Informal Round Table Conference and Panel Discussion on EU-MENA relations

Brussels, 5 May 2023





Swedish Dialogue Institute for the Middle East and North Africa



SUMMARY

On 5 May, the Swedish Presidency of the European Union (Swedish Dialogue Institute for the Middle East and North Africa, in coordination with the Swedish Ministry for Foreign Affairs and the Permanent Representation of Sweden to the EU) hosted an informal roundtable discussion in Brussels to discuss challenges and opportunities in the relationship between the broader MENA region (Middle East, the Gulf region and North Africa) and Europe.

In a candid and constructive exchange, participants (analysts from the region and EU officials) reflected on the state of EU-MENA relations. They discussed the impact of the new geopolitical and regional developments, in particular following the Russian invasion of Ukraine and the recent rapprochement between Iran and Saudi Arabia. The discussions also covered issues such as energy and green transition, digitalization, economy and trade, value-based dialogues, and engagement with broader parts of society, as well as challenges and prospects for enhanced dialogues and collaboration.

The meeting provided several specific recommendations to advance the relationship, including the need for a higher sensitivity from both regions in understanding the challenges and grievances of "the other". Other recommendations included the importance of maintaining a value-based agenda, while working more seriously on economy and trade (incl. agricultural products) as opening-up markets may have transformative effects; support development of a competitive private sector with political economy at the heart; use EU leverage in IFIs and EBRD which are active in the region. The increased importance of EU dialogue with the GCC on cooperation with countries in the Southern Neighbourhood was also stressed. Enhanced work on people-to-people contacts was also highlighted, including Europe's maintained strong pull factor, not least as attractive destinations for higher education. EU support for educational exchanges and for "knowledge production" in the MENA region were also considered valuable. The importance of strengthening EU communication and visibility in the region, as well as communication in Europe about the MENA region, beyond the regions' conflicts and crisis.

All the analysts from the MENA region argued that the geopolitical shifts created a strong imperative for enhancing the EU-MENA cooperation in all fields, from political dialogues to sectoral cooperation (e.g. energy), the issue of mobility (future of work in Europe and the MENA) and responsible business.

The round table meeting was followed by a panel discussion, in which analysts from the MENA region and the Director of the MENA department at the Swedish Foreign Ministry, shared their reflections with EU member state delegates to the EU Council Working Groups Maghreb-Mashreq and Middle East Gulf.

REPORT:

On 5 May, the Swedish Presidency of the European Union (Swedish Dialogue Institute for the Middle East and North Africa, in coordination with the Swedish Ministry for Foreign Affairs and the Permanent Representation of Sweden to the EU) hosted an informal roundtable in Brussels to discuss challenges and opportunities in the relationship between the MENA region and Europe, two years following the adoption of Council conclusions on a renewed Partnership with the Southern Neighbourhood - A new agenda for the Mediterranean and one year after the adoption of EU's enhanced Partnership with the Gulf Cooperation Council (GCC).

Following up on an online roundtable discussion¹ a year earlier, participants - including analysts and practitioners from the MENA region and Europe – discussed challenges and opportunities in the relationship between the MENA region and Europe against the backdrop of a new partnership between the EU and the GCC as well as a changing geopolitical context, just over a year after Russia's invasion of Ukraine, and in light of developments in the region, incl. the rapprochement between Iran and Saudi Arabia in the spring 2023.

The overarching vision and ambition for the EU with respect to its partnership with the ten countries on the southern and eastern shores of the Mediterranean as well as with the countries of the GCC provided a context for the discussion.²

Consequences for the EU-MENA relations of geopolitical and intra-regional political changes

Analysts stressed that the MENA region and the world are in deep transformation, and that in this process, MENA and Europe - attached to each other by geography, history, institutional partnership - were risking drifting apart. The European narrative that the rules-based world order now is under threat, following the Russian invasion of Ukraine, was looked upon with a certain cynicism by MENA region and Africa. These regions had seen *"similar interference happening time and again, without the region's concerns being taken fully into account by the West"*. Several analysts highlighted this concern, including by giving examples such as Iraq 2003. One analyst argued that Europe was now using moral arguments, while for instance in the case of Libya, Europeans had argued that it was not conducive to be "moralistic but rather to be pragmatic".

¹ <u>Roundtable Discussion on EU-MENA Relations 2022</u>

² <u>A new agenda for the Mediterranean: a renewed partnership with the Southern Neighbourhood</u> states that "a democratic, more stable, greener and prosperous Southern Neighbourhood is a shared strategic priority and fundamental interest for both the EU and its Southern Neighbourhood partners". <u>A strategic partnership with the Gulf</u> provides an operational roadmap towards a strategic partnership in a wide range of key policy fields, such as climate change and green transition, energy security and a strong response to global humanitarian and development needs and global and regional security challenges, as well as on people to people and the need to further strengthen and enhance political dialogue and institutional cooperation between the regions.

One EU Member State official noted that MENA countries did not seem to understand what the Russian aggression against Ukraine meant to Europe, and that the issue had significant global consequences. *"Europeans are de facto at war with a cornered and unpredictable Russia."* The official stressed that it was imperative that the countries in the region do not undermine the efforts to push back the Russian aggression, through military deals etc. Participants were asked to pass on the message in the MENA region. Participants from the region recognised the European concerns, but they underlined that in order to be credible Europe also had to recognise the universality of the principles of international law and pointed to what amongst many in the MENA region is perceived as double standards. It was also imperative to address the Israeli-Palestinian issue as it was used and re-used for various purposes. (Comment: Israel's role in the region against the geopolitical developments was, however, not strongly emphasised in the discussion).

Several of the MENA analysts pointed to a risk of Europe losing its narrative and influence in MENA region, also because of the role that Russia and China increasingly play. In addition to the geopolitical consequences this also contributes to further disempower the liberal opposition in the region. A European analyst stressed the difference between Russia and China in their ways of dealing with the region and called for more awareness of the distinction between the two countries, their interests, and their ways of operating.

Regarding the US role in the region, one MENA analyst stressed that there was room for conversation between MENA and the EU on cooperation with the US, for instance with regard to security framework. Another participant stressed the importance of also nuancing the "image of the West" and be aware of the distinctions between US and European interests and relations with the region, bearing in mind the close geographical proximity between Europe and the Middle East North Africa region.

Participants, both from the MENA region and Europe, described the relationship between the two regions as one of multiple dependencies. In addition to the intraregional dependency on security, climate, etc. the European energy dependencies had increased after the Russian invasion of Ukraine. On the other side, one analyst highlighted that MENA leaders are personally dependent on Europe (e.g. banking).

Against the backdrop of the recent rapprochement between Saudi Arabia and Iran and its impact on region and on EU-MENA relations, one analyst stressed that there is a strong need for more conversations on these developments, as well as on the Gulf involvement in the broader MENA region. The Gulf countries' engagement in the region have directly impacts on the EU. However, in their dialogue with the EU, the Gulf countries prefer to focus on very concrete areas of interest (visas, trade, investment etc.), and to keep other (more political) conversations separate, including on the region. It is in the interest of the EU to discuss also discuss regional issues, including Gulf interventions which may appear as stabilising in the short term, but that could be destabilising in the longer-term, including financial interventions (e.g. Sudan).

Military interventions would also be an important topic to discuss, including the drones, cyber security etc. Disregard of the monopoly of the use of force should be put on the table, perhaps under the theme "good governance". Another topic would be the use of "investment diplomacy" to explore how for-profit investments possibly also could contribute to sustainable development (e.g. to support sustainable renewable energy in North Africa). Furthermore, different forms soft power, e.g. service delivery, would be an important topic (e.g. UAE was admired for service delivery and good governance but the ideas it was exporting were of a different nature).

One MENA analyst noted that the region was characterised by strong regimes, weak states and institutions and highly personalised politics. A key issue - along with food, the economy, dignity - was therefore to continue work on good governance and in supporting consolidation and development of functioning institutions at state and local levels. This also called for greater EU awareness on the shrinking civic space and to work based on a do no harm approach. The analysts argued that sustainable stability can only be achieved by working both at a state-to state level and in broader dialogues and collaboration with wider groups of stakeholders, including civil society actors.

Reflecting on the lessons from the past regional and intra-regional cooperation, one of the analysts described the high hopes when the EuroMed collaboration started in the 90's, but said that recent history had shown limited progress, which in turn had led to disillusionment and a certain frustration. He argued that Europe could play a much more active political role. *"Europe has the potential to export solutions and risks otherwise having to import the problems".*

It was mentioned that the region, which had been characterised by disorder and tensions, with interdependent conflicts and influential of powerful non-state actors (a regional "cold war" of sunni-shia divisions, civil and religious wars, etc.), was currently experiencing normalisation processes between regional actors. These developments will also influence Europe. It is therefore imperative for Europe to come back as a more active diplomatic player, including through track I, track 1,5 and track II processes. Furthermore, if the EU want to be political actor (like China and Russia), it will need to invest more concretely in terms of security dialogues.

All the analysts from the MENA region argued that the geopolitical shifts created a strong imperative for enhancing the EU-MENA cooperation in all fields, from political dialogues to sectoral cooperation (e.g. energy), the issue of mobility (future of work in Europe and the MENA) and responsible business.

Weak understanding of EU and what it does amongst MENA populations – need for a much stronger focus on strategic communications, including expectations management

In an increasingly multi-polar world, the MENA analysts stressed that it was more important than ever to strengthen communication about EU and what the EU stands for, in the region. Both Russia and China are currently more active in communicating their respective narratives were considered successful in this regard. Europe's "lack of a clear EU identity" made it easy for regional actors to manipulate the perception. The participants argued that there was no contradiction for the EU in talking about the Union's both interests and values. They argued that it was important for the EU to continue to raise both, but to avoid sending conflicting signals, sometimes only raising a value-based agenda and at other times only raise energy, migration, or other interests.

Reflecting on the perception of Europe from a grass roots perspective, one of the analysts noted on one hand that Europe often was saying one thing and doing another, e.g. highlighting democratic values, while at the same time collaborating with warlords. On the other hand, there was also an information gap, regarding the good work done by Europe in terms of investments, supporting democratic values etc. This work was not clear for the people of the region, partly due to political leaders' manipulation of media often portraying Europe in a negative light.

Another aspect related to communications was expectations: People, both in the MENA region and in Europe, had unrealistic expectations when it comes to what the EU could actually do. For instance, EU cannot build good governance in the countries - that needs to be done from within. However, the EU can support such processes. And the EU could become better in using its leverage. One EU official stressed that the problem of EU narrative was that the is trying to do everything at once, which creates unrealistic expectations on results that EU cannot live up to. Others reminded that the relations are broad and therefore naturally cover a range of areas.

The need to put people-to-people policies in the centre of the relations between the regions was highlighted by several participants. Universities in Europe were described as a huge capital, through which Europe could shape "the hearts and minds", for instance through setting up scholarships, incl. to diplomats. EU support for educational exchanges and for knowledge production in the MENA region were considered valuable. The importance of soft power should not be underestimated. One MENA analyst stressed that Europe had a lot to offer, also to Gulf countries e.g. capacity building. One EU official drew attention to the gaps between MENA elites and rest of society, noting the problem for the EU youth programmes to reach "the street". The role of the diaspora was also discussed and mentioned as potential vehicles for the transfer of values, knowledge and understanding.

Challenges of the European side

A couple of European officials pointed to a lack of interest from Europeans leaders for the MENA region, as an effect of other issues - in particular Ukraine – currently being more prominently featuring on the European agenda. It could also be a sign of "fatigue" after what was perceived as *"endless European efforts to support peace and development in a region, without tangible results and without sufficient responsibility taken by leaders in the region"*.

Another issue with EU's cooperation with the region mentioned was the lack of unity amongst member states, who tend to compete with each other, which weakens the EU. The divisions amongst member states were also expressed in member states prioritising business and letting EU institutions take the lead on promoting values.

A European analyst characterised European Neighbourhood Policy (ENP) as "Eurocentric" (e.g. the term Southern Neighbourhood) and stressed that it was time to redesign, for instance with regard to trade concessions. This was supported by analysts from the region.

EU needs to focus less on migration, and more on creating conditions for political and economic development by doing what it does well: Focus on the economy, support rule of law, governance, combating corruption; take steps to connect the Southern Neighbourhood closer to the Single Market.

Participants from the region and from Europe pointed to EU discussions on the Southern Neighbourhood often being too narrowly focused on migration, in the sense of stopping the migration. Singular focus on migration was a dead end, with funding to migration related activities at best having a short-term impact. Furthermore, rather than believing European engagement would make big changes, it would be more effective to let the region take lead in addressing regional challenges. Migration could be seen as a symptom of failed politics and failed economies, and focus should rather be on addressing root causes. A couple of participants argued that the EU, in its cooperation, need to focus more on economic and trade matters, issues where the EU had a positive agenda, as well as on promotion of rule of law, governance, combating corruption in order to promote the foundation for economic development and investment.

Several participants pointed to the role of private actors and investments, in order to create societies in which people wish to stay in the country and to provide the work force that is needed for the investment. And to attract investment, countries need to have something attractive to offer, including rule of law, transparency etc. The European Investment Plan (EIP) was there (for the Southern Neighbourhood) but was facing huge challenges.

It was also argued that EU could do more, for instance with regard to energy, digitalization and youth involvement. E.g. at the moment, there is a limited time window to have to broaden the collaboration between EU and the Southern Neighbourhood on green energy, in the *"race on who best can provide for a green transition"*. Here the MENA region had a chance to profit on the possibilities – or risk to "miss the train". Participants suggested that the EU should identify projects, which could be considered as win- win by EU and MENA, for instance in the energy sector.

A Member state official reminded that EU policy was focussed on stability. To contribute to sustainable stability and to counter influence of other global actors, EU need to work with governments of the region to promote good governance, also for the region to be able to attract investments. It was argued that the EU was good at stable partnerships, but there was a need to make these partnerships more strategic and political, including more structured dialogues in the same way EU did with its Eastern neighbourhood. *"Sectoral cooperation is important, but enhanced political dialogues are also needed."*

Commenting on the reflections by European participants, one MENA analyst stressed that there was no disagreement in the room on the governance weaknesses in the MENA region. One issue was that private sector did not have infrastructure to thrive and that the public sector was trying to be public and private sectors at the same time. Europe, with its own experiences could be helpful in this regard. Other analysts agreed that that region was fragmented, and its economy was weak, but argued that it was a shared responsibility between the region and Europe (and the wider the International Community) as region has been dependent on IFIs, which were part of the rules-based order. Good governance was not part of the World Bank's charter and sometimes structural adjustment had taken place against the will of the people. A European participant commented that if the economy was in order in the first place, IFIs would not need to intervene.

One analyst from the MENA region noted that the EU's greatest strength was the single market and pointed out that steps that had been taken to connect the Eastern neighbourhood in this regard. More work in connecting the MENA region to the single market was also needed. The analyst also stressed that *"support of values should be considered a real European interest and not something that can be discussed about only from time to time, but forgetting when embracing authoritarian leaders in the hope they will stop migration"*.

Panel discussion

The round table meeting was followed by a panel discussion, in which analysts from the MENA region and the Director of the MENA department at the Swedish Foreign Ministry, shared their reflections with EU member state delegates to the EU Council Working Groups Maghreb-Mashreq and Middle East Gulf.

Recommendations

The meeting provided a number of specific recommendations to advance the relationship, including a higher sensitivity from both regions in understanding the challenges and grievances of "the other".

- If the EU wants an understanding from the MENA region of how the war on Ukraine effects the whole of Europe, Europe also need to recognise and address the situation and challenges in other parts of the world, including in the MENA region.
- Be more self-aware about what is feasible to do and not. Do no harm should be the guiding principle.
- The EU should maintain a value-based agenda in its engagement with the region and, in parallel continue to engage in broader dialogues and collaboration with governments, as well as with wider groups of stakeholders, including civil society actors. More inclusive dialogues are needed to build long-term sustainable stability.
- There is a need deeper EU-MENA cooperation in the fields of economy and trade (incl. agricultural products). Opening-up markets can have transformative effects.
- Support development of a competitive private sector. Political economy should be at the heart.
- Use EU leverage in IFIs and EBRD.
- Increase support to people-to people contacts, including educational exchange programmes (going beyond the valuable Erasmus+ programmes), and scholarships, including for diplomats, as well as cultural exchanges. There is also a scope for the EU to support knowledge production in the MENA region.
- Strengthen EU communication and visibility in the region, while also highlighting the importance of dialogue with the MENA region in Europe, incl. share information on positive developments and initiatives in the region.
- <u>EU internal</u>: Use EU Council working groups more strategically in terms of policy development, incl. through informal meetings and by bringing voices from the MENA region to the working groups (e.g. voices from civil society, private sector, etc. to promote more nuanced understanding of the situation on the ground).