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## Report

# Europe and the Gulf Crisis

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French, British and German leaders urge all sides of the ongoing Gulf rift to solve the crisis diplomatically. [ALJAZEERA]

### **Introduction**

Over the past three months, the Middle East has been dealing with the worst diplomatic crisis in decades. On June 5th, a sudden decision made by four countries in the Gulf Region - Saudi Arabia, Bahrain, the United Arab Emirates and Egypt - cut diplomatic relations and strict economic restrictions on neighbouring Qatar were implemented. This controversial measure may additionally destabilize the Middle East, the Arab world, already burdened with economic, security challenges, and a broken balance of power in the region. Despite numerous outside attempts at producing a settlement, the political conflict does not appear to have any easy or swift resolution. So much so, that the Gulf Cooperation Council (GCC) might fall apart. Which role is the EU playing in this key strategic area and can we expect more decisive EU diplomatic involvement?

The ongoing Saudi-led blockade of Qatar has caught entire international community by surprise, despite the fact that relations between Qatar and its neighbours had been souring for many years for a variety of reasons. So far, most countries in the West have been hesitant to openly take sides in the dispute, given the importance of the overall Gulf Region to global fossil fuel supplies and the sensitive geopolitical situation in the area.

### **Europe on guard**

The EU perceives the GCC crisis as a direct threat to its interests in the region. On June 9, soon after her meeting with Qatar's foreign minister, Sheikh Mohammed bin Abdulrahman

al-Thani, the High Representative Federica Mogherini stated: "We see a clear risk of the situation escalating further and spreading in an unpleasant and dangerous manner beyond the region of the Gulf, be it in Africa, or in Southeast Asia or in the Middle East." (1) This statement clearly signals that EU is deeply concerned with the state of affairs in the Gulf. Lauranne Devillé, Press officer for EU Foreign Affairs and Security Policy / European External Action Service (EEAS), said that the High Representative/Vice-President (HR/VP) Federica Mogherini is in constant contact with all sides directly involved, in particular with the Gulf Cooperation Council, to encourage de-escalation and bring all parties to engage in a political dialogue without preconditions, supporting the mediation role of Kuwait. (2) Moreover, EU Foreign ministers discussed the crisis at the June Foreign Affairs Council, giving their full backing to the approach taken by the HR/VP. On her visit to Kuwait, the HR/VP called on all the parties to enter into negotiations to agree on clear principles and a roadmap for a swift resolution of the crisis. (3) She also expressed EU's willingness to support the process of negotiation and assist in the implementation of a plan for the resolution of the crisis, in particular in the area of counter terrorism. "We hope and we believe that the tensions can be resolved through the Kuwaiti mediation, with the European support, with the regional support, with the American support, and we have put the European Union's help and support at Kuwait's disposal to accompany it in the best possible manner," Mogherini said. (4)

Such a response is quite understandable as beside security concerns, EU is trying to protect its member's economic and financial interests in the Gulf. Cinzia Bianco, an analyst at Washington DC based consultancy Gulf State Analytics, reveals that EU-GCC total trade in goods in 2016 amounted to €138.6 billion, with the trade balance firmly in favour of the EU, which exported €100.8 billion to the region in 2016. (5) "A chunk of this export reaches Qatar through the Saudi border and is now disrupted. In addition to that, a very consistent number of EU companies operate directly or through joint ventures across the Gulf, many of which have been assigned major infrastructural or business projects, including for the World Cup 2022 in Qatar. The threat of sanctions extending to third parties, asking international partners to choose whether to do business with Qatar or with the quartet, is therefore particularly problematic and even unacceptable." (6)

### **Support for mediation initiative**

Europe is therefore firmly supporting any peaceful mediation and has indeed collectively tried to show its support to the Kuwaiti diplomatic initiative. According to Bianco, the EU does believe that the most effective way to guarantee a successful de-escalation would be through the mediation of a fellow GCC state and refraining from internationalizing the

crisis further. This is partly because of the belief that only a GCC party like Kuwait can be truly familiar with the disputing parties' interests and concerns, while there is some distrust in the capability of the US administration led by Donald Trump to have a positive impact on the crisis. (7) But despite all the controversies, surrounding current US administration it is almost impossible to expect the absence of US diplomatic engagement in the process. Nevertheless, there is general belief that local Arab leaders can play far more important mediation role than parties from outside the region. After all, past dispute has relied on the active engagement of GCC actors such as Kuwait and such mediation approach is more likely to be successful because Arab mediators possess an authority that resonates with local norms. (8) They understand the power of particular appeals to dimensions of local, Gulf-based identities, including patrilineal networks and the role of Islam. (9)

Moreover, Bianco believes that Kuwaiti mediation is also preferred over the internationalisation of the crisis as many GCC countries such as Saudi Arabia, the UAE and Qatar have built strong relations with global powers (such as the USA and Russia) but also regional parties (such as groups in Egypt, Libya or Syria) in the past years and, therefore, an escalation of the GCC crisis could reverberate in, and further complicate, if not refuel regional conflicts. This can be easily identified as the priority of the EU's position vis-à-vis the crisis: trying to prevent it from spreading to other regional conflicts in which the parties are involved. However, it remains to be seen whether Kuwaiti initiative bears fruit. (10)

### **Quo Vadis Europe?**

As the crisis drags on, many suggest that EU role, as an intermediary would be desirable for both sides, due to close relations with all parties involved. For the time being, the EU has an advantage over the United States, as European diplomats talk to all sides directly involved in the crisis. (11) For many, U.S. positioning on the crisis has been damaged by apparent incoherence and contradictions between statements from Secretary of State Tillerson and President Trump's statements and tweets, in which he openly expressed his support for the Saudi side. There is a general belief that if another president would seat in the White House, a more subtle policy could have easily lessened the GCC rift.

Europe's experience and good reputation, on the other hand, may be a valuable contribution in calming the tensions in the Gulf.

Nevertheless, one should bear in mind that Qatar crisis has put EU and its key member states in an awkward position. West simply cannot afford to pick sides in the Gulf spat.

We must not forget that Saudi Arabia and UAE, as well as Qatar, are all important partners of the EU. Saudi Arabia, in particular, has been a close ally to the Western European powers for a long time. The Saudi Kingdom is a strategic ally on which Western countries, one that especially the United Kingdom and France, have been relying on in order to achieve their objectives in the region. (12) However, this alliance is currently challenged by the public backlash against Saudi Arabia's alleged support to Sunni fundamentalist groups, as well as the rising tensions between Saudi Arabia and other players in the region, most importantly Iran.

However, no less important is the role of Qatar as regional "soft power". The country has forged its ties cleverly with all key Western states. Qatar is a major investment destination for the UK, the US and French energy firms and Doha is a huge investor in those states and other overseas markets. The tiny emirate, powered by the third largest proven natural gas reserves in the world has over the past few years built itself as one of the biggest brands in the region and has become one of the most influential regional political and economic players, whose interests cannot be simply ignored. This is why the blockade has further complicated an already multi-faceted European policy toward the region.

But when it comes to Europe, it can hardly be seen as a homogenous block as a closer look into a database on the voting records of EU policymakers, for example, shows the different positions of the EU Member States and political parties on the strategic alliances to be pursued in the Middle East. (13) Vote Watch, one of the most influential EU affairs think tank which analysis the work of the Members of the European Parliament and the EU Council, points out that when it comes to Saudi Arabia, the leading political force in the EU, the centre-right EPP and, to some extent, the Conservatives of ECR, are less critical of Riyadh and defend closer ties between Saudi Arabia and Europe. On the other hand, the parties on the left side of the political spectrum (Social Democrats, Greens and the far left), as well as the Liberals of ALDE, would like the EU to be more critical of Riyadh's actions in the region. (14) So, according to Vote Watch, despite the signals of increased foreign policy coordination of EU's Member States, the national governments still have their own strategic alliances and priorities in this troubled region. This undermines the influence of the EU as a whole, which, despite its geographical proximity, is being sidelined by powers such as Russia and the US. (15)

Consequently, Sebastian Sons, Associate Fellow at German Council on Foreign Relations Near East and North Africa Program, points out that similarly to other regional conflicts, the EU does not play a significant role as a diplomatic power. Due to the fact that the EU

struggles with internal problems and has thus not much diplomatic capacities invested into the GCC crisis, its position on the crisis will remain weak. (16)

## **Role of the Key European states**

Since EU has a rather a poor record of successful foreign diplomatic engagements and with its diplomatic capabilities weakened further by Brexit, a far more important role could be played by single European states, such as France, Germany and the UK.

According to Sons, these states (and others) consider the Arab Gulf region as economically and strategically of utmost importance for their own national interests. Regardless of the lacking cohesion in the EU, single member states will work on solving the conflict in order to secure their particular economic interests. In this regard, leading politicians from different countries such as Germany have visited the region in order to play a constructive role as mediators. However, the "diplomatic weight" of European countries is not perceived as high as the US. (17)

In addition, we must not neglect Germany's firm disagreement with US controversial stance at the beginning of the Gulf crisis. Following Donald Trump's public accusations against Qatar and endorsement of the decision by Saudi Arabia to suspend relations with the country, German foreign minister Sigmar Gabriel condemned the Saudi-US move calling it "Trumpization" of relations in the region. (18)

In addition, Bianco reminded that Germany has come out publicly, rejecting the 13 demands and endorsing position coming from Doha. At the same time, Berlin has seized the momentum to get Qatar to open all its books to Germany's Federal Intelligence Service (BND) and answer to all of their questions in a bid to clear the accusation of financing terrorism moved against Qatar. This is a major win for Berlin, whose strategic priority in foreign policy has been for years countering international terrorism. (19)

UK's approach has been different, as the UK has been traditionally aligned with the US foreign policy goals. In the middle of July, UK and US reportedly proposed a road map to help resolve the standoff between a Saudi-led alliance and Qatar, during Secretary of State Rex Tillerson's trip to the region in July. According to Bloomberg report, the proposals include laying the grounds for direct negotiations based on an accord that resolved a previous dispute between the Gulf nations, as well as counterterrorism measures. (20) But so far, there were no tangible results of this initiative. However, the GCC crisis has occurred at the worst possible moment for the UK, which is facing huge uncertainty after

the Brexit as the country is desperately searching for new trade and investment partners outside of Europe. GCC has been seen as one of the key future trade allies and current situation will require a great deal of cautious diplomatic moves towards both sides in the Gulf dispute. Qatar has so far invested over £ 35 billion and pledged to invest additional £ 5 billion. Moreover, Qatar is the UK's third largest export market in the Middle East and North Africa region. (21)

UK's main concern is that Qatar will need to liquidate some or all of its UK assets, most of which are tied up in property developments, to support the Qatari currency and sustain its domestic economy. (22)

France's position, on the other hand, according to Bianco, is the example of the difficulties that European countries endure in navigating this crisis and trying to positively influence it. "Strongly linked to both Abu Dhabi and Doha, the recent Total deal showed that France (like many other EU countries) is also looking with interest at ways to revamp its economic relations with Iran, adding another layer of complexity to the regional quagmire. With the United Kingdom completely absorbed by the endeavour of finding a good Brexit deal, or even an out from the Brexit, the picture is one of relative European involvement in the crisis also due to a divergence of interests weakening EU-GCC relations after the Arab Spring and the Iran deal", she noted. (23)

Nonetheless, France and UK, according to Sons, are following a post-colonial and more economically oriented approach with regards to the Arab Gulf, whereas Germany was very reluctant to involve itself strongly in regional conflicts. In this regard, he believes, Germany could and should do more. In general, the public interest in the GCC crisis is low in Germany. (24) "However, critical voices on Saudi Arabia's behaviour not only towards Qatar but also in Yemen came to the forefront in recent months. In addition, the military exports to Saudi Arabia as well as Qatar are controversially discussed in German public and politics. Nonetheless, due to the upcoming parliamentary elections in September, no coherent and strong engagement on solving the Qatar conflict will happen in the next weeks," he noted. (25)

To sum it up, the EU seems rather united in pushing diplomatically for a GCC dialogue and urging for de-escalation, but according to Bianco its members' bilateral relations with the disputing parties as well as its strategic priorities for stability in the MENA region and economic interests in the wider Gulf will undoubtedly impact its behaviour vis-à-vis the crisis. (26)

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