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What can Europe do in Iraq?

Recommendations for a
new U.S.-European collaboration

Edited by the Heinrich Böll Foundation

The EU, So Far

Executive Summary

Relations between the European Union (EU) and Iraq have normalized over the last couple of years. But despite committing more than € 900 million to reconstruction efforts since 2003 and having set up a European Commission office in Baghdad in 2005, the European bloc will need to step up its engagement if the country is to manage forthcoming challenges, such as integrating the “Sons of Iraq” into the Iraqi security forces, holding provincial elections, and maintaining security while President Obama leads a drawdown of US combat forces.

Stepping up its engagement will also be in the EU’s interest. For students of EU public policy, the bloc’s reaction during and after the Iraq War represent the same story of impotence that has historically plagued the EU when trying to speak with a single voice. Showing that it is capable of dealing with Iraq will be key to regain the bloc’s foreign policy ambitions.

More practically, instability in Iraq would likely hurt a number of the EU’s strategic interests. It would likely cause Turkey to worry even more about Kurdish separatism than it does already – and less about the domestic reform processes bringing it closer to the EU. Instability in Iraq would also hamper the EU’s drive to secure its energy needs. The summer’s conflict in Georgia and the recent Ukraine-Russian gas feud have exposed the EU’s vulnerability to Russia’s energy production and made the building of strong ties to Iraq – with 10 percent of the world’s proven oil reserves – a key concern. Finally, increased support to Iraq will be needed if the refugee crisis, which has enveloped the broader region, is to be effectively addressed.

The election of Barack Obama in the United States should also allow not only for better transatlantic cooperation on Iraq, but a kind of cooperation based on facts and future considerations rather than disagreements about past policies. Accordingly, in an eight-page “reflection paper” on transatlantic relations, France – recently chair of the EU’s six-month rotating presidency – pushed for the EU to engage in Iraq “without delay.” To do so, however, we argue that the 27-member bloc should focus on: entrenching good governance, especially in the security sector; facilitating forthcoming high-stakes elections; and investing in a framework for regional stability.

Specifically, the EU should strengthen the EU Rule of Law Mission in Iraq, with a particular emphasis on police governance and strategic planning for Iraqi police; Europeanize the existing NATO military/gendarmerie mission in Iraq; and combine these two missions into one European Security and Defence Policy (ESDP) mission, and add a third pillar dealing with border management and security. A senior EU Special Representative (EUSR) should be appointed to head this mission as well as an

expanded Commission office in Baghdad, as in the case of the joined-up EU missions in Skopje, FYROM.

Policies focused on Iraq need to be complimented by regional initiatives. The EU should invite the Gulf Cooperation Council (GCC) heads of state and Iraqi leaders to a summit, appoint a second European envoy to pursue regional diplomacy with the GCC and offer the Gulf states – as well as Iraq – a regional security process based on the Security Pact model in the Balkans. This process should focus attention on border security and maritime security, aiming to develop regional security concepts on both – potentially as the basis for a new “Gulf Conflict Prevention Center.”

Introduction

Few diplomatic conflicts have blown up so publicly yet been patched up so quietly as the intra-European disagreement over the invasion of Iraq. Five years after the “shock and awe” bombing of Baghdad, with Iraq now experiencing a period of relative calm and al-Qaeda at last on the back foot, a consensus is emerging across the EU on the need to normalize relations with Iraq.¹ This is right, but not enough: The EU needs a strategy to sustain stability in Iraq and its uneasy neighborhood that is actively supported by even those European states, like Spain and Greece, whose governments actively opposed the war. The transition process in Iraq is of crucial importance to the EU because of Iraq’s size, its vast oil reserves, its regional importance, and its geographic location on the southeastern border of accession candidate Turkey.

Instability in Iraq – and any consequent moves toward greater autonomy for the Kurdish north – would likely cause Ankara to worry even more about Kurdish separatism in Turkey than it does already, and less about the domestic reform processes bringing it closer to the EU. Continued instability would also hamper the EU’s drive to secure its energy needs. The summer’s conflict in Georgia and the annual gas spat between Russia and Ukraine have exposed the EU’s vulnerability to Russia’s energy production and has made the building of strong ties to Iraq – with 10 percent of the world’s proven oil reserves – a matter of Realpolitik, not just altruism.

Stronger EU engagement in Iraq will also be important for the future of US-EU relations, though the situation in Iraq is currently absent from the transatlantic agenda. Barack Obama can be expected to ask European leaders to increase their support in Iraq, as he seeks to drawdown US forces and implement a new Status of Forces Agreement (SOFA), which puts the United States in a supportive rather than directorial role vis-à-vis the Iraqi government.²

Lasting stability in Iraq and a drawdown of US forces will also be key to reinforcing NATO’s Afghanistan mission – an operation which is a much higher priority for European governments, as well as another Obama Administration priority.³

- 1 Richard Gowan, “The EU and Iraq: Starting to Find a Strategy?” *Commentary*, ECFR, Jan. 26, 2008; see also Daniel Korski and Richard Gowan, “On Iraq, It’s Time to Call Europe,” *Atlantic Community*, June 4, 2008.
- 2 US-led Coalition forces participating in the 2003 invasion of Iraq were initially subject to the exclusive jurisdiction of their parent states. Since the handover of sovereign power to an Iraqi administration, Coalition forces in Iraq were nominally subject to Iraqi jurisdiction, but operated without any Status of Forces Agreement. Now there is a Status of Forces Agreement (SOFA).
- 3 “More Troops Needed in Afghanistan: US Commander,” *AFP*, Sep. 5, 2008.

Meanwhile, any effort to counterbalance Iran's aspirations to regional hegemony and dissuading Teheran from pursuing nuclear weapons will require a stronger, more independent and cooperative government in Baghdad.

There are also humanitarian factors: Over 2.5 million people are displaced within Iraq, with 2 million more scattered across the Middle East. A survey for the UN's refugee agency in March 2008 found that 20 percent of Iraqi refugees survive on less than \$100 a month – only five months earlier the figure was just 5 percent. So even though Iraq is experiencing an unprecedented period of calm, it is both precarious and reversible. Two immediate challenges – integrating Iraq's Sunni militias, who are instrumental in turning the tide against the insurgency, into Iraqi security forces, and holding provincial elections – raise the risk of a resurgence of violence.

Making matters even worse is the power shift taking place across the Middle East, which includes: a recalibration of US influence; the rise of Iran; and the unprecedented involvement in regional peace-making by new actors like Qatar and Turkey. As Joschka Fischer, the former German Foreign Minister, has written, the US-led invasion of Iraq “has helped give rise to a new Middle East, one which threatens to be more volatile than its predecessor.”⁴

To help Iraq in this period, greater EU commitment is required, especially if the incoming US administration draws down its forces. The United States (US) will be the main player in Iraq for years to come, having now agreed a SOFA and a Strategic Framework Agreement, which sets out a long-term bilateral relationship in the fields of education, technology, culture, etc. But the EU, in the words of the European Parliament, “can do much more and much better” in its relationship with Iraq.⁵

This chapter reviews what the EU has done in Iraq, noting the leading role of the European Commission, but arguing that European policy should now shift to focus on three areas in which the EU has a record of experience: entrenching good governance, especially in the security sector; facilitating forthcoming high-stakes elections; and investing in a framework for regional stability.

The European Union and Iraq: the road traveled

The EU's assistance to Iraq has grown steadily since 2003. In the immediate aftermath of the war, Member States were so bitterly divided that there was no joint European policy toward Iraq – US officials in Baghdad had little desire for one.⁶ But the EU moved beyond this period of recrimination quite quickly. From 2004, there was widespread readiness to contribute to reconstruction, if mainly from abroad. The European Commission took a lead on aid and humanitarian challenges that Member States were still unready or unwilling to stomach.

In mid-2004, the EU agreed on a new strategy paper for Iraq based on an EC draft. It co-hosted, with the United States, an international conference in Brussels to discuss Iraq's reconstruction. In June 2005, an EU ministerial troika visited Baghdad for the first time while a small EC delegation was set up in the grounds of the British

4 Joschka Fischer, “Out of the Ashes,” *The Guardian*, May 5, 2008.

5 “EU Parliament: Europe's Efforts in Iraq Failing; Must Do More to Help,” *AP*, Feb. 27, 2008.

6 For an excellent summary of the EU's initial lack of direction on Iraq, see Richard Youngs, *Europe and Iraq: From Stand-off to Engagement?* (London: Foreign Policy Centre, 2004).

embassy in Baghdad. The bloc's small, police-training mission (EUJUST LEX) was launched the same month (see next section). The European Commission supported Iraq's constitutional process, including the referendum in October 2005 and legislative elections in December 2005.

The EU has thrown a lot of money at Iraq, or at least pledged a lot of aid – \$3.5 billion since 2003, € 900 million of it from the European Commission.⁷ Much of this has not been spent well, or at all. But as proof of Iraq's newfound “normality,” the European Commission is switching from channeling aid through the International Reconstruction Fund for Iraq (IRFFI) to making bilateral agreements.

In 2008 alone, the European Commission expects to have spent € 72.8 million in development and an additional € 20 million in humanitarian aid, primarily on Internally Displaced Persons (IDPs) and refugees. As another sign of normalization, the European Commission is rolling out its first two-year investment strategy and negotiating a Trade and Cooperation Agreement that should provide an overall framework for an even closer EU-Iraq relationship. In a vote of confidence on Iraq's future stability, the European Commission is moving its staff from Amman to a new office in Baghdad.

But while the emerging EU policy has many strengths, it is hard to escape the conclusion it still bears the hallmarks of the pre-Maastricht polity the bloc no longer wants to be: technocratic, apolitical, and excessively reliant on the European Commission. The European Commission should not be blamed for having taken a lead role in Iraq – it was bold to do so – but there are limitations to its leverage and range of tools.

In spite of the European Commission's prioritization of Iraqi IDPs and refugees, for example, some Member States lag behind. The proportion of Iraqi asylum-seekers recognized as refugees in the EU varied from 85 percent in Germany and 82 percent in Sweden to 13 percent in Britain. Five EU countries return Iraqi asylum seekers, although the rest do not. As Barack Obama noted in a policy paper, countries such as “Great Britain, Australia, Italy, Spain, the Netherlands, Denmark” have done “woefully little to meet the refugee crisis.”⁸ “A dismal performance,” argues Thorsten Benner, in light of the EU's “aspiration of being a ‘normative superpower.’”⁹

The essential step toward a more effective EU strategy toward Iraq is for European governments to develop political and security initiatives to match the European Commission's economic drive. Some omens are good: Whereas France was once the EU's leading Iraq skeptic, Foreign Minister Bernard Kouchner has visited Iraq twice, even flying into Nasiriya shortly after the airbase had come under attack. But cooperation remains ad hoc: European foreign ministers have not acted on proposals for an EU Special Representative to Iraq, allowing internal discussions about the Lisbon Treaty – which, if ratified, will rearrange the bloc's diplomatic footprint – to take precedence over effective representation in Iraq. If the European Commission is moving staff to Baghdad, talk of a joint Council/Commission office there has gone nowhere – and only 14 EU countries have embassies in the capital.

EU members know that the EU could never have a leadership role in Iraq, even if wanted one. On political and security issues, the United States will retain its primacy

7 Eneko Landaburu, “Note for the Attention of Mr. Richelle, DG AIDCO,” Apr. 20, 2008.

8 Barack Obama, “Barack Obama: Turning the Page In Iraq,” 2007.

9 Thorsten Benner, “Wanted: An Iraq Strategy,” *The Guardian*, May 14, 2008.

– even if it starts reducing its forces. In as far as there is space for the international community to play a greater political role inside Iraq, the UN Assistance Mission for Iraq (UNAMI) already has an established role, and increased its staff and activities in 2008. The EU cannot supplant either the United States or the United Nations, not to mention the increasingly assertive Iraqi government.

But it can play a more significant supporting role in Iraq and its region – and the very fact that its role will remain limited should allow the EU to agree on a tightly focused strategy with a short list of objectives. It should avoid being distracted by secondary tasks best left to the United States, United Nations, or (most likely) Iraqis themselves.

EU interventions from the Balkans to Kinshasa have left it with considerable experience in three areas that are relevant to Iraq: developing good governance, elections (although this is also an area of UN expertise), and nurturing regional security. The EU's objectives in Iraq should thus be to help civilianize Iraq's politics further, support the forthcoming electoral process, and offer backing to a framework for regional stability, including greater intra-regional and EU-Gulf ties.

Governance and electoral issues: a coordinated approach

The key to long-term stability in Iraq is an operationally and politically credible security sector. Although the Iraqi military and police have improved a great deal of late, they still have many deficiencies. The role of Sunni fighters in defeating Islamist factions raised the specter of the country going the way of Lebanon, where the government and army cannot break the hold of militias on politics. Efforts to integrate the Sunni “Sons of Iraq” into the security forces have been flawed, lacking top-level political support. It is essential to continue strengthening Iraq's security forces and ensuring they are under full civilian control.

More specifically, it is important that Iraqi domestic security should ultimately be police-led, not military-led. A permanently militarized society will always risk future autocracy. And, as recent reports of continued guerrilla infiltration from Syria into Iraq show, both the police and military need to step up border security. Finally, security forces are only as good as the administrative support they receive. Unfortunately, Iraq's ministerial capacity has been lacking, with problems particularly acute in the areas of planning, HR, logistics, and procurement.

These are matters on which the EU has expertise and already has a locus in Iraq. The EUJUST LEX mission, founded in 2005 and headquartered in Brussels, has overseen specialized training for the Iraqi police, as well as judicial and penitentiary officials. By November 2008, 1,795 individuals had received training on topics ranging from crowd control to forensic investigation.¹⁰

This training has not only been deliberately very technical in focus, but conducted almost entirely outside Iraq. The results have, unsurprisingly, been mixed. One European diplomat described the EUJUST LEX mission as having “had demonstrably minimal impact on the effectiveness of these [police] institutions due to lack of sound management, lack of follow-up, and the fact that member states have prioritized ‘gesture training’ rather than sought to deliver what Iraq needs.” Catriona

¹⁰ European Council Factsheet, “EU Rule of Law Mission for Iraq (EUJUST LEX),” Nov. 2008.

Gourlay and Annalisa Monaco even argue that the mission may have been “good for ESDP” but “not enough for Iraq.”¹¹

However, on November 10, 2008, European foreign ministers extended the life of the mission and authorized it “to carry out, progressively and on an experimental basis, where security conditions permit, pilot activities in the area of the rule of law on Iraqi territory.”¹² In the background, the Danish and Dutch governments have sought to gather support among European governments for an expansion of EULEX JUST and presented a “non-paper” in late 2008, suggesting ways this could happen. The European Commission, meanwhile, is proposing a set of complimentary activities in 2009, including capacity-building in the Ministry of Interior.

These are good (if cautious) steps forward. While EUJUST LEX should not drop its technical remit, its engagement on Iraqi territory will inevitably lead it to address how the police interact with elected authorities, civil society, judiciary, and the military. Its staff (which will need to be expanded significantly from the current 30 personnel – and considerably better recruited, trained, and managed) should work with the Iraqis to develop new field education modules on police governance and civil-military relations, training soldiers as well as police.

Experience in cases such as Kosovo suggests that particular attention will need to be given to strategic planning by the Iraqi police – it is difficult for local commanders to shift from crisis management to long-term crime reduction and public order challenges. Strategic planning education is, however, a useful vehicle for reinforcing ties between the police, judiciary, society, and the military.¹³ It will also be crucial for the EU mission to take a greater role in building the ministerial capacity needed to manage the security forces. Iraq’s ministerial capacity lags behind its operational capacity, because US advisory efforts to date have done little to build sustainable, indigenous government systems, at the central or provincial level. The EU mission would make a major contribution by helping the Ministry of Defense, the Ministry of Justice, and the Ministry of Interior improve their systems for planning, finance, HR management, and procurement.

But the EU will only gain real leverage over civil-military relations if it is prepared to take on military training, too. Here again, the EU has an existing institutional base from which to work. This is NATO’s 150-strong Training Mission in Iraq (NTM-I), which concentrates on educating Iraqi senior military staff and (with Italian Carabinieri participation) National Police training in and around Baghdad.¹⁴ Although NTM-I’s commander is American, most personnel come from the EU Member States.

Focusing hard on Afghanistan and Kosovo, NATO does not need the additional chore of looking after NTM-I. The EU should offer to take this on (resolving tensions in Brussels by formally sharing its reports with NATO HQ) and convert the mission

11 Catriona Gourlay and Annalisa Monaco, “Training Civilians and Soldiers to Improve Security in Iraq: an Update of EU and NATO Efforts,” *European Security Review* 25, p. 1.

12 European Council, “Council Conclusions on the ESDP,” Nov. 10–11, 2008.

13 For a positive assessment of how Iraqi civil society might perceive EU involvement, see Rouzbeh Pirouz and Zoé Nautré, *An Action Plan for Iraq: The Perspective of Iraqi Civil Society* (London: The Foreign Policy Centre, Feb. 2005).

14 For an overview of NTM-I, see http://www.jfcnaples.nato.int/JFCN_Missions/NTM-I/NTM-I.htm.

into the second pillar of its ESDP mission in Iraq to complement EUJUST LEX. It would continue NTM-I's task "to help Iraq develop an effective, democratically led and enduring security sector." Such a move will require close US-EU coordination. Iraq's security forces will primarily be supported by the US; and attempts to offer "joint" support to the army and police have, in the past, floundered (such as with the US proposal for joint staff college). But there should be room for both US and European contributions.

The expanding ESDP mission could take on a number of other responsibilities, offering to take over US programs in areas like judicial training to ease the American burden and avoid duplication. A potential third pillar of its activities should be advisory work on border security, on which the EU has operational experience in the Caucasus (and on which many European personnel have knowledge through work with the OSCE). The new ESDP mission to Kosovo has a border security pillar, and the proposed mission in Iraq could copy this. Such a border role should not only be focused on technical border security, but also on customs reform and in helping Iraq's negotiations with its neighbors on cross-border trade.

Nonetheless, the deployment of the ESDP mission to Kosovo has been complicated by frictions between its police, judicial, and border security pillars. The EU's experience in Bosnia-Herzegovina shows that such frictions are best dealt with through appointing a high-level envoy to oversee ESDP activities. We have noted that similar ideas for Iraq have not materialized, but they must be put back on the table. And, to build on the European Commission's hard work to date, the new envoy should also be double-hatted as the head of the newly-enlarged EC office in Baghdad.

To recap, the proposed ESDP mission in Iraq – the headquarters of which must be based in Baghdad, not Brussels – would consist of three pillars under the EU Special Representative (EUSR): Police/Judicial, Military Training, and Border Security.¹⁵ The EUSR would have separate responsibility for the EC office, but ensure close liaison between these two fiefs. The profile of the mission – its dispersal to regional offices and mix of training and direct advisory functions – would need to be agreed with the Iraqi government, and cleared with the United States and the United Nations. The EUSR's mandate should include instructions on coordination with the UN's Special Representative, European ambassadors, and American commanders.¹⁶ Perhaps most problematically, the mission staff would need to be increased considerably – it seems reasonable to project 400–500 personnel as a goal.¹⁷ In addition, European governments need to be willing to take risks with EU staff across the country. The issue of security for mission staff in Iraq is contentious, but unless European governments are willing to take greater – if carefully calculated – risks, it is hard to see how the EU

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- 15 In Kosovo, the EU mission has separate police and judicial pillars. However, these are both involved in operational, rather than solely training, activities. Where only training is involved, there is no reason to split the two. Penitentiary training would also continue to be this pillar's responsibility.
- 16 UNAMI's current mandate (UNSCR 1770) twice refers to border security, for example, so it would be necessary to avoid duplication in this area. But there is no shortage of work to do on it.
- 17 This assumes: (i) employing roughly 100–150 police and judicial trainers; (ii) a slightly smaller complement of border security advisers; (iii) maintaining or enlarging the military component on the current level of NTM-I; (iv) a central administrative staff in Baghdad to back the EUSR. It does not include EC staff.

will be able to make a difference not only in Iraq but also in other fragile, failing, and failed states.

A shorter-term concern of any EUSR in Iraq would be assisting in the highly sensitive series of elections to be held through 2009 – these should be an EU priority even in the absence of an enhanced ESDP presence.¹⁸ Here, the EU will have to be particularly sensitive to the United Nation's prerogatives in Iraq: the second actionable item in UNAMI's mandate is to “the Government of Iraq and the Independent High Electoral Commission on the development of processes for holding elections and referenda.”

Fortunately, the EU and United Nations have a good track record in working on elections together. This is true in Iraq, where the EU paid two-thirds of the costs of landmark elections held in 2005, and the whole cost of that year's constitutional referendum. This was mainly funneled through UN channels, and External Affairs Commissioner Benita Ferrero-Waldner boasted that “the EU has been the UN's key partner in this essential task.”¹⁹ But EU-UN cooperation on electoral affairs has been even more intense elsewhere: In 2006, the European Commission deployed 200 election monitors to the Democratic Republic of Congo (DRC) to observe national elections coordinated by the UN mission there – the European Commission provided € 149 million to fund the elections.

Although the situation in the DRC has deteriorated markedly since, the Congolese elections were generally considered fair and competently-run – no mean feat in an unstable country the size of Western Europe. In terms of both funding and monitoring, the EU should be ready to repeat this level of engagement in the forthcoming Iraqi polls by deploying a substantial Observer Mission. Indeed, the elections offer the EU a significant public relations opportunity (though this is not to diminish the risks involved). If the EU were to appoint a polished EUSR, he or she should be able to win positive attention through championing a free, fair vote. The sooner the EU is able to overcome its wariness of a single envoy in Iraq, the better.

Iraq, Europe, and the Arab Gulf region

Whatever Europe's contribution to stability in Iraq, progress inside the country could be disrupted or destroyed by events in its surrounding neighborhood. Although there is a tendency to exaggerate the potential contribution of Iraq's neighbors to the country's stability, the cooperation of six states – Jordan, Turkey, Kuwait, Saudi Arabia, Syria, and Iran – remains crucial to Iraq's transition.²⁰ Iraq is in many ways dependent on its neighbors, most importantly because of its limited access to the Arab Gulf, the vulnerability of its overland oil pipelines, and its dependence on the uninterrupted flow of the Tigris and the Euphrates. In addition, it has a legacy of unsettled disputes with most of its neighbors, most notably Iran, compounded by the regional reverberations of the original US-led invasion of Iraq.

¹⁸ The first elections, at the provincial level, will be held on Jan. 31, 2009. Parliamentary elections will follow later in the year. The advice here applies to the later votes, as there is now little time to prepare new initiatives for the earlier ones.

¹⁹ EC, *EU Biggest Donor for Iraq's Elections and Referendum*, Oct. 21, 2005.

²⁰ David Pollock, ed., “With Neighbors Like These Iraq and the Arab States on Its Borders,” *Policy Focus*, no. 70 (June 2007).

The EU, like all parties interested in Iraq's security, has to think regionally. This comes naturally to European security specialists conditioned by the challenges of inter-connected peace processes in the western Balkans. EU members have direct interests in regional security in the Middle East and Gulf. These include not only the Turkish and energy questions highlighted in our introduction, but also the fate of European peacekeepers in Lebanon and the EU's role in the Middle East Peace Process.²¹ If the "Middle East" is interpreted at its broadest, the 2008 decision to send an ESDP naval mission to fight pirates at the mouth of the Red Sea is another investment in the region's security.

Nonetheless, the EU has played only a small part in a considerable US-led effort aimed at normalizing relations between Iraq and its neighbors (with the initial exception of Syria and Iran). US-backed diplomatic efforts included a two-day international conference on Iraq in November 2004 at Sharm el-Sheikh, Egypt. This included representatives from Iraq, its neighbors (Iran and Syria included), the G8, the United Nations, the Arab League, the EU, and the Organization of the Islamic Conference. The European leaders present only attended the second day of the event – the first day had been for regional leaders only (the United States accepted the same terms).

This set the precedent for a series of ministerial conferences of Iraq's neighbors: In 2006, a conference was organized in Saudi Arabia on religious dialogue. The next year, Syria (rather ironically) hosted a meeting on securing Iraq's borders. 2008 has seen meetings in Kuwait and Turkey. The EU has supported Iraq's outreach to its neighbors from the outset, with the European Commission active at all ministerial meetings and in three working-level forums addressing regional issues. Benita Ferrero-Walder has lobbied the Gulf states to open embassies in Baghdad and forgive Iraq's pre-war debt. European foreign ministers regularly note the need for better neighborly relations.²²

But the impact of all these conferences and dialogues has not been great. As a recent report to Congress euphemistically puts it: "[S]tatements agreed to and commitments made by Iraqis and their neighbors in regional conferences held since 2003 generally have not been implemented."²³ This is because, fascinating as the ministerial discussions doubtless are, they do not address the core issue in the region: radical shifts in the balance of power unleashed by the US-led invasion of Iraq. The Gulf region and broader Middle East are consumed by a struggle between rising Iran – whose investments in Hamas, Hizbullah, and Syria paid off, while the high oil price has filled its coffers – and an alliance led by Saudi Arabia and the Gulf states, who fear Iran's regional dominance and influence over Shiite communities within their borders.

This struggle is replicated inside Iraq, with Iran and Saudi Arabia backing the Shiite and Sunni factions respectively. This is only likely to increase as (in the words of last year's US National Intelligence Estimate) Iraq's neighbors "focus on improving their leverage in Iraq in anticipation of a Coalition drawdown."

²¹ See Richard Gowan, "From Beirut to Baghdad?" *E!Sharp* (Sep-Oct 2007).

²² Correspondence with EU diplomat, Sep. 20, 2008; see also "Messages-cadres sur l'Iraq," General Secretariat of the Council of the European Union, June 25, 2008.

²³ Christopher M. Blanchard, ed., *Iraq: Regional Perspectives and US Policy*, Report for Congress (Washington DC: Congressional Research Service, Apr. 4, 2008).

The Turkish incursion into northern Iraq in 2007 and early 2008 showed the difficulties that direct intervention can create, so Iraq's neighbors will likely avoid a direct conflict but confront each other via their proxies. Even if violence has decreased dramatically, in part because Iran appears to have paused or at least decreased the arming of Shiite militias, future flashpoints – such as the process of integrating the “Sons of Iraq” into the Iraqi security forces or next year's elections – could see Iraq's neighbors revert to promoting violence there.

The steps toward a more effective EU strategy inside Iraq outlined above are meant to reduce the danger of these flashpoints. It must be admitted that, both inside Iraq and regionally, European policy will have only a marginal impact on the risks involved relative to shifts in the US military's posture. Nonetheless, the EU has unexploited opportunities to contribute to regional stability on the basis of its economic diplomacy in the area. Specifically, the cooperation between the EU and the Gulf has been growing – independently of Iraq. Trade between the EU and the six members of the Gulf Cooperation Council (GCC) has risen steadily. Annual ministerial meetings have taken place since 1988 and cooperation now also includes non-proliferation. The EU had a \$22.4-billion trade deficit with the GCC in 2006.

Unfortunately, links between the EU and the Gulf remain largely technical and trade-oriented. European foreign policy toward the countries of the GCC has been lacking in the kind of comprehensive range of policy instruments seen in the EU's relations with its eastern neighbors. As Richard Youngs and Ana Echagüe point out, this is true both at the EU- and Member State levels, with only the United Kingdom and France maintaining a significant political engagement.²⁴

Breakthroughs have floundered on the technical nature of the EU's approach, the reluctance by Gulf states to negotiate as a group – and unify positions on issues like tariff structures – as well as uncertainty about the EU's seriousness. A preference for bilateralism by key EU states has also played a role.

Progress toward an EU-GCC Free Trade Agreement has failed to reach a result despite supposedly high hopes on all sides. The EU-GCC Joint Council and Ministerial Meeting takes place only once a year to no discernable effect.²⁵ Talk of a “Helsinki-type” regional security framework that encompasses Iran and the GCC countries has also been stymied by suspicions that such an arrangement would prove an instrument for regime-change across the Middle East. The Helsinki Final Act, after all, precipitated the collapse of the Soviet Union.

To overcome this impasse, the EU should build on the precedent set by the launch of the Mediterranean Union in Paris and invite the GCC heads of state, *along with Iraqis*, to an EU Summit at the earliest possible opportunity. Such a meeting – the first of its kind – could issue a political declaration on strengthening ties. Another EUSR could be appointed to follow up on this.

A bold way for the EU to follow through would be to offer the Gulf states a model of regional cooperation based on an earlier success in the Balkans: the Stability Pact.

24 Richard Youngs and Ana Echagüe, “Europe and The Gulf: Strategic Neglect”, *Studia Diplomatica* LX:1 (2007).

25 Leonie Holthaus, “EU and Arab Gulf States: Untapped Cooperation Opportunities,” *Atlantic Community*, Sep. 19, 2008.

This conflict-prevention mechanism was launched in 1999, bringing together the countries of the region with the members of the EU and other interested states and organizations to discuss issues ranging from the reconstruction of war-damaged areas to human capital. It proved a remarkably successful forum for states that had recently been at war to address common problems together.

One reason was that it offered a “European perspective” to the Balkan states. No such inducement is on offer to GCC members. Nonetheless, EU-GCC engagement could be moved beyond the purely technical/economic level through a Stability Pact-style process covering a range of issues: energy, development, education, environment, health, monetary affairs ... and Iraq’s security. The goal of these processes would be to embed talks on Iraqi stability in concrete discussions of other regional concerns, rather than the insubstantial talks of recent years.

There are two areas of security cooperation that both apply to Iraq and extend beyond it to concern GCC members more generally. The first of these is border management, which has been a priority within the organization since its inception in 1981. In 2007, the research group Oxford Analytica noted that Saudi Arabia and Kuwait were working to secure their borders with Iraq. “For the GCC,” it concluded, “‘fencing off’ Iraq is one of the best and least risky ways of appearing to support the security effort in Iraq, and fits with broader GCC policy of strengthening the alliance’s external borders.”²⁶ If, as we propose, the EU engaged directly in Iraqi border security through an ESDP mission, it could link this to cooperation with the GCC on general border questions.

This might involve EU support for border management across the Gulf region – a shift away from a variety of penny-packet, bilateral assistance programs in existence today. The launch of such a region-wide program could be prepared by an EU/GCC Border Management Conference, held at either the expert or political level, organized in the Gulf. This could, in turn, lead to the agreement of a border management concept – and guide the work of a Border Management Team modeled on an existing European equivalent at the OSCE’s Conflict Prevention Centre in Vienna.²⁷ If an EU-backed version of this team were to be set up in the GCC region, it would be one step toward wider regional security cooperation.

The second major potential security topic for GCC-EU discussions – and perhaps another priority for a “Gulf Conflict Prevention Centre” with EU backing – is maritime security. Piracy, especially off the coast of Somalia, is a matter of joint concern. More serious still is the risk of an accidental maritime confrontation, most obviously between the United States and Iranian navies. The downing of Iran Air Flight 655 by the US Navy in 1988 over the Straits of Hormuz is exactly the kind of incident that could trigger a larger conflagration in the Gulf. To minimize the likelihood of accidental clashes, EU-GCC discussions could start to explore the scope for regional maritime confidence-building measures.

As our references to a Gulf Conflict Prevention Centre suggest, GCC-EU relations would require some degree of institutionalization. The European Commission already has an office in Saudi Arabia, and it may be useful to anchor a Stability Pact-type arrangement there, creating a joint secretariat headed by a GCC representative

²⁶ See “Gulf States: Border Moves Yield Slow Progress,” *Oxford Analytica*, Feb. 19, 2007.

²⁷ For an overview, see <http://www.osce.org/cpc/13276.html>.

and the new EU envoy to the organization. This would not be on the scale of the new secretariat for the Mediterranean Union being readied in Barcelona, but again the Mediterranean precedent is useful. The EU could set up satellite offices in other Arab Gulf states while converting the Riyadh office into an EU “hub,” which can host more functional expertise. As the European Council noted in May 2007, all the Gulf needs to do to obtain more support from the EU is ask.²⁸

The EU’s new hub could connect to a range of like-minded initiatives. The non-governmental Gulf Dialogue, organized by the London-based International Institute for Strategic Studies (IISS) and hosted by the Bahraini government has tapped into regional interests in closer security cooperation: The meetings are now regularly attended by ministers from Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, UAE, Yemen, Iran, Iraq, and British, French, American, and Australian officials. The insertion of an EU presence would be a mutually reinforcing move. The EU could back up its regional initiative by funding European studies centers in the new generation of universities that Gulf governments are now encouraging.

Would these gradualist reforms make any difference? There is good reason to be skeptical that regional initiatives are likely, in the short-term at least, to compel Iraq’s neighbors to abandon the pursuit of their national interests in favor of a collective settlement. Iraq’s constituent political and ethnic groups are also unlikely to give up their pursuit of parochial interests in favor of national unity. But with US policy in flux, at least until the new US President is firmly in office and his foreign policy team confirmed by the US Senate – which will not be before spring 2009 – the EU has an opportunity to prepare a new regional agenda for the benefit of Iraq’s stability and as a basis for extending stability from Europe to the Mediterranean and down to the Arab Gulf.

Conclusion

Iraq faces daunting challenges. The drawdown of US forces will have both positive and negative impacts on developments inside Iraq and the role played by its neighbors. One risk is that a withdrawal will encourage Iraqi factions anticipating a power vacuum to seek local solutions – and external aid – which could intensify sectarian violence and even intra-sectarian competition. Even with violence at a historical low, the humanitarian situation inside and outside Iraq has become appalling.

Renewed instability in Iraq would hurt the EU in a number of ways and the risk should stimulate greater EU engagement there. Europe cannot replace the United States in the Gulf; but through diplomatic legerdemain, it can help avoid the creation of a dangerous vacuum.

Our recommendations on how the EU can help avert this could be described as a “tale of two envoys” – one leading an enhanced ESDP presence in Iraq, the other working with the GCC to foster regional stability. We summarize the processes we believe these envoys should lead as follows:

²⁸ See Council Conclusions on Iraq, General Affairs and External Relations Council, EU, May 27, 2008.

In Iraq:

- Strengthen the existing EU Rule of Law Mission in Iraq, with a particular emphasis on police governance and strategic planning for Iraqi police.
- Europeanize the existing NATO military/gendarmerie mission in Iraq.
- Combine these two missions into one ESDP mission, and add a third pillar dealing with border security.
- Place this mission under the authority of an EUSR, who should also be double-hatted as head of the expanded Commission office in Baghdad.
- Support the United Nation's electoral activities through financing and monitoring, and promote the new EUSR as champion of free and fair polls through 2009.

In the region:

- Hold a conference of EU and GCC heads of state, also inviting Iraq.
- Appoint a second EUSR to pursue regional diplomacy with the GCC.
- Offer the GCC – and Iraq – a regional security process based on the Security Pact model in the Balkans.
- Focus attention on border security and maritime security in this process, aiming to develop regional security concepts on both – potentially as the basis for a new “Gulf Conflict Prevention Centre.”
- Institutionalize an EU-GCC secretariat as a hub in Riyadh, with satellite offices around the region.
- Link these efforts to like-minded diplomatic processes, including the IISS “Gulf Dialogue.”

This combination of in-country and regional initiatives will only work as part of a wider, multi-institutional, international approach to Iraq. It will not necessarily even be a central element. But on Iraq, as on many issues of concern to the next US administration, the EU has to demonstrate that it is even marginally relevant. If it does not, its own concerns will go unmet – perhaps fairly.