strong case for member states to be less opportunistic – be it for electoral or economic reasons – and more strategic in their approach to GCC states that have too much leverage to engage with only bilaterally.

## The renewal of EU-GCC cooperation

By working within a core groups framework, Europeans would have the opportunity to navigate GCC politics in a more skilful fashion. And there are signs that they will do so: following her appointment as president of the European Commission in 2019, Ursula von der Leyen stated that the body would be explicitly “geopolitical”. This showed at least the intention to create a more outward-looking EU, one that can move beyond the challenges of populism and Brexit.

It is encouraging that, in its Global Strategy, the EU indicates its willingness to adopt a balanced approach to Iran and the GCC. By investing in its political relations with the GCC, Europe can improve its standing in the MENA region and highlight its value as both a partner and a credible mediator of geopolitical rivalries. Europe’s push to salvage the JCPOA, combined with its limited geopolitical engagement with GCC monarchies, has sometimes created the [perception](#) in GCC capitals that it sides with Tehran in the Saudi-Iranian rivalry. Europe’s ability to engage with the Iranians is a crucial asset, as this makes it the only Western player capable of maintaining a constructive relationship with all sides. But Europeans must complement this with greater, sustained outreach to Gulf actors. The deterioration of US credibility in the GCC – resulting from the Trump administration’s apparent lack of commitment to regional security – could provide Europeans with an opportunity to show the value of their partnerships. Indeed, it is no coincidence that, following the attacks on oil tankers off the coast of the UAE, Abu Dhabi reached out to Paris and Berlin to hold a maritime security conference. While the US effectively derailed it, the Emirati initiative acknowledged Europe’s value in multilateral diplomacy.

Additionally, Europeans need to do more to balance relations between GCC countries and better navigate intra-GCC politics. Given the divisions within the organisation – which long preceded the Qatar crisis, but have been deepened by it – Europe needs to intensify its dialogue with individual Gulf Arab countries to gain a better understanding of their priorities and positions. There is a significant divergence between the most assertive GCC players – Bahrain, Qatar, Saudi Arabia, and the UAE – and non-aligned Kuwait and Oman. The Kuwaiti and Omani leaderships have effectively avoided the political polarisation that has swept

through the rest of the Arabian Peninsula. Their determination to work towards de-escalation is hardwired into their security perceptions. European states should use this divergence to their advantage, both collectively and individually.

By opening a new mission in Kuwait in 2019, the EU has created an opportunity to intensify its political dialogue with a country at the forefront of Middle Eastern policies on Iraq and Iran. Europeans could also benefit from greater dialogue with Oman, given the crucial mediation role the country has played in recent years. The death of Sultan Qaboos bin Sa'id al-Sa'id is likely to reinforce Oman's traditional disposition towards diplomacy: upon ascending to the throne in January 2020, Sultan Haitham bin Tariq al-Sa'id [vowed](#) to maintain continuity in regional politics. If it prioritises efforts to prevent the escalation of disputes and to include all sides in diplomatic initiatives, European countries will find much common ground with Kuwait and Oman.

To increase the value of their outreach to Kuwait and Oman, Europeans need to both acknowledge the countries' resistance to regional polarisation and support such resilience as an essential part of their non-alignment. By encouraging dialogue between parliaments and other forms of diplomacy, Europeans can strengthen institutions that promote inclusive regional politics. This approach could be especially effective in relation to Kuwait's National Assembly, which has not only adopted a relatively inclusive model of political Islam but also has a significant say in the country's policymaking – possibly even on questions of succession. In the case of Oman, Europeans need to acknowledge how the country's economic vulnerabilities could affect its resilience, and implement a long-term strategy for socio-economic engagement with the sultanate.

Of course, it is equally important for Europe to intensify its dialogue with the most assertive GCC players. While France and the UK remain key, the EU's delegations in Saudi Arabia and the UAE can also do more to facilitate intra-European coordination on Gulf policy, as well as exchanges between the two countries and relatively disengaged member states. For EU activism to succeed, core groups of member states will also need to take the lead on specific policy issues. Europeans will have a real opportunity to step up their engagement with Saudi Arabia in 2020, as the country is scheduled to host the G20 summit in November. With the E3, Italy, and EU institutions participating as members, and with Spain invited to

attend, there will be a significant European contingent at the meeting.

Furthermore, while Qatar may have downsized its foreign policy ambitions since Tamim bin Hamad al-Thani became emir in 2013 – and following the intra-GCC pressure campaigns against it in 2014 and 2017 – European engagement with the country is still critical. Doha has significant influence on a range of policy issues due to its privileged channels of communication with Ankara and several non-state groups. Europeans should not shy away from engaging with these players, as their policy behaviour continuously intersects with European interests.

At the inter-regional level, European countries should renew their existing cooperation initiatives with the GCC by learning from past failures. This would provide a platform for a consistent and comprehensive European strategy on the entire GCC region, and could even prompt steps towards resolving the GCC crisis. In this, Europe could focus on the Joint Action Programme for the Implementation of the GCC-EU Cooperation Agreement, a detailed plan for energy, economic, and socio-cultural cooperation that the sides launched in 2010 but allowed to lapse in 2013. In light of the socio-economic transitions all GCC countries are currently pursuing, Europe could use some of the dormant initiatives in the agreement to position itself as a crucial partner in the development of the GCC region.

## **A new European strategy for several key crises**

If they can increase their coordination with one another through a core groups framework, combine their regional assets, and engage with the GCC more deeply at the political level, European countries will be better placed to contribute to the de-escalation of several major conflicts that threaten their interests, particularly those in Iran, Yemen, Iraq, and Libya. In doing so, Europeans should make a greater effort to address the regional dimensions of these crises – or, at least, to account for the extent to which GCC states can spoil or support European action. Provided that Europe increases its own leverage, this approach would help it influence GCC policies on key crises across the region.

### **Support for the JCPOA**

Since the United States' withdrawal from the JCPOA, Europeans have taken up a

common position in advocating a diplomatic solution to the crisis, with the aim of preventing nuclear proliferation by Tehran. As the deal approaches collapse, the E3 (France, Germany, and the UK) and the EU are extremely focused on the dispute resolution process as they work to salvage the agreement. Various European governments have also emphasised the need to support de-escalation efforts in the Middle East, pointing to the need for a diplomatic initiative on regional security.

As part of this initiative, the E3 and other Europeans need to engage closely with GCC countries, which felt excluded from previous JCPOA negotiations. By advocating the inclusion of issues such as ballistic missiles in new talks with Iran (which the Iranians have shown some flexibility on), Europeans would address the concerns of relatively hawkish GCC players, such as Riyadh and Abu Dhabi. While France's diplomatic efforts have potential, the tension between the US and Iran – heightened by the killing of Soleimani – makes grand initiatives involving Washington even more complicated. Nonetheless, there is still space for Europeans to press for the preservation of key elements of the nuclear deal and to work on a regional détente.

To succeed in this, Europeans need to strengthen their credibility with all sides. Firstly, they should analyse the nuances of the GCC states' positions on Iran, aiming to identify new ways of working with like-minded regional players. Oman, whose relationship with Iran is stronger than that of any other GCC country, has mediated the dispute since the 1990s (if not before). Muscat's role became particularly important during the first JCPOA negotiations and, more quietly, following the US withdrawal from the deal.

In early 2017, Kuwait's emir, Sabah al-Sabah, wrote a letter to Iranian President Hassan Rouhani that sought to establish the "basis for dialogue" between the GCC and Iran. Oman and Kuwait have the trust of both Saudi Arabia and Iran, and see the escalation of conflict in the region as a threat to their stability. Europeans should not only maintain their key communication channels with Iran but also look for opportunities to amplify their efforts through Muscat.

Meanwhile, both Saudi Arabia and the UAE have recently shown an [interest](#) in dialogue with Iran, as they slowly come to terms with the unreliability of the US

security umbrella. Following the United States' surprisingly indecisive response to the Iranian-orchestrated attacks on oil tankers off the coast of the UAE and on Aramco facilities, Abu Dhabi and Riyadh initiated backchannel discussions and message exchanges with Tehran respectively.

European actors need to seize the moment, lest Abu Dhabi and Riyadh reverse these tactical shifts towards dialogue with Tehran. To do so, a core group led by the E3 and Italy should engage diplomatically with Iran, Saudi Arabia, and the UAE – including through coordinated bilateral communication via Oman and Kuwait – to work towards a compromise on a security dialogue in the region. France and the UK have a particularly important role to play here, given their close strategic ties to Saudi Arabia and the UAE. Paris and London should support efforts to map out a system for de-escalating the dispute and, in turn, take this proposal to Riyadh and Tehran. Key EU member states could combine this diplomatic track with the appointment of a high-level EU political envoy, aiming to coordinate wider efforts. They could tie this initiative to security measures such as a French-led maritime mission in the Strait of Hormuz, designed not to pressure Iran but to maintain open communications between all sides and thereby prevent flare-ups in conflict.

On the nuclear front, meanwhile, Europeans must continue working to preserve some key elements of the JCPOA, such as the International Atomic Energy Agency's role in monitoring limits on Iran's uranium enrichment. In this, Europe will need to focus on [outreach](#) to the Trump administration, but it should also do more to enlist GCC actors as allies in the cause, making the case that – despite their desire to renegotiate the JCPOA – the destruction of these core elements of the agreement would only make the region more dangerous.

### **Sustainable de-escalation in Yemen**

Although it has a large domestic dimension, the conflict in Yemen has long been exacerbated by the intervention of Saudi Arabia, the UAE, and Iran. However, the conflict periodically leads to brief opportunities for diplomacy as the warring parties become fatigued. Such weariness has already pushed Abu Dhabi to partially [withdraw](#) from Yemen and Riyadh to accelerate its pursuit of a diplomatic solution – moves encouraged by their European partners, the UK and France.

The UK can play a particularly important role in supporting Saudi efforts to move

towards a ceasefire. In this environment, a core group led by Germany and Sweden – which have been more active than other European countries in backing Yemen’s National Dialogue, and which already coordinate with Norway and the Netherlands on Yemen – would be well placed to push for a lasting ceasefire and relaunch the UN-led political process framed by the 2018 Stockholm Agreement. After a long and destructive stalemate in the war, Europeans need to encourage Saudi Arabia and the UAE to see the merits of a political process that engages with the Houthis. They should also use their communication channels with the Houthis (in coordination with Oman) and Iran to press these actors to uphold their end of any ceasefire or political agreement.

To gain credibility with Riyadh and Abu Dhabi on these issues, Europeans will have to persuade them that Saudi and Emirati interests are tied to the success of the Stockholm Agreement. An effective way to do so would be to strengthen European participation in the United Nations Mission to Support the Hudaydah Agreement. Similarly, once Europeans begin a productive conversation with GCC countries on Yemen, they will have a chance to address rising tensions in the eastern region of Al Mahrah. Muscat is highly concerned about how Abu Dhabi and, later, Riyadh eroded traditional Omani influence in Al Mahrah, which it perceives as important to protecting Oman’s sovereignty.

#### *Reconstruction and stabilisation in Iraq*

Iraq has long been a focal point of geopolitical competition, including Iran’s rivalries with the US – as the killing of Soleimani in Baghdad made clear – and with Saudi Arabia and the UAE. From the GCC’s vantage point, Iraq’s lack of sovereign capacity in the security sector, the economy, and the energy industry is the weakness that makes it most vulnerable to Iranian influence. Here, Europeans have the know-how and technical capacity to help [mitigate](#) this vulnerability. In addressing Iraq’s economic and energy problems, they may be able to engage in constructive cooperation with GCC players.

Indeed, Europeans should work to enlist greater GCC cooperation in backing reconstruction efforts in, and committing stabilisation funds to, Iraq. Kuwait – which can speak to all Iraqi political parties, because they recognise its legitimate interest in Iraq’s stability – could be an instrumental partner in this. Qatar, the

UAE, and, especially, Saudi Arabia have also stepped up their engagement with Iraq, which lapsed after 2005. Saudi Arabia reopened its border with Iraq in 2017 and re-established diplomatic relations with the country in 2019. Riyadh has committed to new investments in Iraq's economy, while opening trade channels and exchanging official visits with the country, in the past few years. Europeans should look to encourage these efforts, focusing on strengthening Gulf interests in the country in a fashion that makes it less of a battlefield with Iran and helps sustain political stability.

Energy security is an especially promising area of Europe-GCC cooperation. For several years, large parts of Iraq have been dependent on electricity supplies from Iran. Because Baghdad views the diversification of Iraq's energy sources as crucial to strengthening its sovereignty, this could provide the GCC with an opportunity to constructively engage with Iraqi leaders on the issue. Since the restoration of diplomatic relations between the sides in 2017 and 2019, high-level Iraqi and GCC officials discussed energy issues. In September 2019, Iraq signed a landmark deal with the GCC Interconnection Authority for a GCC-financed transmission line that would supply **500 megawatts of electricity per hour** from the GCC to Iraq's southern port of Faw, via Kuwait. Saudi Arabia has plans to expand its role in the Iraqi energy industry, via state corporation ACWA Power.

A core group of European countries that are especially active in the Iraqi energy infrastructure sector should encourage their GCC counterparts to implement these and other initiatives, as part of a road map for energy diversification. This initiative might seem ambitious at first, but European firms such as Siemens have already laid out plans for participating in these kinds of projects.

#### *Negotiations on Libya's energy sector and infrastructure*

For European countries, the Libya conflict is a cautionary tale of their misjudgement of GCC influence in the MENA region – and of their failure to create a coherent common policy. January 2020 saw renewed fighting in Libya, with Haftar's UAE-backed eastern forces launching another offensive and Turkey deploying troops to support the UN-backed government of President Fayeaz al-Sarraj. Given these hostilities and the further internationalisation of the conflict, the path to a ceasefire – let alone peace – is becoming ever more complex.

Nonetheless, European pressure on, and cooperation with, the GCC remains important to progress towards a political solution in Libya, an outcome that is in Europe's interests.

In 2011 many European policymakers engaged with Qatar, the UAE, and other GCC countries as mere financial donors rather than as geopolitical actors in Libya. Italy, which has more invested in north Africa than most other European players, long disregarded GCC countries' entrenched influence on Libyan politics, while lobbying the US to step in and end the war. France, in contrast, engaged with the UAE early on and tried to use this relationship to gain the strategic upper hand. In Libya, GCC actors took advantage of this [divergence](#) between European countries – especially Italy and France – to strengthen their positions.

As a first step, coordination between European countries is essential to their pursuit of real influence in Libya. Since 2019, recognising that France and Italy have conflicting interests in Libya, Rome has adopted a more conciliatory approach to Paris. This raises the prospect of greater alignment between the countries. The same year, Germany launched a pan-European effort to engage with the GCC on the conflict but, by that time, the warring parties were heavily invested on the ground. Yet this sort of diplomatic cooperation – similar to Sweden's engagement with the Yemen conflict – is much-needed. If conducted in a timely and consistent fashion, the approach could help Europeans become much more influential in resolving not only the Libya conflict but other crises in which the GCC plays a crucial role.

The conflict in Libya is of paramount importance to GCC countries, for two main reasons. The war is one of several fronts in their uncompromising, ideologically charged fight over the role of Islamist governance in the region, while they also have economic and energy security interests in maintaining access to Libya's ports and oil sector. But European governments need to be more willing to call out, and take measures to block, destabilising Gulf interventions – especially those of the UAE, which continues to channel weapons into Libya. Unless France, Italy, and other European states are prepared to do so, they will not be taken seriously on the ground and their declared support for the arms embargo and political process will continue to appear hollow.

Meanwhile, although European states may struggle to address the GCC's concerns about Islamist governance – particularly while the intra-GCC crisis remains unresolved – they can also start to shape positive outcomes that various external actors can buy into. For example, a core group of European countries led by France, Italy, and Germany could set up a Libyan Energy Infrastructure Forum using the model [established](#) by the European Commission. This initiative would centre on an open discussion between regional powers about their desire for a larger role in Libya's energy and infrastructure sectors. By pushing these hidden agendas into the open, this process could help resolve some of the disputes over regional powers' responsibilities and policies that create such instability in Europe's southern neighbourhood.

## Conclusion

The basic rules of geopolitics dictate that Europeans cannot retrench from the MENA region. While other global players can refocus their attention on other regions or devise ways to protect their interests by containing the instability emanating from the region, Europe will always share a border with the Middle East. This simple fact should push Europeans to protect their interests by carving out a more strategically autonomous and effective role vis-à-vis key GCC actors.

To do so, Europe needs to take stock of how global and local power shifts affect the MENA region. This means adjusting to the United States' shifting role in the region, as well as accounting for the rise of regional powers as game-changing actors. In this way, Europeans can adopt a proactive, autonomous strategy that strengthens their long-neglected geopolitical role in the Gulf. Working to overcome internal divisions through a flexible, issue-orientated core groups framework, Europeans can gain leverage over regional actors, especially those in the GCC. By navigating regional politics more effectively, Europeans can build new alliances to pursue their goals. The process of addressing the regional dimension of crises would enable Europeans to tackle the threats they face and grasp opportunities to enhance their geopolitical power.

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