



Europe's Key Geopolitical Challenges 2011 EGF Forum Online: Summary Document Brussels, April 2011

Key Points for Policy Makers

- I. The crisis in the Middle East and North Africa (MENA) is demonstrating that it is high time for Brussels to re-think its strategy towards the countries of the south bank of the Mediterranean
- II. EU political initiatives in MENA have often focused on democratisation capacity building, when most of the grievances which sparked this year's revolts on the Arab street have been predominantly socio-economic in character
- III. Brussels needs to devise effective mechanisms to overcome divisiveness in the narrow priorities of individual member states if it is to become a credible force in the sphere of international crisis management. It also needs to improve its early warning crisis prevention and detection instruments – or develop such capacities
- IV. MENA remains clouded by substantial uncertainty. There is no guarantee that democracy will emerge in the recently “liberated” MENA countries. However, Turkey might be able to offer such countries a credible model of democratic growth.
- V. Any major disruption in the supply of energy from the Middle East to international markets, as a result of the ongoing protests and civil conflict in the region, is unlikely
- VI. A general realignment may be starting to take place in the Caspian and Central Asian energy markets: Russian may be losing its grip over the region

Reigning in the Middle Eastern domino effect

This year's Annual European Geopolitical Challenges 2011 EGF Forum Online (held on the EGF website during February-March 2011) saw most participants focusing their attention towards the ongoing political crisis in the Middle East and North Africa. Many of the Forum's participants concentrated their efforts on determining whether or not the Tunisian and Egyptian uprisings would have a broader domino effect throughout the MENA region. It may be recalled that a similar domino effect occurred not so long ago in a completely different geopolitical arena: Central and Eastern Europe (CEE). In spite of the qualitative differences between the Arab uprisings and the democratic

revolutions in CEE, whose overall character was not so connected with domestic economic and political grievances (as is currently the case in the Arab world) but was linked more with animosity towards the Soviet patron state, the chain of events that has engulfed much of the Middle East in 2011 bears some reminiscence to the developments in CEE.

Forum participants raised concern as to the likelihood of Middle East style revolts taking place in the Republics of the former Soviet Union, most of which remain under the tutelage of authoritarian regimes that exhibit strong similarities to those targeted by the Middle Eastern protests. Another striking parallel is that many of the regimes of ex-Soviet Central Asia rely on energy-generated wealth to silence the opposition and maintain their political legitimacy – a situation reminiscent of Algeria and Persian Gulf. Concerns about political stability in Central Asia are underscored further by the fact that only a year ago the Republic of Kyrgyzstan was engulfed by rampant violence and regime change. Fear over the stability of other Central Asian republics, primarily Uzbekistan and hydrocarbons rich Azerbaijan, remains.

Could Turkey provide a model of democratic growth for the Arab states?

On the other hand, it seems that no such risk threatens neighbouring Turkey. While fears of spill-over from the Middle East have been expressed by some analysts, there are too many differences between Turkey and the Middle Eastern states to warrant the view that Ankara could be threatened by similar protests. Certainly Turkey is not free of unemployment nor is its democracy without flaws, but it must be remembered that similar unemployment problems exist in most European countries and that the Turkish government is democratically elected in relatively free and fair national elections. If Turkish citizens are discontent with their government, they will have the chance to replace it peacefully in the next elections.

At the same time Turkey might also be able to offer a political roadmap for those Arab Middle Eastern states which have recently seen long-standing authoritarian rulers overthrown. Certainly, it cannot be expected that either Tunisia or Egypt will go through a historical process such as the one that produced Turkish democracy in any short space of time. Yet, Ankara could still present a valuable reference point in terms of an “artificial introduction” of a multi-party democracy and successful integration of political Islam within the political system.

A need to re-think Brussels’ Mediterranean strategy

While most Forum participants recognised that the ultimate responsibility for the present rates of turmoil in the Middle East should be shouldered by local regimes, there was likewise consensus amongst participants that the European Union (EU) could have done much more to support peaceful change in the Arab neighbourhood. Participants questioned the utility of several EU cooperation initiatives in the region such as the European Mediterranean Partnership and the Union for the Mediterranean, given that violence and social injustice were on the rise in the lead up to the crisis which broke out in North Africa in January. A number of forum participants

suggested that the internal divisions among the EU member states and their individual national priorities remain at the root of the problem, in this respect, and undermine a united effort from Brussels towards the region.

The “awareness campaign” promoted over the last few years by the EU member states bordering the Mediterranean, which aimed to sensitize Brussels’ decision-making machinery about the risks looming for the EU, was unable to move North Africa to the top of the Union’s foreign policy agenda. Instead, other issues took priority, such as the Euro-integration of the Eastern neighbourhood which was championed by the EU member states of Central and Eastern Europe. Similarly, the current international involvement in Libya has provoked a new breakdown in the EU decision-making machinery. In spite of the recent Lisbon Treaty, the European External Action Service seems to be paralysed by the inability of the member states to agree on any single, unified course of action.

But inability to agree on policy priorities is only the first in a longer list of the EU’s shortcomings. Even more relevant is the lack of a thorough institutional appreciation of North Africa’s main structural ailments. Brussels external policy initiatives towards the region focused largely on democratisation projects at a time when the region’s socio-economic/cultural environment demanded more emphasis on basic social needs, with food prices and unemployment being the main form of grievances which ignited this year’s protests. Thus forum participants felt that the EU’s approach to the southern Mediterranean neighbourhood seems to have suffered from many shortcomings from the very beginning and is in need of a comprehensive re-evaluation.

No disruption to energy supplies from the Middle East envisaged

Forum participants also asked the question as to whether the spread of Arab street protests to the highly strategic Persian Gulf may lead to a disruption of energy supplies to international markets, and create major fault-lines in the international economy. Some Forum participants reminded us that previous revolutions in the Arab world had resulted in disruptions to trade flows, as exemplified by the former Egyptian president Nasser’s nationalization of the Suez Canal and closure of the Straits of Tiran in the 1950s and 1960s. However, the current protests in the Gulf do not seem to pose such a risk as they are rooted in domestic grievances rather than indignation toward the West – as was the case in Nasser’s anti-colonial sentiments during the 1950s. Resource nationalism is not on the agenda of the protestors in the Gulf, who are concerned instead with issues of social welfare and political reform. Disruptions of energy supplies to the West are unlikely according to Forum participants, and if any change in oil prices does occur, it will be more the result of market speculation rather than structural issues such as major shifts in supply and demand. Furthermore, only Yemen and Bahrain (the least relevant energy producers in the Gulf in global terms) have thus far been gripped by large-scale protests, while the main energy producers in the Gulf do not appear to be facing any substantial imminent threat.

That being said, the issue of security of supply remains at the top of EU domestic and foreign policy priorities, according to Forum participants. Away from the Gulf, the European Commission’s attention is currently focused on the strategic gas resources of Azerbaijan and Turkmenistan. Virtually all the gas pipelines designed for the

transportation of gas from Central Asia and the Caspian to Europe, namely the Interconnector Turkey-Greece-Italy (ITGI), the Trans Adriatic Pipeline (TAP) and NABUCCO, depend on these reserves.

A re-alignment in the balance of power of Central Asian energy

There is therefore great anticipation about a framework energy agreement between the Republic of Azerbaijan and European consumers, scheduled for the coming summer, in that this will mark a substantial step forward for the EU to realise more comprehensive security of its gas supply. At the same time, the awareness that Azeri reserves will not be sufficient to satisfy future European demand has led the Commission to shift its attention towards Turkmenistan. Yet, as long as there is no legal resolution to the under-sea borders of the Caspian between Azerbaijan and Turkmenistan, the possibility of transporting Turkmen gas to the EU will remain problematic.

Forum participants indicated that the “balance of power” in the Eurasian energy landscape seems to be going through a process of general realignment. The envisaged deal between the EU and Azerbaijan indicates that the latter seems to be moving away from the influence which Moscow has traditionally exuded over Caspian energy suppliers. Similar developments seem to be taking place in Turkmenistan (which in 2009 started exporting gas to China), Uzbekistan and Kazakhstan. A number of Forum participants felt that in the not too distant future Central Asian/Caspian energy markets would become more open to Western energy consumers, breaking the Russian “grip” over their energy exports. Yet, the opposite tendency may be the case in Ukraine if we consider the current negotiations between Kiev and Moscow which aim to merge Gazprom with the Ukrainian national gas pipelines operators, Naftogaz. While Moscow’s position in seeking to become a more dominant force in Ukraine’s energy markets has long been clear to many analysts, there is now increasing sign that Kiev may succumb to Russian initiatives as a means of maintaining and modernising Ukraine’s national gas transportation system.

The views and opinions contained in this article are those of the forum participants alone and do not necessarily represent the views of the *European Geopolitical Forum*.

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