

EU Policy and US Strategy towards the Persian Gulf – Different Approaches for Common Goals?

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Abstract

Despite deep differences shown during 2003 Iraqi crisis, European Union expresses a joint policy towards the Persian Gulf. This is essentially based on the equation: “economy” = “development” and so “security and stability”. Economy is the tool which is really trans-European: it means that despite some different approaches on few geopolitical issues of its members, it remains fundamental pillar on which a real “European Foreign Policy”, can be built. During last years, this particular approach allowed EU: i) to start a fruitful discussion with GCC countries about a Persian Gulf currency union, ii) to include in its Agenda establishment of a free trade area with the GCC countries, iii) start negotiations for an EC-Iran Trade and Cooperation agreement, iv) to involve Iran, Iraq and Yemen in this process. All these actions will allow EU to create an area of dialogue, cooperation and exchange, which is one of the EU top priorities. A new wider space of cooperation composed of the countries belonging to the MENA region, GAFTA, Persian Gulf, Iraq and Yemen. While European Union has chosen a “more economic” approach, US policy towards the Persian Gulf is “more political”. US equation is: “freedom and democracy” – even coercively imposed = “security and stability for a specific area” = “security and stability for the US”. But in some parts of the world this strategy showed some imperfections (Afghanistan), demonstrating its fallacy (Iraq). In some cases US applied political model which doesn't reflect social, political realities and doesn't respect historical roots and heritages of the area.

Keywords: Persian Gulf, EU policy, US Strategy, Security, Economic Approaches.

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Introduction

Several months after the collapse of the Soviet Union, an analyst wrote an article on NATO Review titled “*Western countries won the Cold War ... but unfortunately no one told the Russians they have been defeated*”. Since 11/9 (November 9, 1989), the night during which the Berlin wall tumbled down, European countries lost an essential element for the elaboration of their *Realpolitik*: an enemy. USSR did not represent anymore the justification of high military expenditures that characterised the 60’s-80’s decades, and so civil society started to call for a more equal allocation of public expenditures. Starting from November 9, EU and US took two different paths in securing their national interests, drawing them up on the bases of different premises. European countries started to make a deeper reflection upon the advantages of a common currency and concentrated most of their efforts towards the creation of the Euro. European countries started to elaborate new industrial political policies, aimed at converting their industrial military complex into civil and/or dual use production. Since then, military industries started a path of merging. From a foreign policy point of view, EU concentrated all its efforts towards the eastern territories no more submitted to the Soviet rule. European countries started a near-abroad policy aimed at including in its market the newly independent east-European states. Main axes of expansion went East and first of all towards former German Democratic Republic (DDR). In a certain way, main EU actors continued to pursue a “national” foreign policy, obeying their national interest, instead of a real European one. All the German political and



economical efforts were addressed to *Die Wende*, the German reunification, better – absorption of the DDR into the West Germany. France's interests were addressed in pursuing its French-African policy, heritage of the De Gaulle era, in moving closer to the US, but also in strengthening its *force de frappe* or the nuclear arsenal.

EU countries shared a common action in foreign policy after the Saddam invasion of Kuwait and participating in the military campaign not as NATO-members, but with their own armies or with financial support as Germany did. United States, the only “surviving superpower”, or the “supposed” winner of the East-West confrontation, pursued the idea that a “new world” was begun and a “new order” was necessary. So, as an irony of history, George W. H. Bush, on 9/11 (September 11, 1990), addressed the Congress a speech titled “Toward a New World Order”, in which he underlined that: *“a new world order can emerge: A new era - freer from the threat of terror, stronger in the pursuit of justice and more secure in the quest for peace. An era in which the nations of the world, east and west, north and south, can prosper and live in harmony. A hundred generations have searched for this elusive path to peace, while a thousand wars raged across the span of human endeavor, and today that new world is struggling to be born. A world quite different from the one we've known. A world where the rule of law supplants the rule of the jungle. A world in which nations recognize the shared responsibility for freedom and justice. A world where the strong respect the rights of the weak.”* (George Bush. Address before Congress on Persian Gulf crisis and the federal budget deficit. Washington D.C.: Office of the Press Secretary, 11 Sept. 1990).¹

Bush's speech wanted to be a concrete response to the 1990 Iraqi invasion of Kuwait, but more pragmatically, it intended to point out that the Ba'athist regime represented the new “enemy”, replacing the “Evil empire” incarnated by USSR,² and Saddam Hussein become the new evil on Earth and the new threat to the common vital interest and the rule of law. Persian Gulf regained a renewed centrality, both in the world strategic assets and in the world strategic discourse.

Because of Saddam's hegemonic policy, the whole area became



the new main recipient of Western-made major weapons systems. Operation “Desert Storm” (1991), politically aimed at freeing Kuwait, was an amazing campaign advertising the very last US-high technology weapons. And since then, Persian Gulf countries, with the significant exception of the I. R. of Iran, represented a fundamental way out for the Western defence industries in crisis. US defence industry played a key role in the business, having sustained the major military effort in freeing Kuwait and in defending the Saudi regime. A role which was a part of a broader US policy towards the Persian Gulf. It was a policy also attained through a permanent and a deep military presence in the region, formally aimed at granting the security and stability of the area, more pragmatically aimed at granting oil & gas supply to United States. Many bases were established in the most part of the Arab countries overlooking on the Persian sea, in a forward military presence protecting the emirates and the kingdoms from the Iraqi threat.

After the dramatic events of 9/11 (September 11, 2001), Persian Gulf role in the global strategy maintained its importance: foreign military bases in that area were a useful tool for fighting a new evil on Earth (and another former US friend, as Saddam Hussein was): Osama Bin Laden and his supporters, which took shelter in Afghanistan. War against terrorism started to be fought from the US Navy stationing near the Gulf’s shores, from the US bases in Iraq and in the former USSR Central Asian countries as well.

Once again, Persian Gulf was involved in a war, gaining a greater centrality in the global strategic discourse and becoming the pivotal area around which – or better, through which – several other strategic interests passed. Turkey, the Caspian Sea region, Afghanistan, Pakistan, Caucasus area, Central Asia, and more extensively, the new emerging (super) powers (even because of their nuclear capability) India and China, make Persian Gulf a sort of their “near abroad”. Since then, every threat posed to the Persian Gulf countries might have a domino effect over all these actors.



Exploitation of the greater importance of Persian Gulf and powers' approach towards the area followed two different paths: Washington mainly continued to consider the Persian Gulf for its military importance and for its central role, as a tool to enhance US hegemony in the area. It started to elaborate a new containment policy towards China, whose two-digit economic growth has become more and more dependent on the Persian Gulf oilfields, while European countries looked at the Persian Gulf and to its "near abroad", as a big rich market for their industries and goods.

According to Persian Gulf European vision, Persian Gulf states' attractiveness is going besides oil & gas potentialities, touching also the fields of the economic diversification policies, aiming at developing tertiary sector, tourism, freeing them from a Rentier state regime dependence.³ The growing importance of some new financial markets, such as Dubai, is nowadays considered one of the ways to penetrate different local markets, and so to cooperate with Iran.

It is on these premises and potentialities that EU started to elaborate its own particular approach towards this area. Despite the deep political differences characterising EU countries' foreign policies, which dramatically emerged during the 2003 Iraqi crisis, European Union expresses an unusual joint policy towards the Persian Gulf. A policy that is essentially based on the equation:

"economy" = "development" and so global "security and stability".

This was witnessed since the 1989 EC and GCC cooperation agreement, under which the two institutions committed to enter into negotiations on a Free Trade Agreement (FTA), supported by a the decision to a once-a-year Joint Council Meeting at the ministry level. The Persian Gulf states were interested in accessing European petrochemical markets, while Europe was interested in creating a framework for ensuring energy imports from the Persian Gulf. The agreement had a new impetus in 2002, when EU decided to open a Commission Delegation in the region.



EU started a fruitful discussion with the GCC countries about a potential Gulf currency union and about the establishment of a free trade area with the GCC countries, the Europe's fifth most important trade partner. Common currency and a free trade area within the GCC countries have always been viewed as the two fundamental steps in order to achieve economic integration among the Persian Gulf States. "Economic integration" stands for unification of states by partial or full abolishment of customs tariffs on inner border of the states as a main feature of this phenomenon. And as recent EU historical experience shows, a unified market represents a boost for national economy, social development, political and financial anti-crisis tool. It is not accident that since the decision to proceed to an economic and then to a political union of the European countries, no more wars broke out in the continent.

In the aftermath of the 9/11 terrorist attacks, the EU-GCC Joint Council agreed to refocus their reciprocal activities on a limited numbers of priority areas of cooperation, such as business and energy cooperation, but also human rights and migration issues.

On the basis of the positive trends showed by the Euro-Mediterranean Partnership (EMP), in December 2003, the EU Commission and the High Representative for the Common Foreign and Security Policy (CFSP)⁴ issued a document stressing the need to broaden and deepen the dialogue with the Gulf, linking the EU-GCC and the EU-Mediterranean frameworks, but also Yemen. This represented a fundamental novelty in the European conduct towards this region, starting to go beyond the GCC structure, and recognizing a broader dimension of actors of the Persian Gulf.

This new position was strengthened by the 2004 *Strategic Partnership with the Mediterranean and the Middle East*⁵ EU policy document, stating a strategy which intended to incorporate the Gulf region into an overall Mediterranean and Middle East framework, committing the EU to advance a partnership with all the countries of the Arabian Peninsula (so including Yemen), neighbouring GCC-



Arab countries (Iraq), and the other fundamental soul of the Persian Gulf: Iran.

This document reaffirmed that EU political approach is based on economy relationships to be realised through European Union (as a whole) efforts, but also through “bilateral political engagements, with individual countries east of Jordan”, leaving wider rooms for manoeuvre to each State. This opportunity was probably elaborated in the attempt to overcome the traditional difficulties in strengthening relations on regional basis due to the fact that EU member states have historically pursued relational along bilateral lines. On the other side, this represented a suitable tool for the GCC countries too, facilitating their dealing with EU as a whole, instead on the use of their traditional strategy based on a deal with states on an individual basis for specific issues. Generally speaking this strategy represents the patchwork of differentiated policies the EU is conducting towards MENA and the Persian Gulf areas, constituting the EU response to the US “broader Middle East” region vision and definition.

A Wider Strategy for a Wider Market Partnership

Six years after the elaboration of the *Strategic Partnership* and on the basis of political and economical changes at the global level, but also due to the success of bilateral agreements, the 2004 document could be also seen as an attempt to realise a kind of triangulation between Europe, the Arab Mediterranean and the Persian Gulf, joining three important markets: EU27⁶, Middle East and North Africa (MENA) Region,⁷ or in a wider perspective, the Greater Arab Free Trade Area (GAFTA)⁸ and the Persian Gulf as well. This would lead to a creation of a more globalised and interdependent context, which could be called an EU-MGP economic zone. (European Union, MENA Region, GAFTA and Persian Gulf). The goal is to extend to other actors and areas the positive results of a neighbouring policy, essentially based on economic relations, as a starting point to build political relations and so enhancing development and strengthening



security and stability.

Under this point of view, economy represents the tool which is really trans-European: it means that despite some different approaches on few geopolitical issues, economy remains the fundamental pillar on which a real “European Foreign Policy”, can be built and supplied, with positive effects over its near and medium abroad. Among all the countries potentially involved in this proposed project, three in particular seem to have a deeper impact over EU-GCC relations. They are: Iraq, Iran and Yemen.

Enlargement active policy and relations with these three countries other than GCC States, have some structural motivations. Despite the many European initiatives towards GCC countries, cooperation was not as fluid as Brussels or the Emirates/Kingdoms wished. This partly depended from the political structure of the Gulf Cooperation Council. The GCC's lack of supranational institutions and with the GCC secretariat having no independent negotiating competence comparable to the EU commission, rendered negotiations and relations beyond a small set of economic issues complicated. Moreover, little real decision-making at the regional level and not well defined bureaucratic lines of responsibilities, together with a lack of transparency in the decision-making process⁹ hampered regular and long-run relations with the EU as a whole. EU is also deeply convinced that involving some other GCC neighbouring countries would activate the potentials of the Persian Gulf market, bringing new aspects of development in the area. Inclusion of Iraq would mean to enhance security in the country and thus improve chances to rebuild the country. Inclusion of Iran would mean to involve a new “propeller” for the local and global economy. Inclusion of Yemen would mean to avoid its transformation into a “failed state”.

So EU decided to overwhelm all these hampers, involving these other actors in the economic cooperation framework.



Iraq

The inclusion of Iraq in the new strategic lines forecasted two paths of cooperation: to intervene supporting “UN efforts to help build a safe, stable, unified, prosperous, federal and democratic Iraq that upholds human rights, protects its minorities and promotes inter-ethnic tolerance so as to pave the way towards regional stability and security” as a preliminary but necessarily phase, in order “to focus EU aid in Iraq generally on relevant technical assistance and capacity-building in the fields of the rule of law and justice and human rights, good governance, financial and budget management, gender equality, health and education, and on the strengthening of federal, regional and local government institutions” and secondly to “to encourage and help European firms to bid for contracts to rebuild Iraq, to be present on the ground, and to draw upon previous experience gained in Iraq, both in the pre-war period and in the reconstruction period”.¹⁰

Therefore, two important agreements have been negotiated in the attempt to strengthen these ties. The Memorandum of Understanding (MoU) on Energy Cooperation was signed in January 2010 and the Partnership and Cooperation Agreement (PCA) is expected to be signed at the end of 2010 or at the beginning of 2011.

The main goal of the Memorandum is to provide a political framework for enhancing energy relations between the EU and Iraq and priorities for future cooperation. It outlines different areas of cooperation, such as development of energy policy for Iraq; energy security of supplies between Iraq and the EU; renewable energy and energy efficiency measures in the country and enhancing prospects for technological, scientific and industrial cooperation.

PCA will establish a comprehensive legal framework for enhancing ties and cooperation in a wide range of areas: from political matters and counter-terrorism (political dialogue on bilateral, regional and global issues) to promoting human rights and trade in key fields, such as energy and services. Another of the PCA goals is to support



Iraq's own vital reform and development efforts and facilitating its integration into the wider international economy.

As for EU security factor, a stable Iraq would allow the withdrawal of European troops from Iraqi territory and so: i) to address money allocated for Iraqi military campaign" towards branches of national economies suffering of a lack of liquidity, because of the 2009-2010 crisis; ii) to reduce potential causes and political opportunities for terrorist retaliations against European troops deployed in the war theatre or against European sanctuary territories; iii) to rebuild civil society and so to allow Iraqi economy to recover and so profiting of this new market, which will be able to attract EU investors and enterprises, promoting new waves of social welfare and industrial development : iv) a stable Iraq would also have a positive impact over the world oil prices, and so over the global economy.

Yemen

The inclusion of Yemen is an attempt to support development in a structural weak country, which could have been a potential target (as it will be) for insurgent/terrorist cells.

Despite its distance from Europe, a more stable and reliable Yemen would have a significant impact over EU political and security factors as well. This is because the country represents a fundamental pillar of the stability system in the area. A weak Yemen or the presence of a failing/failed state in the Arab Peninsula would represent a destabilisation threat for the whole area. Saudi Arabia and Iran already suffered from many terrorist attacks in their recent history. A potential al-'Qaeda base at the Saudi gates would represent not only a concrete threat to Saudi crown, but also to the whole commercial system flowing through the Persian Gulf. A failing Saudi Arabia would have a dramatic impact over the actual fragile world and EU economy. Oil prices would reach unknown and unthinkable prices peaks, causing a rise in EU inflation rates. Commercial



import/export with all the Persian Gulf countries would be a risk, damaging even further EU industrial production. A lack of central government power would provoke the establishment of an extremist-Sunni regime led by al-'Qaeda members and so the creation of a new terrorist sanctuary which could threaten vita sea-route for EU countries and for Iran as well.

The need to render Yemen more stable is a part of a EU long-run strategy. According to The European Union External Action Service (EEAS), "*the EU seeks to develop a closer relationship to Yemen, which would provide for increased political dialogue, trade and economic cooperation, development cooperation and democratic reform. Improving the security situation, responding to population growth, addressing water shortage, introducing economic diversification and a continuous democratisation process are the main challenges for the country.*" At this end, it elaborated a new financial instrument, the *Development Cooperation Instrument (DCI)*, defined in the "Yemen - European Community Strategy Paper for the period 2007-2013" and entered into force at the beginning of 2007. It is aimed at providing support for all forms of cooperation, under specific political and economic programs, including migration, environment and sustainable management of natural resources, energy projects, development of political local authorities, but also financial, economic and technical assistance to address three key challenges identified by EU and by Yemenite government as well in the political insecurity, crises and threats to human rights, democracy and the rule of law.¹²

Islamic Republic of Iran

The inclusion of Iran is an attempt to integrate an important regional actor which has been relegated to the periphery of the international relations system since 1979, bringing again on the global market all its power (oil& gas, but also industries) and on the political arena its weight.

The Persian Gulf – politically, culturally, historically and geographically, as the toponym itself underlines – is not only



composed by the GCC countries, which have represented, until now one of the main points of reference of the EU strategy. It is then necessary to undertake another step, establishing a more developed Agenda which should include closer relations with the other major actor of the region besides Saudi Arabia; Iran. A change in the way of thinking must to be conceived, moving from the traditional approach and producing a new one, moving the axis of reflection and of action from the traditional western idea/misperception of the “ Persian Gulf” as GCC market to a new one, which should also include Iran, forming a new subject: the Persian *Gulf Cooperation Countries* (GCC). This should entail a deep modification over the EU approach, which continues to see Iran a single actor.

EU has some good relation with Iran. According to the 2010 the European statistic agency (Eurostat) statistics, Iran occupies rank number 27th of the EU’s major trade partners, with 18.8 billion Euro of trade exchange in 2009 (it was ranked at the 25th place with 25.7 billion EUR in 2008).¹³ In 2009 the European Union exported to Iran about 10.4 billion Euros in goods (11.4 in 2008), while it imported goods for 8.5 billion (14.4 billion EUR in the previous year). In the same year, EU27 was the main Iranian trade partner, with a 19 billion EUR of exchange of goods value, representing 20.8% of the Iranian whole trade.

EU exports to Iran are mainly concentrated in three main fields: i) machinery and transport equipment representing 54.7% of EU total exports to Iran, ii) manufactured goods 14% and iii) chemicals and related products 13.4%. EU imports from Iran in 2009 were negligible in almost all sectors except energy (fuel and mining products) amounting to 86.6% of Iranian total exports to EU (7.3 billion EUR), and to a much lower extent chemical and related products (4.5%, 0.4 billion) and agriculture (3.1%, or 0.26 billion EUR).¹⁴

Despite restrictions derived from the sanctions imposed by the United Nations Security Council on Iran provided for by different



UN resolutions¹⁵ and by EU Council Resolutions,¹⁶ according to Eurostat data, Iran-EU trade increased 10% in the first half of 2010. Among the main Iranian partners, Italy represents the first trade partner of the country, trading goods for 3.1 billion EUR, showing 80% growth over the same period in 2009, reflecting a growth trend that started in 2006. Germany, Spain, the Netherlands and France are the other main European countries trading with Iran, with an aggregate value of traded goods of 6.9 billion EUR in the first six months of 2010.

Potentials that Iran could express together with the other GCC countries are not well explored yet. Through the creation of a GCC market, member countries could have the access to a wider selection of goods and services not previously available. They could acquire goods and services at a lower cost after trade barriers due to lowered tariffs or removal of tariffs. So, the balance of money spent from cheaper goods and services, could be used to buy more products and services. Economic integration would also allow freedom of movement of the factors of production (capital and labour) and of enterprises and it could encourage more trade among member countries. This enhancement could have a deep positive impact over EU markets, especially after the 2008/09 world economic crisis. In order to realise this, it is necessary to go beyond the many stereotypes affecting the international community over Iran and not to fossilize the international debate over the nuclear question, which has been specified and well clarified several times even by the Supreme Leader Ayatollah Seyed Ali Khamene'i since 2005, reaffirming its civil nuclear nature. A nuclear related energy production made by Iran would entail some other aspects of development, allowing Iranian neighbouring area to enjoy of an alternative important source of energy. This would be particularly suitable for the Central Asian countries, but for Afghanistan as well.

As for EU security perception, a strong and a stable Iran would represent a fundamental actor in fighting different issues posing clear



and present danger to the European Union community. A stable Iran would represent an essential ally in fighting global terrorism and in fighting drug trafficking: two problems touching both EU and Iran. Iran suffered several terrorist attacks carried out by extremist group Jundallah, as EU was attacked in 2004 (Madrid) and 2005 (London) by different terrorist groups. As for drug trafficking if EU represents one of the biggest and most worthy markets in the world, Iran is considered both a market and a transit point for heroin and now hashish, flowing from Afghanistan, passing through and then, through Persian Gulf Emirates and/or Turkey and finally to Europe. Another important role which Iran could play could be in securing the sea routes as the primary regional sea power in the area. Securing maritime routes would mean granting security in EU import/export but also for the Iranian trade, given that most part of Iranian goods transits from the Hormuz strait.

Fields of cooperation in the Persian Gulf

Economic interests are not only focussed on oil & gas businesses, even if hydrocarbon imports remain one of the main topics in the EU policy towards Persian Gulf. EU Commission Communication states that “*energy must become a central part of all external EU relations*”,¹⁷ and it strongly recommends an action plan for expanding and strengthening the EU’s international energy relations. Industry and especially social affairs are also two important fields of cooperation, the latter considered by the United Nations Development Program (UNDP) as one of the main assets for human development.

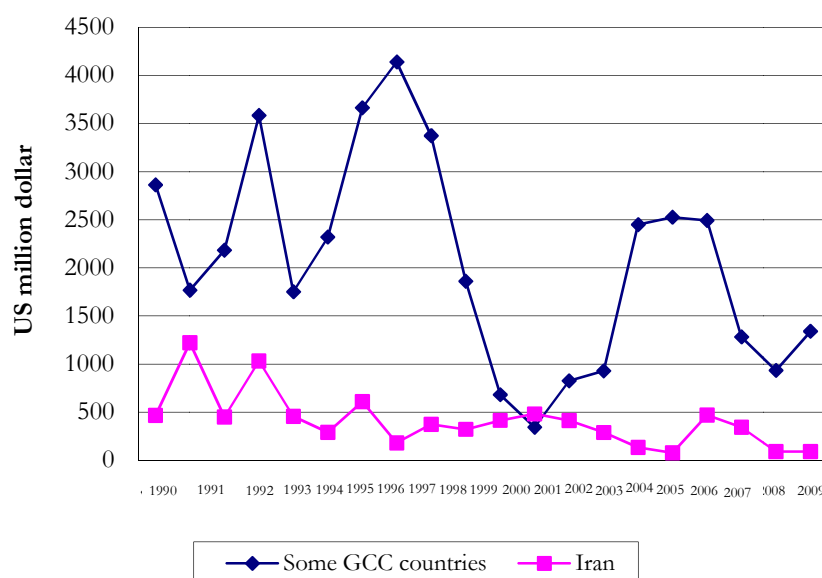
An important industrial and trade sector for the region is represented by defence. European Union still considers Persian Gulf emirates and kingdom an important recipient for arms. If in the 1990s high defence expenditures were justified with the Iraqi threat, today, as it was underlined by the Iranian Minister of Defence, Ahmad Vahidi, during the 2010 Tehran Institute for Political and International Studies’ (IPIS) conference, the new arms race is



provoked by a sort of *Iranophobia*, pushing Iran's neighbouring countries to attract 60% of the global weapons trade.

Figure below shows the arms transfer value in the region comparing the imports invested by Saudi Arabia, UAE, Oman and Kuwait with Iran investments in weapons, according to SIPRI data.

Figure 1
Arms Transfer in the Persian Gulf Region: 1990-2009: Iran vs. Saudi Arabia, UAE, Oman and Kuwait. (US million dollar)



Source: Author's elaboration on the SIPRI Data, www.sipri.org

Assessments and recommendation about the actual EU policy towards the Persian Gulf

Promoting a coherent defence cooperation agreement among all the Gulf States would mean to enhance securitization of the whole region and so enhance economic development, which also can be realised through the “offset policy”. In fact another common platform on which Europe bases its economic approach is the existing relation



between development and security. EU approach towards Iraqi security represents only a step in a wider strategy forecasting stabilisation and safety in a very sensitive area. Starting from its “personal” experience and recent history, Europe deeply trusts in the position stating that “the more development you attains, the more stability through security you reach”. Stability and security can only attained through welfare and development. This is particularly true for an area which knows several factors of threats, crossed by an arc of instability going from the Central Asia, passing through Afghanistan, Pakistan, the Caucasus, until the shores of the Mediterranean Sea. Geopolitical “black holes”, failing or failed states and regions, insurgencies and transnational organised crime groups, drug trafficking are among the main threats and actors threatening the whole region. All these factors could put into action a pernicious domino effect over the neighbouring countries. That is why an EU economic political approach to the Persian Gulf Region allows EU countries to touch different aspects of development – and so security – in the region. And that’s why, security cannot be addressed only to a State, but it must be enlarged to the entire region, hampering the instability factors to spread out.

EU, through its economic policy, can play a major role in the region. Many political issues remain on the table and the major issue is the nuclear one, and so it is necessary that the European institutions play a more active role from a political point of view. To this end it is necessary to fill some gaps and to create a framework agreement between the EU and Iran.

Dialogue is the best weapon to produce and to maintain stability, and both the actors are persuaded about this.

While European Union has chosen a “more economic” approach, US has a “more political” approach. Washington takes into consideration the economic issue as well, but its policy is strictly submitted to the US national interest, a missing factor in the EU.

American military and security interests in the Persian Gulf area



originated during World War II, but it was only at the beginning of the 1970s that US became increasingly and directly concerned with the defence of the region because of its national interest there. Prior to 1971, the responsibility for the region's security fell to the British, with the United States maintaining a supportive role. However the British withdrew their forces from the Persian Gulf by the end of 1971, and thus set the stage for US's future involvement in the Persian Gulf. Since then, American policy in the area has been progressively expanded by three presidential administrations - Nixon, Carter, and Reagan - culminating with the United States reflagging Kuwaiti tankers and having over 30 combat and support ships in the Persian Gulf to escort the reflagged tankers.

According to the US National Security Strategy, issued in September 2002, "*defending our Nation against its enemies is the first and fundamental commitment of the Federal Government*", the enemies are terrorists groups, which "are organized to penetrate open societies and to turn the power of modern technologies against us". The tools used to secure and stabilize all the areas that potentially could represent a threat to the US national interest or all these areas that could be penetrated by these groups, are: 1. the advancement of democracy and 2. the extent of the peace by encouraging free and open societies on every continent.

If we want to summarize US policy in an equation, this could be:

"freedom and democracy" – even coercively imposed = "security and stability for a specific area" and so "security and stability for US".

But in some parts of the world, this strategy showed some imperfections (Afghanistan), demonstrating its fallacy (Iraq). This is because US applied a political model which did not reflect the social and political local realities, did not respect the historical roots and heritage of the area.

US policy is perfectly resumed by the *CATO Handbook on the Persian Gulf for the US 105th Congress*. According to this document, U.S.



government should:

1. terminate formal and informal US security commitments to Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates;

2. end US participation in *Operation Provide Comfort* (defending Kurds population in Iraq) and *Operation Southern Watch* (monitoring and controlling airspace south of the 32nd parallel in Iraq establishing a no-fly zone);

3. withdraw US military personnel and propositioned equipment associated with US security commitments to the southern Gulf countries;

4. encourage the southern Gulf States to take responsibility for their own security by bolstering their national self-defence capabilities and enhancing regional defence cooperation through the Gulf Cooperation Council. This is not a new concept in strategy, but it follows the 1969 Guam doctrine faithfully, which was paradoxically applied to Iran giving the birth to an important arms purchasing policy.

5. provide limited US assistance, especially advice on enhancing the effectiveness of national force structure and integrating southern Gulf military capabilities, to the southern gulf states individually and to the GCC; and

6. end its policy of trying to manage Persian Gulf security and instead act only as a balancer of last resort, if developments in the region pose a serious threat to vital U.S. national security interests.

If we analyse the US approach towards the Persian Gulf, three conclusions can be drawn. i) First of all US policy lacks a fundamental actor: as Iran can act as a pivotal state, no stability in the area in the long run is possible without the involvement of Iranian Government. ii) The “dual containment policy”, elaborated by Lake and Indyk in 1993 aimed at isolating Iran and Iraq politically, economically, and militarily, as an enhancement of Washington’s decision to assume the total responsibility for Persian Gulf security, demonstrated its fallacy both at a national (US) level and at international level. It has been a



risky and expensive strategy that threatened to embroil the United States in myriad conflicts and guerrilla warfare in the perennially unstable Persian Gulf region. This strategy – applied now only for Iran – is probably unsustainable over the long term. Not only from a political point of view, but also from an economic one. The United States currently buys only US\$11 billion worth of Persian Gulf oil per year, yet U.S. taxpayers spend \$40 billion to \$50 billion (some analysts estimate as much as \$70 billion) per year to maintain a military force in order to secure (in the US view) the region, and it is really too much, in the actual state of crisis in which US citizens are living. iii) Despite economic problems, US involvement in the region will not stop in the following years, in order to respond to US national interest, and specifically because of oil. US needs stability in the region, because even if it has 21.4 billion barrels of proven oil reserves¹⁸, President Bush defined US “*addicted to oil*”¹⁹ and through a permanent military force it tries to grant this stability. This approach also have a natural and a positive impact over EU trade and so economy, especially after the decision taken in February 2011, to create a new super EU (German)-US stock exchange the merger of the *Deutsche Börse* and the *New York Stock Exchange (Nyse) Euronext*, the “Big Apple Strudel”, as unofficially and jokingly is known in Europe.

EU geographical proximity to Iran would allow the development of a new energy policy, through the creation or the rediscovery of modern “silk road”, now transporting hydrocarbons instead of silk, from Iran through Azerbaijan, linking Iranian oil and natural gas pipelines to Baku-Tblisi-Ceyhan (BTC) pipeline (Tabriz-Baku; Tabriz-Ceyhan/Yumurtalik), and possibly Baku oilfields (and BTC) to Iran-Pakistan-India (IPI/“Peace Pipeline”), making Iran the pivotal actor of Central Asia and the Indian Ocean regions' development. Iran can also contribute to the development of Europe thanks to the 1,740 kilometer Persian Pipeline, shipping Iranian natural gas from the Persian Gulf to Turkey, Greece, through Italy and on to other European countries.



Conclusion

According to the EU long run strategy, security and stability in a sensitive and strategic area could be granted only by enhancing economic relations, involving all the major players of the sub-regional system. Dialogue and creation of a common currency, tracing out the EU recent history paths and so its political results could be seen as a stabilisation and a development tools. To do this, EU should find a new common approach towards Iran and the Persian Gulf, based on a renewed economic policy aimed at helping Iran to be integrated in the wider regional market formed by EU27+ MENA+ GAFTA+ Persian Gulf.

The result of this approach would give a great contribution in solving different areas of crisis, such as Afghan war, with positive impacts over Iran, reducing the flux of immigrants and leading to a progressive repatriation of the Afghan refugees from Iran and Europe to their territories.

On the other end, US should work on lifting the embargo, allowing the markets to become free, according to the US traditional idea of economy, and clearing any political approach towards Iran on the nuclear issue, as a hampering factor of any relation. Only working together, goals of development, security and stability could have a global positive impact.

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2. As it was defined by President Ronald Reagan. See President Reagan’s Speech to the National Association of Evangelicals Orlando, Florida, March 8, 1983.
3. For a comprehensive definition of “Rentier State” see: Harold. J. Hotelling, “The economics of



- exhaustible resources”, in *Journal of Political Economy*, n° 39, 1931, pp.137–175; and Hazen Beblawi, Giacomo Luciani, “*The Rentier State*”, Croom Helm, New York, NY, 1987.
4. The High Representative (HR) position was created by the Treaty of Amsterdam in 1987. The post is held by the Secretary-General of the Council, whose task is to assist the presidency of the Union in matters relating to the common foreign and security policy. HR aims to allow the Union to express itself with greater visibility and coherence on the international stage by giving it a more recognizable face and voice. He/she also helps in formulating, preparing and implementing policy decisions by the Council and he/she may conduct political dialogue with third parties, on the Council's behalf and at the request of the Presidency.
 5. See: <http://www.consilium.europa.eu/uedocs/cmsUpload/Partnership%20Mediterranean%20and%20Middle%20East.pdf>
 6. EU-27: Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxemburg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom.
 7. MENA Region includes: Algeria, Bahrain, Djibouti, Egypt, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Libya, Malta, Morocco, Oman, Qatar, Saudi Arabia, Syria, Tunisia, United Arab Emirates, West Bank and Gaza, Yemen.
 8. GAFTA: Jordan, Morocco, Kuwait, United Arab Emirates, Syria, Tunisia, Bahrain, Lebanon, Libya, Saudi Arabia, Iraq, Sudan, Oman, Egypt, Yemen, Qatar and Palestine.
 9. See also Baabood A.; “Dynamics and determinants of the GCC States’ Foreign Policy, with special reference to the EU”, in G. Nonneman (ed.), *Analyzing Middle East Foreign Policy*, Routledge, NY, 2005.
 10. See: Committee on Foreign Affairs, European Parliament, *Report with a proposal for a European Parliament recommendation to the Council on the European Union's role in Iraq*, (2007/2181(INI), 29.2.2008.
 11. According to Nobel Prize Joseph Stiglitz, Afghan and Iraqi wars will cost about 4-6 trillion dollars. See: Linda Bilmes and Joseph Stiglitz, “How the Wars Are Sinking the Economy”; in *The Daily Beast*, 27 October 2010.
 12. See European Union, *Yemen - European Community Strategy Paper for the period 2007-2013*, Brussels, 2007, http://ec.europa.eu/yemen/csp/07_13_en.pdf
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 15. United Nations Security Council Resolution (UNSCR) 1737, 23 December 2006; UNSCR 1747, March 2007; UNSCR 1803, March 2008 and UNSCR 1929 of June 2010.
 16. EU Council Resolution (EUCR 423/2007; 618/2007 and 1110/2008 and new set of sanctions passed on 26 July 2010, set out a list of products prohibited from export to Iran.
 17. See EurActiv, 11/01/07
 18. EIA’s 2004 Annual Report on U.S. oil and natural gas reserves
 19. See President Bush’s Sixth *State of Union Address*, January 31, 2006.