



POLICY PAPER

Changing Realities in the Region

Expert Advisory Group (EAG)
European and South Mediterranean Actors:
Partners in Conflict Prevention and Resolution

This first policy paper of the Expert Advisory Group (EAG) - European and South Mediterranean Actors: Partners in Conflict Prevention and Resolution - concentrates on the "Changing Realities in the Region". In providing some insights into the emerging balance of power at the state, domestic, and transnational levels, Gerrit F. Schlomach summarizes the discussions which took place during an EAG workshop held in Tunis on 5th and 6th May 2007.

Four policy recommendations follow this overview: Martin Beck argues that the perspective of neglecting the Israeli-Palestinian conflict in order to tackle more "substantial" Middle Eastern issues is misleading. Sven Biscop stresses that with its troops on the ground, the EU cannot afford to wait and see, but must actively facilitate the internal political dialogue in Lebanon. Regarding Iran's nuclear file, Emily B. Landau claims that the sanctions path should be pursued with even greater determination, until Iran finally comes to the table actually looking to close a deal. Carlo Masala suggests a reprioritisation of EU's relations towards its Mediterranean neighbours in order to achieve what so far has been impossible: the willingness of Arab regimes to cooperate and to change. Finally, Yasar A. Qatarnah puts forward the idea that the international community should enter into a dialogue with state and non-state players in the region to maintain the stability and sovereignty of the whole region.

1 Overview: Changing Realities in the Region

*Summary of discussions,
prepared by Gerrit F. Schlomach*

In applying the concept of balance of power to the changing realities in the region, most of the members of the EAG identified two loosely-connected camps. There are some countries and non-state actors questioning the established structure, like Iran, Hamas, Hezbollah, or Al Qaida. A second group of countries does not call into question the existing balance but rather resists changes at the regional level, like Jordan, Egypt, Morocco, Tunisia or the six member states of the Gulf Cooperation Council. Against the background of this situation, this overview provides some insights into the emerging balance of power at the state level, and then turns to the new players and non-state actors at the domestic and transnational level.

New Strategic Challenges for State Actors Concerning the Regional Reality

Looking at the state level, one observes some new strategic challenges for regional governments. First, Egypt has lost its power as a leading force in setting the regional agenda, as it has little demonstrated influence over the situation in Sudan or the conflict between Hamas and Fatah. Second, Syria is under strong international pressure, following the withdrawal of its troops from Lebanon

in 2005 and its involvement in the assassination of former Prime Minister Hariri. However, the 34-day war in the summer of 2006, and the recommendations of the Baker/Hamilton commission have revealed how much Syria is entangled in regional conflicts. Third, since the invasion of Iraq in 2003, the influence of Iraqi actors on the regional agenda has been very limited, because of the internal turmoil in the country, and the deepening rift between religious and ethnic groups. Fourth, Saudi Arabia finds itself in a new regional role. On the one hand, one observes a decline of the domestic economy resulting in less generosity towards neighboring groups and countries. On the other hand, one witnesses a rise of Saudi influence under the form of a new "*Riyadhpolitik*" whereby Saudi Arabia is trying to engage in the Palestinian issue, take a lead in the internal turmoil in Lebanon, and curtail Iran's influence in the Gulf and wider Middle East. Aside from the challenges Arab governments face, Israel undergoes a strategic reassessment following the limited results of unilateral disengagement, the conduct of the war against Hezbollah, and the rising threats from Iran.

Iran's Nuclear Ambitions Triggering a Nuclear Wave

Iran in particular has been under growing attention on the regional and global stage. This increased interest derives from Iran's nuclear ambitions and its efforts for political coalition building in order to impose its dominance in the region. The war in

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Lebanon in the summer of 2006 made evident the extent of Iranian influence and involvement beyond its borders. Both the anti-Semitism of the current Iranian government and its rhetoric aimed to gain recognition as a regional power, make it difficult to assume that it has peaceful nuclear intentions. Although we might agree on Iran’s rising influence in regional affairs, some experts were of the opinion that Iran’s wrong conduct has not yet been proven in detail.

Aside from the direct effects of Iran’s nuclear file on international relations at the global level, a regional process has started in which more than ten countries have expressed openly their desire to develop peaceful nuclear programs. Among them we find Turkey, Egypt, the Gulf Cooperation Council countries, Jordan, Morocco, Tunisia, Libya and Algeria. In addition, countries such as Sudan and Yemen have shown interest in nuclear power. Israel, itself, maintains its policy of nuclear ambiguity and continues the cooperation with the International Atomic Energy Agency.

True, there are obviously some good reasons to assume the peaceful character of these programs. Among these reasons we can identify energy problems deriving from water scarcity (Jordan, Yemen) or from a decline of natural energies (Algeria, Libya). But for some of these countries, the potential Iranian nuclear capabilities are perceived as threatening the regional status quo or domestic political stability, and thus there is a possible strategic dimension as well.

US Factor in the Region and EU’s Capability-Expectations Gap

Despite the undeniable changing role of the US following the discredited regional role of the current government, the US will stay in the driving seat of the region and will continue to be omnipresent there. Whatever the outcome of domestic discussions on a US force withdrawal from Iraq, there is no doubt that Washington’s influence in the region will not vanish. A strategic retreat from the region appears illusory because of its eminent interests there, which are backed up by incomparable military capabilities and high diplomatic involvement in regional affairs. The most prominent issues of concern are the stabilization of Iraq, the Iranian nuclear programme and the Israeli-Palestinian conflict.

As regards the EU, one continues to observe its meager role on the regional scene, although there are voices in the region that ask for a stronger European presence and engagement in regional affairs. The EU nevertheless took a leading role in handling the challenging election of Hamas within the framework of the Near East quartet, it has had a major stake in the Iranian nuclear file as attested

by the EU-3 negotiations, and it has shown presence in the Lebanese case. Still, all three conflicts remain to be settled, and European influence is perceived as half-hearted. It seems that the limited engagement of Europeans reveals the gap between high regional expectations and limited European capabilities and/or a lack of will to act together.

New Players and Non-state Actors at the Domestic and Transnational Level

The current balance of power is not only coming under pressure from dynamics on the state level but also from the domestic and transnational levels as well. At the domestic and transnational levels, one may identify a wide range of root causes. In a medium-term perspective, one observes deepening rifts within Arab societies. Accelerated demographic growth and a process of urbanization, together with changing gender relations, have had a huge impact on social structures in the region.

Following the declining influence of governments on the regional agenda and the increasing influence of Iran, non-state actors are becoming more important in the regional context. Those seeking to keep the status quo are challenged by liberal forces trying to implement modernization and by radicals representing a specific drive of anti-modernization. Besides these social affiliations, one can see a growing sectarian divide between Sunnis and Shi’as within countries such as Iraq and Lebanon, but also at the transnational level with the Arab world fearing a more powerful and influential Iran. Islamic organizations and groups like Hezbollah in Lebanon, Hamas in the Palestinian territories, and Muslim brotherhood in Egypt have enlarged their power bases and impact on domestic political agendas also due to the effects of weak nation-building.

The Changing Face of Transnational Terrorism and Fragile Central Authorities

The emerging new balance of power structure incorporates also a changing face of transnational terrorism. We can observe a shift of strategy and a re-orientation of terrorist groups, most prominently Al Qaeda, which are becoming more regional/national. While it seems highly unlikely that the US will restrict its military and diplomatic activity in the region, Al Qaeda has changed its strategy by increasingly targeting existing Arab governments.

Another feature of the new regional reality are fragile central authorities. In this context the question arises as to whether central authorities have ever been in control of all of their territories or even if an intact authority has ever been in power. Although the regional cases of internal

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dysfunctions differ in manner and scope as some EAG members highlighted, Iraq is seen as the most prominent example of a failing State. Also Lebanon with its internal power struggle suffers from a weak central government and stands on the brink of a new civil war. Other examples of fragile authorities can be found in Yemen, Sudan and in the Palestinian territories.

2 Tackling the Israeli-Palestinian Conflict – A Realpolitik Perspective

by Martin Beck

In the early 21st century, some observers, albeit usually in secrecy, question the high relevance of the Israeli-Palestinian conflict. Aren't there issues in the Middle East of higher importance to the Europeans, such as combating terrorism, containing the proliferation of weapons of mass destruction and promoting reforms in the Middle East? In the following, it will be argued that the perspective of neglecting the Israeli-Palestinian conflict in order to tackle more “substantial” Middle Eastern issues is misleading. It is to be noted that, although there are good reasons to engage in the Israeli-Palestinian conflict for moral reasons, the argument presented is based on European self-interest.

Despite the tedium felt by a growing number of observers and frustration at the failed Oslo peace process, the management of the Palestinian issue is still a key factor as to peace and stability in the Middle East. All major Arab political actors demand the termination of Israel's occupation of Palestine. Although some Arab governments tend to pay only lip service to this objective, the claim to be committed to the “liberation of Palestine” is still crucial for the legitimatization of foreign policy in Middle Eastern states. If any Arab regime fails to convince its people that they stand up for the Palestinians, it is to the advantage of the opposition.

Moreover, the credibility of the West's foreign policy attempts and its reputation in general depends to a high degree on its policy towards the Palestinian issue. One, if not the main, reason why Middle Eastern anti-Americanism has not converted into an ideology comprising European actors is the difference in approaches towards the Israeli-Palestinian conflict. Still the USA exerts much more influence on most Arab actors than the EU. However, US governments are in the position to compensate the shortcomings of a bad reputation because they dispose over relatively extensive power capabilities. Yet, the European influence on Middle Eastern issues truly depends on its comparatively positive reputation among many actors in this world region.

The argument put forward does not deny that many Arab leaders just exploit the Palestinian issue in order to de-legitimize any US-American initiative on reforms in the Middle East. It is perfectly true that most of the challenges which the Arab Middle East is currently facing would not be solved if a sovereign Palestinian state were established. Yet, prolonged occupation of Palestinian territory is the perfect tool for ruling authoritarian elites in the Middle East to disavow Western initiatives.

Once it has been made clear that it is in the European self-interest to give priority to the Israeli-Palestinian conflict within the framework of its Middle Eastern policy, the question arises as to how the EU should promote a peaceful regulation of the conflict. Three principles should be observed:

A long-term, rather than a short-term, perspective should be applied. There is no lack of international initiatives to resume the peace process. Yet, there is a lack of a well prepared initiative. Shuttle diplomacy should be considered just the starting point for developing a comprehensive framework. Any successful European initiative requires close cooperation with the USA. At the same time, the EU must underline that it has a position of its own. The tradition of Venice and subsequent declarations of the European Council should be emphasized. The EU should reinstate the principle that it had established with major diplomatic success in its policy towards the Israeli-Palestinian conflict in the 20th century: even-handedness. Thus, legitimate European demands on the Palestinians side should be supplemented by analogous demands on Israel. For instance, it is to be demanded that Hamas define the borders of Palestine. Yet, the EU should also demand that Israel simultaneously define its borders. Thereby, the EU should re-emphasize its official position that the demarcation of Palestine and Israel should be based—in principle—on the green line.

3 Lebanon: Wait and See Is Not an Option!

by Sven Biscop

Following the 2006 war in Lebanon, the UN looked to the EU to provide forces for an enhanced peacekeeping force. The EU was quick to take up the call, prompted into action by the unexpected scale and intensity of the war, and driven by its strong declarations of support for the UN in recent years.

On 25 August 2006, the then UN Secretary-General Kofi Annan participated in an extraordinary meeting of the EU Council. Afterwards, he declared that ‘Europe has lived up to its responsibility’. In spite of the troops wearing

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the blue helmet, UNIFIL-plus is thus clearly seen as a EU presence. The Council itself clearly states that ‘the significant overall contribution of the Member States to UNIFIL demonstrates that the *European Union* is living up to its responsibilities’ and that ‘this gives a leadership role to the *Union* in UNIFIL’ [emphasis added].

It certainly is a success that the border with Israel is now being controlled by the Lebanese armed forces rather than the Hezbollah militias. For the EU, its large presence in UNIFIL seems to imply increasing acceptance of a politico-military, rather than just a economic, role. Yet, UNIFIL will not disarm Hezbollah – it will demilitarize the border region below the Litani river, above which Hezbollah is likely to regroup. UNIFIL thus basically buys time for a political process that should integrate all actors in a democratic Lebanese polity. Only in such a wider political framework can SSR/DDR schemes then result in the integration of the armed Hezbollah in a united Lebanese army, which seems the only peaceful way of consolidating Lebanese democracy. Without such a political process, the pledging of economic and financial support at the Paris conference of 25 January 2007, where the EU and its member states contributed more than 40% of the total aid pledged, does not guarantee stability in Lebanon, nor does the adoption of the Action Plan for Lebanon in the framework of the European Neighborhood Policy.

As the assassination of several Lebanese leading figures and the ensuing political turmoil have shown, time is preciously short. An initiative to launch the required political process is urgently needed; otherwise, the country might plunge into a new civil war. Without it, the positive light in which UNIFIL is seen today can quickly fade away. The peacekeepers might easily come to be seen as occupiers, and as proxies for Israel. Should civil strife effectively erupt, UNIFIL would be in a most difficult position.

With its troops on the ground, the EU cannot afford to wait and see, but must actively facilitate the internal political dialogue in Lebanon. The EU, having assumed responsibility by deploying the troops, which it has thus put at risk, should now also shoulder the responsibility to at least try and launch the process; otherwise, the window of opportunity will be closed.

4 Running Out of Time with Iran *by Emily B. Landau*

We are at a critical juncture with regard to Iran’s nuclear ambitions. Recent reports of the IAEA indicate that Iran is more advanced in its nuclear project than had previously been suspected,

successfully spinning 1,300 centrifuges as of mid-May. It could conceivably reach the 3000 mark in a few months. Iran remains staunchly defiant with regard to its obligation to suspend uranium enrichment activities, as stipulated in three binding UN Security Council Resolutions over the past year, and has been pursuing these activities at an accelerated rate.

The diplomatic route that had been pursued by the EU-3 from late 2003 hit an impasse in 2005 when Ahmadinejad became president and rejected the offer on the table at that time. An attempt to restart negotiations was made in June 2006 when a generous package of incentives was offered to Iran, including an explicit US offer to come on board with the European states. Iran rejected this offer as well because it was not willing to accept the precondition for entering negotiations, namely the suspension of uranium enrichment activities.

Most of those involved in attempts to rein in Iran’s nuclear ambitions over the past 5 years have repeatedly insisted that there is still time for diplomacy to work. Now suddenly, time may be running out, and diplomacy has failed to stop Iran. Yet, rather than advocating a quick decision on harsher sanctions, IAEA Director General ElBaradei now claims that the rationale for such sanctions has been overtaken by events, underscoring that it is Iran’s advances that are actually dictating the terms of the (losing) battle of the West.

Concurrent with these latest revelations, EU’s Javier Solana is again exploring the option of negotiations with Iran. He met Iran’s nuclear negotiator Larjani in late April, and then again at the end of May. But for a new round of negotiations to succeed, the lessons of the failure of the previous round would need to be learned. And it would have to be clear that there is indeed still time to stop Iran through a negotiations process. Neither of these conditions are a safe assumption at this point. There is no indication that the EU has learned the lesson of Iran’s skillful play for time. In its keen desire to demonstrate that negotiations are the only means for dealing with security challenges on the international scene, the EU has been oblivious to the fact that Iran is not interested in the carrots being offered. Iran sees the advantage of being engaged, but has shown no interest in actually closing a deal. And we are quickly running out of time.

The best option at the present juncture is to demonstrate determination in the course that the international community has embarked upon over the last year, in the framework of the Security Council: namely, continued and escalating sanctions. It must be understood that Iran has been very successful in playing for time, and that if

harsh measures are not taken it will continue to push its activities forward until time runs out, at which point the international community will have no choice but to play according to Iran's rules rather than the other way around. The sanctions route should be pursued with even greater determination, until Iran finally comes to the table actually looking to close a deal. Only at that point will negotiations have a chance – assuming there is still time.

5 **First comes First**

by Carlo Masala

Given the observed geopolitical changes in the region, the EU has an important question to address and to answer regarding its relations with its Mediterranean neighbours (and its counterparts in the Arabian Gulf). Simply put, the question is whether it should continue with its dual approach to work with existing regimes and at the same time promote democratization through the creation and strengthening of civil societies in the Arab World.

This short piece has a simple but hopefully powerful message. First comes first. In its policy towards the Arab world, the EU should aim firstly to stabilize and reassure existing regimes, and only as a second step to promote democracy, not through the strengthening of civil society but rather through intergovernmental cooperation with ruling elites. In fact I would argue that the EU will be far better off in its relations with the Arab world if the term democratization is replaced by a more neutral term and if the term civil society is totally avoided.

The EU currently faces a classic catch 22 situation. On the one hand it has to deal with ruling elites, since most of its cooperation is based on intergovernmental cooperation, and on the other hand it is trying to promote democracy via civil societies in the Arab World. By doing both at the same time the EU is creating the impression that it wants to undermine current regimes (and in the long run to replace them). Consequently ruling elites feel threatened by "civil society": Oppression and suppression of opposition are the logical consequences of this attempt to square the circle.

Since a catch 22 situation is a classic dilemma which cannot be resolved but can only be attenuated, a strategic facelift seems to be necessary. Instead of pursuing both goals contemporarily, policy makers in Brussels might think about a prioritisation of goals. Putting stability in the first place entails some major advantages: It reassures ruling elites that their existence is not being threatened and thus makes them more ready to cooperate with the EU. It might make ruling elites more compliant to reforms (especially in the field of civil liberties and human rights).

The reshuffling of priorities must also be accompanied by a change in semantics. Instead of talking about the promotion of democracy in the Arab world (which evokes a certain western idea of democracy), we should insist on the promotion of certain norms (e.g. rule of law). A change of this kind in semantics could be effective since it is not connected to a specific idea about the "best political system." In accepting certain norms, regimes in the Arab world will still the opportunity to have a political system which is institutionally quite different from Westminster type systems.

Finally the EU should avoid talking about civil societies. It has almost been forgotten in Europe that the term "civil society" was invented in the mid 70s by eastern European dissidents to create a space in communist societies a) where the state had no influence and control and b) whose basic and common denominator was its opposition to existing regimes. So in the original meaning of the term the aim of a civil society has been to undermine existing regimes. Given this etymological origin of the term, one should not be surprised that most Arab regimes are suspicious if the EU wants to promote civil societies in their countries.

To sum up, this piece argues basically for three things: First, give priority to stability rather than to change! Second, replace the term democracy by norms! Third, avoid talking about civil societies! Through this reprioritisation, the EU could find a way out of its current dilemma and achieve what so far has been impossible: the willingness of Arab regimes to cooperate and to change.

6 **How to Deal with Arab Non-State Actors?**

by Yasar A. Qatarneh

New powerful non-state Arab players like Hezbollah in Lebanon, Hamas in Palestine, and Muslim Brothers in Egypt are now very central and lie at the heart of the political game in these countries. In the heyday of Syrian, Iraqi and Egyptian regimes, the region's worst nightmare was a war between Israel and a coalition of Arab states. With a new state of affairs, namely the rising of Arab non-state actors, the war on terror and the ongoing fiasco in the Iraq War, attention is now focused on a more unconventional threat, which is more difficult to address, manage and eliminate.

Against this background, it is in the interest of the international community to concentrate on ensuring the stability and sovereignty of all the regions' governments including Syria, Iran, and the Palestinian Authority. More precisely, the international community should support and help

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stabilize the Lebanese government and respect Lebanon's sovereignty. Negotiating with Syria in order to pry it away from Iranian influence would not necessarily be very wise at the moment as it might undermine the Lebanese government. The international community should nevertheless keep an open mind to eventual negotiations with Syria. Considering the United States' dire performance in Iraq, the international community should be aiming at securing the stability and integrity of the Iraqi state in order to limit the spillover effect on the entire region, which some non-state actors would exploit.

Meanwhile, we cannot expect to solve the Israeli-Palestinian conflict and devise an exit strategy for Iraq without addressing these major non-state Arab players at present. In specific, the international community should seriously consider engaging with Hamas and Hezbollah in a regional dialogue or in robust negotiations. While this might not necessarily prove to be successful, it should definitely be attempted. The international community should have no interest in maintaining them as its enemy.

In general, it is in the interest of the international community to support the national unity and sovereignty of all countries in the region and to encourage the development of stable governments. Thus, it should enter into a dialogue with state and non-state players in the region (i.e. Iran, Syria, Hamas, Hezbollah) to maintain the stability and sovereignty of the whole region. Such engagement, as far as non-state actors are concerned, should be based on the identification of actors that are domestically focused and not pan-Islamist, non-violent and non-revolutionary. These are fundamental starting points.

About the Expert Advisory Group (EAG)

This project aims to explore a constructive and sustained relationship between European and South Mediterranean actors in Conflict Prevention and Resolution, in the context of past and present collaborative efforts in the Middle East and North Africa. The main objective is to create a knowledge-based network in order to advise relevant actors from both shores of the Mediterranean on current political and security developments on an ad-hoc basis.

The Konrad-Adenauer-Stiftung, the Regional Centre on Conflict Prevention and the members of the group agree with the general thrust of this policy paper but not necessarily with every individual statement. The

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EAG Members

Fouad Ammor - Researcher - Groupement d'Etudes et de Recherches sur la Méditerranée (GERM) – Morocco - tempusmaroc@yahoo.fr

Martin Beck - Senior Research Fellow - GIGA Institute of Middle East Studies – Germany - beck@giga-hamburg.de

Sven Biscop - Senior Research Fellow - Egmont – Royal Institute for International Relations – Belgium - s.biscop@egmontinstitute.be

Ahmed Driss - Director - Centre des études méditerranéennes et internationales - Tunisia - ahmed2_driss@yahoo.fr

Cagri Erhan - Director - Ankara University - European Research Center (ATAUM) – Turkey - Cagri.Erhan@politics.ankara.edu.tr

Emily Landau - Director of Arms Control and Regional Security Project - Institute for National Security Studies (INSS) – Israel - emily@inss.org.il

Carlo Masala - Deputy Director - Research Branch - NATO Defence College – Italy - c.masala@ndc.nato.int

Antje Nötzold – Research Assistant TU Chemnitz – Germany - Antje.Noetzold@phil.tu-chemnitz.de

Markus Poesentrop - Assistant of MEP Michael Gahler- Belgium - markus.poesentrop@gmx.de

Oussama Safa - General Director - Lebanese Centre for Policy Studies (LCPS) – Lebanon osafa@lcps-lebanon.org

Mohamed Abdel Salam - Head of The Regional Security Program - Al-Ahram Center for Political & Strategic Studies – Egypt - abdelsalam@ahram.org.eg

Organizers

Konrad-Adenauer-Stiftung e.V.
Regional Program Near East / Mediterranean

Hardy Ostry - Regional Representative
Gerrit F. Schlomach - EAG Coordinator
Amman Office
Phone +962-6-59 29 777
Fax +962-6-59 33 087
www.kas.de/amman
info@kas.org.jo

Tunis Office
+216-71-751 420
+216-71-750 090
info@kas.com.tn

**Regional Centre on Conflict Prevention
Jordan Institute of Diplomacy**

Yasar A. Qatameh
Director
Amman-Jordan
Phone +962 6-593 4400
Fax +962 6-593 4408
yasar.qatameh@id.gov.jo
www.rccp-jid.org



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Adenauer
Stiftung**

 **Regional
Centre on
Conflict
Prevention**

